Master thesis

Exporting opportunities and challenges from Sweden to Iran.

-A multiple case study of Ericsson, Volvo, Scania and Electrolux.
Abstract

Today’s market place is more aggressively competitive than ever, large international companies are actively exporting goods to foreign countries in order to expand their market shares. The exporting process from developed countries to emerging markets such as developing countries is challenging than ever, as a result, scholars in international marketing and business have called for further research concerning this area.

In this thesis the author is exploring the process of export between Swedish large B2B companies to Iranian market in order to identify the export barriers and solutions to overcome these barriers.

The author first conducted literature reviews in the context of external and internal export barriers. Likewise, from the literature review a conceptual model was framed and primary data was gathered in the form of multiple case studies from Ericsson, Scania, Electrolux and Volvo (truck division). Moreover, the author conducted one-to-one semi-structured interviews with ten participants from the four companies and found remarkable results.

All the cases showed that, institutional barriers in political and regulatory settings are problematic when exporting to Iran due to the sanctions. Moreover, the companies are facing challenges regarding uncertainty and financial transactions. Likewise, it is also witnessed that companies find the process of finding forwarders challenging. Lastly, elements such as keeping up to date with sufficient knowledge (knowledge barriers) regarding Iran and production capacity (large order volumes that are hard to handle by the firm) also caused export barriers for the companies.

In order to overcome the barriers companies have to do the following: Working with flexibility through the local dealers and establishing close relationship with the partners and forwarders, following the EU rules and regulations, educating the employees regarding the hosting country, establishing close relations with the governmental sector.

Keywords:
Export barriers, internal barriers of export, institutional barriers of export, knowledge and experience barriers of export, export modes.
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1 Introduction

This chapter carries out the background and fundamental logic of the research by defining exporting and international marketing and its importance in the global market. Furthermore, the author defines export marketing, foreign market entry and institutional barriers. Lastly it acquaints readers with the research gaps, purpose, research questions and the outline of the study.

1.1 Background

More than 200 years ago Adam Smith the great philosopher from United Kingdom noted that knowledge of international export and exchange is a vital success factor for the prosperity of countries (Terpstra, 1987). Moreover the same source argues that, the majority of the world population wants to live in the global market place; as a result international business firms will find satisfying openings for exportation of goods/services.

After the world economic recession from 2007 to 2008 many large companies became aware of the influence of international markets and export management strategies (Albaum et al., 2008). Moreover, the same authors state that, economic meltdown alerted companies as well as governmental divisions to frame suitable international strategic measures regarding export and imports.

International marketing is generally concentrating on the performance of business activities beyond the domestic market and towards global market (McAuley, 2001). Furthermore the same source justifies that, international marketing and exporting allows the companies to gain profit from goods and services beyond one country and focus on the global market. Due to the high potential of export and import for companies in the Asian region, exporting to these markets became even more important to companies after the growth of Chinese and Indian economy, (Albaum et al., 2008). Therefore, the occurrences of globalization have enforced companies to convey more robust international marketing and export management strategies (Ibid).

Albaum et al. (2008) argue that, export marketing and foreign market entry are also boundless strategic pillars of international marketing that allows managers to enter global
markets dynamically. The same study comprised that, export marketing is one of the most common methods of market entry modes (Jalali, 2012). Exporting can be defined as the firm’s activities such as products or services in international scales or foreign countries (Ghauri et al., 2003). Large international companies can face many challenges when entering into emerging markets such as developing countries (Blomstermo et al., 2004).

According to Blomstermo et al. (2004), through a survey based study on 256 small and medium sized manufacturing firms in Sweden and New Zealand, it was observed that, the exporting and international marketing performance of the focal firm depends on several factors. The reputable authors solidify that; experimental knowledge through experience in exporting as well as international marketing can increase the performance of the focal firm in foreign countries and emerging markets. In this regards, due to complex foreign market policies, institutional context and rapid changing environment, experimental knowledge is well documented in international marketing (Blomstermo et al., 2004).

Export barriers are the challenges that the company faces while exporting to the hosting country (Pehrsson, 2004). Moreover, these barriers can be classified in to exogenous (factors out of the hand of the company such as culture and law of the hosting country) and endogenous (factors that are in control of the firm) barriers for and must be addressed accordingly (Pehrsson, 2009). In order to overcome the barriers companies must consider numerous operational solutions (solutions to overcome the barriers) or activities depending on the context and environment of the hosting country (Meyer 2004).

Managers in the United States started to have concerns regarding export performance and the time planning for export from the early 1980’s as they faced extreme levels of competition in the emerging markets (Axinn, 1988; Uner et al., 2013). Moreover, managers continuously aim to adapt to market conditions while exporting but they face many barriers and challenges in emerging markets as they are tentative and hard to adapt to (ibid).
1.2 Problem discussion

Internationalization for multinational enterprises are emerging fast in developing countries, this issue is causing pressure on large companies to focus more on foreign market entry strategies and operational solutions for the formed barriers (Fabian & Molina, 2009; Meyer 2004).

A quantitative based study in Nigeria shows that; knowledge barriers in cultural and political context of developing countries can cause huge export obstacles for international companies (Okpara, 2009). Additionally, a recent study in 2016 from international companies in China confirms that, the hosting country’s foreign policies can influence the level of export for international firms (Sheng & Yang, 2016). This study later on concludes that, institutions and political context of developing countries can play an important part in shaping the international business of large firms in emerging markets. Lastly, Sheng and Yang (2016) indicate that, there needs to be a larger body of research addressing political and institutional barriers from multinational companies to emerging markets such as developing countries.

According to Zucker (1987), institutional theories of organization provide deep and dynamic understanding of organizations in different cities and countries. Furthermore, the respectable author also addresses that, institutions and organizations within the country can form the legitimacy and political situation which can later on influence many other organizations (this concept will be elaborated more in the literature review chapter).

Institutional context and theories are very significant concepts in international business and entry modes for multinational companies. This statement is confirmed by Ang et al. (2015) through a survey based study that acquired in 13 years of data collection from manufacturing firms in six different emerging markets. The reputable scholars argue that, institutional theories highly influence the entry modes of international companies. Even though, international business scholars are starting to notice the special effects of institutional theories and political factors on exporting to emerging markets in international companies, Angel et al. (2015) state that the area needs to be more explored since there is thin body of literature in this context.
Due to complex competitive environment for international companies and lack of adequate international research on export barriers to emerging markets, two of the world leading international journals have called for special issues. In this regard, both journal of world business and journal of international business studies have created special issues in 2014 and 2016 to address these problems (Doh et al., 2016a; Doh et al, 2016b).

Developed countries are also facing relationship and trust barriers to export when forming strategic alliances through joint ventures, as they are important elements of exporting for international companies (Zineldin and Dodourova, 2005). Likewise, large international European firms are struggling to overcome the barriers of trust and commitment in developing countries and emerging markets. This issue has been addressed by Zineldin and Dodourova (2005) through a survey based study within two large Swedish auto-manufacturing companies located in Russia. The result of the research indicates that, even though Swedish and Russian parties had difficulties of communication and trust, strategic alliances through joint venture between Swedish and Russian parties helped increase the performance of the Swedish auto-manufacturing companies.

Relatedly, a comparable case study of Volvo and Scania by Zineldin (2007) shows, developing relationship with customers through reliable third parties in Mexico is beneficial for companies. However, the research also highlights the difficulties the Swedish companies face in Mexico regarding politics and institutional context. Zineldin (2007) also states that, developing strong relationship with governmental organization and institutions can lead to competitive advantage for companies if achieved.

According to CIA world fact book Iran is a developing country with more than 80 million populations with great resources and capabilities (Cia.Gov, 2016). Iran has been under heavy sanctions from Europe and United states which isolated its economic development and limited Iran’s ability of buying technological components (Broad et al., 2011 ). In this concern, Iran is a large emerging market for multinational companies since it is in need of technology and machinery (Khodadadi, 2016). In January 2016 all the UN (United nation) sanctions have been lifted from the Iranian market which permits all European and American international companies to invest heavily in Iran (IanchoviChina et al., 2016). Iran’s trade flow construction in 2011 exemplifies that, the country’s automotive and technological sectors rely greatly on imports (Ibid).
According to statistic Sweden (2016) Swedish exporting to Iran is rising. Rendering to the same source, the rate of export from Sweden to Iran has elevated from 1822 million SEK in 2014 to 2415 million SEK in 2015.

In 2016 Swedish export to Iran is expected to increase since the sanctions are lifted. Large international manufacturing companies in B2B sector such as Scania, Volvo, Electrolux and Ericsson have officially announced through numerous sources and news media that they are planning to expand their business in Iran (Presstv.com, 2016; just-auto.com, 2016; Bloomberg.com, 2016; Iran-bn.com, 2016). On the other side, Iran is considered an emerging market with high potential for international investment (Biswas & Méndez, 2016).

Witt et al. (2015) address that; Iran is an emerging market and its business system attains more research and investigation. Furthermore, the only academic international research between Iran and Sweden dates back to the year 1996, by Hadjikhani and Johanson (1996) which shows that little research exists concerning the exporting between Sweden and Iran.

1.3 Research gap

Business scholars have well documented technological improvements in developing countries in Asia and Middle East; therefore, they are considered important emerging markets full of fruitful potentials for foreign investments (Aw et al., 2007; Cammett et al., 2015). Prior research has largely explored, adaptation of international marketing strategy (firms adopting to a foreign markets) while exporting to emerging markets (Griffith et al., 2000; Griffith & Myers, 2005; Shoham et al., 2008; Chung et al., 2012; Livanis et al., 2016). However, there is a thin body of literature concerning export barriers and overcoming barriers of international companies (both large and SMEs) in developed countries while exporting to emerging markets (Blomstermo et al., 2004; Zineldin & Dodourova, 2005; Zineldin, 2007; Okpara 2009; Fabian and Molina 2009; Angel et al., 2015; Sheng & Yang 2016).

1.4 Purpose

To address the academic research gaps in the related literature, the purpose of this study can be framed as:

- What export barriers do large B2B companies from developed countries face in emerging markets and how do these companies formulate operational solutions to overcome these barriers.
1.5 Research questions

RQ1) what export entry barriers do large B2B companies in developed countries face in emerging markets?

RQ2) How to overcome the export barriers of large B2B companies in developed countries while exporting goods to emerging markets?

1.6 Delimitation

International marketing and export barriers are boundless notions of marketing there for; it is not feasible to study all areas of these concepts in a single thesis (Albaum et al., 2008). Likewise, many scholars have settled that no single study can convoke and justify all possible outcomes (Oghazi, 2009). This study is delimited to large Swedish B2B manufacturing firms that export goods to Iran, this is possible due to ease of access for the author since the author is from Iran (but located in Sweden) and the university which provides this project is located in Sweden.

B2B is defined as a market place where companies sell goods or services to other companies, this can happen in many industries (Rauyruen & Miller, 2007; Vargo & Lusch, 2011). The aim of the author is to gather qualitative data from four large Swedish B2B firms; these companies are Ericsson, Electrolux, Scania and Volvo (truck division). Furthermore, the author plans to do in-depth face to face (Skype and telephone interview) qualitative interviews with several responsible people in each of the Swedish firms regarding their export to Iran. Moreover we must address that Sweden is a very suitable context for data collection since the main engine of the economy relies on exports (more than half of the gross domestic product are from exports) and the country is having a large growth in economy every year (Berg, 2008; Hultman et al., 2008)
1.7 Report structure

In order to attain the goal of the study, this thesis is divided into 7 chapters, each demonstrating a different stage in the research procedure.

**Chapter 1** Provides the underlying of the research followed by background, problem discussion, and purpose and research questions.

**Chapter 2** Provides a deeper understanding of exporting barriers and relevant theories through in-depth literature review.

**Chapter 3** Provides the research model of the thesis framed from the literature review chapter.

**Chapter 4** Will focus on the research design of this study and the methodology employed to address the objectives of this thesis.

**Chapter 5** Provides the empirical findings of the study.

**Chapter 6** Provides the analysis and discussion of the thesis based on the results.

**Chapter 7** Provides the final conclusion and implementations as well as managerial recommendations followed by future research.
2 Literature review

The following chapter of this dissertation has two main objectives; first, to simplify and define the notion of international marketing from different perspectives since it is the core concept of this thesis. Second, to review large body of literature that relates more directly to the purpose of this thesis. Furthermore, this chapter will provide the readers with previous research and finally will develop the conceptual model for this study, which will serve as a guideline for gathering primary data.

2.1 International marketing and export

International marketing can be defined as, the procedures in which a business has to resolve on its marketing activities over national borders (Haghighi & Salarian, 2014). Moreover, exporting is one way to attain successful international business with foreign countries (Ibid).

According to Clark (1990), exporting and international business can be challenging since every country has its own cultures and behaviors as well as rules and regulations. Likewise, the reputable author highlights the importance of national character on international business and exporting as this is the number one factor influencing internationalization of companies.

Clark (1990) defines national character as the development of validating personality characteristics between the population of a specific nation, which can shape the culture, rules and regulation of the country. Additionally, Steenkamp (2001) argues that, regional culture and behavioral perspective of people are important measures that can affect global companies around the world.

As mentioned earlier (in the first chapter), the process of internationalization and exporting can have many exogenous (factors out of the hand of the company such as culture and law of the hosting country) and endogenous (factors that are in control of the firm) barriers for companies (Pehrsson 2009; Albaum et al., 2008). It must be also addressed that, exporting has been the most popular and fastest growing entry mode for companies in international markets (Jalali, 2012).

Barriers to exporting can be very challenging for companies especially when exporting to developing countries which have high level of uncertainty due to complex political, cultural and legal factors (Fabian & Molina, 2009).
2.1.1 Indirect and direct exporting

Companies have variety of options to choose from when exporting to the hosting country, according to Hessels and Terjesen (2008) exporting can be classified as direct and indirect export. In this regard, Sharma and Erramilli (2004) argue that, in the event of exporting the focal firm can export the goods directly to the clients in the hosting country or they can export indirectly through intermediary firms or companies. The reputable authors claim that, direct export is the most common type of export while indirect is used when the exporting procedure is more complex. In this context, Fletcher (2004) states that, intermediary firms can help the exporter with tasks such as; distribution, transaction, sales, marketing and other related services overseas. Moreover, Peng and York (2001) disclose that, intermediaries act as important middleman’s in international trade, their role is to link organization and people to one another. Li (2004) argues that, exporters try to hire intermediaries in order to lower costs, minimize risks and solve the knowledge and experience barrier of the hosting country through working with experienced middlemen.

Peng and York (2001) state that, intermediaries are normally in the form of agencies in the exporting country or subsidiaries in the hosting country however, intermediaries are normally in the form of subsidiaries in the hosting country.

2.2 Entry barriers of export

Exporting is the most popular method by which a company gets involved with international market, understanding the drivers of export and its barriers can increase the company’s international competitive advantage (Morgan et al., 2012). The same source advocates that, a suitable international strategy regarding exports can decrease costs and increase the performance of the focal firm is emerging markets.

Export barriers can differ between industries, size of the company, level of involvement and international experience. It is argued that smaller companies find exporting more challenging than large international companies since they have less resources (Leonidou, 1995).
It is greatly documented that, the growth of a nation's export has direct effect on the economic growth, yet despite this potential many companies are facing challenges in this context (Cavusgil & Nevin 1981). Moreover, the export performance of a company can be increased through managerial implementation and management experience; however, many external environmental factors of hosting countries can create barriers of export. Furthermore, According to Tesfom and Lutz (2006) macro environmental factors are considered to be exogenous barriers in exporting and most likely out of the hand of the company. Likewise, the reputable scholars classify factors such as, exchange rate, foreign policy, legitimacy, culture, relationship barriers and export regulations among macro environmental factors that can influence export performance of a company.

Several recent studies in emerging markets such China, Nigeria, Mexico, Russia have highlighted the importance of macro environmental factors such as institution and governmental organizations on export entry barriers for large European and American companies and have emphasized on the importance of these barriers while exporting (Zineldin & Dodourova, 2005; Zineldin, 2007; Okpara, 2009; Sheng & Yang, 2016).

2.3 Macro/ External environmental barriers

2.3.1 Institutional barriers

According to Zucker (1987), institutions and organizations of a country are shaped by the government and the people of a country. In this regard, governmental institutions can shape many important factors such as legitimacy (rules and regulations), political situation and cultural environment of a country and therefore must be taken seriously by international companies.

Institutions and organizations of the hosting country can greatly impact the firms export performance (Ang et al., 2015; Sheng & Yang, 2016). In general institutions can shape the rules and regulations as well as political and economic situations of a country and must be taken seriously (Sheng & Yang, 2016). On the other hand Leonidou (2004) believes that governmental organization do not affect the exporting performance to a large extent. The reputable author believes, factors such as managerial and internal functionalities can cause
more barriers to export than institutional barriers. Meanwhile, LiPuma et al. (2013) have a
dissimilar view as they state that, institutional environment tend to be more robust and stable
in developed countries but they are very uncertain in emerging market such as developing
countries. Through a survey based study from 6 geographical locations (Africa, Middle East,
Eastern Europe, East Asia, south Asia and Latin America) from developing countries, the
respective author concluded that, lack of political and legal infrastructure can create barriers
for international companies while exporting to developing countries.

2.3.1.1 Legal and political barriers

The regulatory setting of the hosting country such as political and legal factors can have a
large control over the international companies export performance (Hutman et al., 2009;
Sheng & Yang, 2016). To be more specific, the legal environment of the hosting country,
such as rules and regulations are intended to protect companies, customer and society but it
can also be viewed as an obstacle (Hutman et al., 2009). Moreover, the exporting firm has no
other option other than familiarizing itself with the rules and regulation of the hosting country
in order to be successful and profitable (Ibid). In this regard, Lages et al. (2008) also argue
that, developed countries have a safer and standard legal settings compared to developing
countries.

Political environment are also considered to be important issues for international firms,
political situations of the host country can make global standardization difficult for
international firms. In this context, Chung (2003) states that, many marketers underestimate
the power of governmental organizations and the legal environment while these macro
environmental factors have large impact on the exporting firms. Finally, the respectful author
confirmed that political and legal environments must be considered before entering a market
in another country. Similar, Sheng and Yang (2016) advocate that, the legal and political
environment of developing countries can be tricky to adapt to, for instance the company must
determine if they must enter the market through joint venture or wholly owned subsidiaries.
The same research argued that during 1990’s, the Chinese government passed a law
concerning wholly owned subsidiaries where they prohibited this act, but after few years, the
government made some adjustment to the legal environment and made it easier for
international firms. Nevertheless, there is other point of views to these arguments, David et
al. (2013) state that, even though the uncertain governments in emerging markets such as
China is hard to adopt to companies can still yield many fruitful opportunities from import and export. The same source argues that, low wages in developed countries such as China is also the result of the governmental actions but it is good for business as most of the international companies establish subsidiaries in China.

On the other hand, Chan and Makino (2007) investigated over 4400 multinational Japanese companies operating in 39 countries in both manufacturing and non-manufacturing industries. The researchers settled that, under high political and environmental pressure the international companies resist to enter through wholly owned subsidiaries and more like enter through joint venture in order to reduce costs. Moreover, Chan and Makino (2007) confirmed that, political/legal environment highly influence the entry modes of international firms.

A comparable result from additional research on international firms by Leonidou (2004) concluded that, legal and political issues of a country are subjected to rapid change and are very hard to forecast and control, furthermore, political instability of the hosting country can jeopardize the exporters operations.

2.3.1.2 Cultural export barriers

According to Søndergaard and Hofstede (2010), culture can be explained as a mental program of an individual that will be shaped by the society or the group that the person lives wit.

The influence of macro-environmental dissimilarities on international export strategy may be explained from institutional theory, which indicates that; difference in several macro level parts of society such as regulatory institutions, social standards and cultural norms between countries can shape the firms international strategy and exporting (Sousa & Bradley 2008). Moreover, cultural environment of a country can be shaped from, customer value systems, customs, educational levels and religion which will impact product preference and usage (Hutman et al., 2009).

Robust research advocates that, cultural influences have a large effect irrespective of whether a tangible or non-tangible good meets the international needs and necessities (Shoham, 1999). Equally, Steenkamp (2001) argues that, the culture of a nation has long been recognized as a crucial environmental issue underlying systematic dissimilarities in behavior.
Barkema et al. (1996) state that, cultural barriers are feasible when the firms are aiming to expand their market and companies must approach through sufficient foreign experience in the market. Even though cultural similarity can bring harmony between exporting and importing country some scholars argue that culture cannot limit some countries such as us to expand their international markets (Moini, 1997). However, Baum et al. (2013) argue that, cultural uncertainty of the hosting country can decrease the chances of internationalization for international companies.

Moreover in this regard, Ang et al. 2015 studied the cultural influence over 673 international firms in 6 different emerging markets (mostly Asian and American), the researchers grouped culture in-to the normative pillar of institutional theory. Besides, this research indicates that, cultural differences are framed from the normative dissimilarities between two nations and if the normative difference between home and host countries increases many challenges will arise. Moreover, Chawla (2016) states that, cultural and religious uncertainty can cause issues in framing the right marketing strategy. The author also addressed that, an immense part of marketing strategies whether domestic or global are framed after studying the cultural behaviors of the target group. This argument was also supported by Dai and Nahata (2015), where the scholars adds that, cultural disparity is related with reduced chances of cross-border investments.

2.4 Internal barriers of export

In order for a company to attain a successful export strategy it is essential to overcome some internal barriers such as functional and managerial, informational, knowledge/experience barriers and marketing barriers (Leonidou, 2004; Blomstermo et al., 2004). Moreover, internal barriers are related to the firm’s resources and capabilities as well as the company’s method to export its goods (Ibid).

According to Uner et al (2013) the internal barriers of export are very important to plan for, however the market condition of every country needs a different strategy and must be researched accordingly. For instance some internal factors such as marketing are more important in New Zealand compared to Turkey (Ibid). Leonidou (1995) internal barriers of export are the reason that a large majority of companies hesitate to enter the foreign markets.
2.4.1 Experience and knowledge barriers of export

It has been argued that, over time people and organizations will acquire knowledge and experience Alborn and Oghazi (2015). However, knowledge and experience are two significant cornerstones which allow companies to achieve high performance during the process of internationalization and exporting in the hosting country (Blomstermo et al., 2004; Okpara 2009; Sheng & Yang, 2016).

In this framework, Johanson and Vahlne (1977) state that, experience itself can never be conveyed to others and must be experienced alone. The reputable authors address that, some part of knowledge can be learned but some other part must only be experienced specially during export operations in foreign countries. However, Argote et al. (2000) claim that, knowledge transfer in organizations is affected by experience and they can be related.

Moreover, Furchs and Kötnner (2016) argue that, experience and knowledge play a central role in finding the right strategy especially in emerging markets. In this regard the reputable authors argued that, knowledge and experience are required to be able to distribute and tailor the price of the goods/services for the customers. Likewise Furchs and Kötnner (2016) added that, in order to enhance the international exporting strategy of a firm, the manager should be equipped with the required amount of knowledge in the hosting country. Moreover, the reputable scholars concluded that, export experience and knowledge are best constructed through the number of years a firm has been active in a specific foreign market.

Also Li (2004) argues that, exporters try to hire intermediaries in order to lower costs, minimize risks and solve the knowledge and experience barrier of the hosting country through working with experienced middlemen.

In this context, through a survey based study in Australia by O’Cass and Julian’s (2003) experience was measured through the number of years a firm has been active in exporting and the number of foreign market the firm has entered. Companies with extensive international experience have gained knowledge through the on-going activities in the global market and have developed a better understanding of exporting (Ibid).
Hultman and Robson (2011) state that, the new market knowledge is the consequence of the organization captivating preview experience and remerging it into actionable behaviour.

Finally it must be addressed that, the barriers of knowledge and experience must be taken seriously when the company intends to export goods to emerging market such as developing countries, both Okpara (2009) and (Sheng & Yang, 2016) have exposed, large international company’s disastrous experience in developing countries caused by lack of knowledge and experience.

2.4.2 Information barriers

Information barriers are all about identifying the right foreign business opportunities through the process of identifying, selecting and contracting (Morgan & Katsikeas, 1997). Moreover informational barriers can be classified as part of an effective strategic management plan since it allows the company to formulate the right strategy based on the current information (Venkatraman & Prescott, 1990).

For the firm to be able to file the most suitable export strategy a process of organizational learning needs to take place which requires identifying and analyzing based on the information of the international market (Hart et al., 1994) . In this regard, Morgan and Katsikeas (1997) state that, information can create a sense of judgment for managers and allow them to minimize the risks of export and overcome the challenges, while lack of information of the foreign market may inhibit this process. Also in this context Moini (1997) adds that, lack of information about a foreign market will reduce the motivation of the companies to carry out export activities. The reputable author also claims that, lack of information is normally a challenge for small firms due to absence of adequate resources and normally larger companies have access to better information. Furthermore, Leonidou (2004) points out that, having enough information about the foreign market allows the company to come up with the right pricing strategy and suitable market segmentation. In this regard Gil et al. (2015) claim that, in order for export firms to strive with more advantage ,they must have clear and modest information regarding the foreign market, price, technical specifications of products, distribution channel and finally potential partners.
Information can allow companies to find potential partners in the hosting country and start on subsidiaries in order to gain more competitive advantage during the internationalization process (Pehrsson, 2012).

2.4.3 Functional barriers

Vozikis and Mescon (1985) describe functional barriers of a company as disorganization of enterprise functions such as human resources, production and financial department with regard to exporting. Moreover, the reputable authors add that, the functional barriers of a firm can be classified in to the following; limitation of managerial time, inadequacies of export personnel and finally unavailable production capacity.

Limitation of managerial time will have a large impact on the company’s exporting policies since the managers are the people who select the foreign market for exporting and later on aim to expand the market (Leonidou, 2004). Moreover, the issue of managerial time is more evident in smaller firms since the company’s managerial decision are made by a single decision maker (single manager) who is involved with so much that will not have time to make smart choices for exporting (Leonidou et al., 1998).

An inadequacy of export personnel is also an important functional barrier for companies, Gomez (1998) states that, many firms are facing the challenge of finding suitable personnel to handle the exporting activities of their firm. Similarly, the reputable author states that, the human resources of the exporting company must be able to employ personnel who can handle exporting activities such as logistics and communication with international client.

Unavailable production capacity can also act as an internal functional barrier for companies; these phenomena will take place when the firm needs additional resources to produce more products to export but it is not possible for them to do so due to financial reasons (Leonidou, 2004). In this regard Kamath et al. (1987) add that, many companies view exporting as an activity that permits them to produce more goods for only the local market, this means that for companies to export successfully they must have enough resources available. Moreover, it has been argued by scholars that having enough financial resources can help the firm achieve long term profitability in exportation especially in turbulent markets (Boso et al., 2016).
2.4.4 Relationship management and export performance

Relationship management (RM) is a concept in marketing and business administration which has emerged from business strategy and is growing with a fast in both academic and practical business world (Palmatier et al., 2006). Moreover, relationship management allows companies and organization to retain and access more customers which will result in more sales and revenue (Verhoef, 2003; Payne & Frow, 2005). According to Payne and Frow (2005) relationship management has both external and internal effect on the company and needs to be taken in-to account.

Through a survey based study from 1986 customers of a Dutch financial firm in the form of behavioral data, it was confirmed by Vehoef (2003) that, relationship maintenance and management with clients can lead to customer retention as well as customer satisfaction which will result in a more fruitful business for the companies (Ibid).

Exporting is a topic that stands out with-in the field of international business; according to Leges et al. (2009) relationship factors can play a large role in increasing the export performance of the focal firm but, relationship management is highly under rated in exporting. Moreover conferring to the reputable authors, relationship management capabilities can lead to important attainments such as; production innovation, product quality which ultimately leads to more enhanced exporting performance for the firm. Likewise in this regard, it can be vindicated that relationship management is a valuable enabler of trust between the exporter and importer (Zaheer & Zaheer, 2006).

According to Ling-yee and Ogunmokun (2001), launching a high performance export with a country requires solid relationship which allows the exporter and importer to understand their full potential. Furthermore, the reliable authors state that, relationship management can both increase the export performance and competition advantage. Moreover, Zaheer and Zaheer (2006) argue that, trust built by relationship can help exporters to overcome institutional and cultural barriers of the hosting country. Moreover large companies are willing to invest heavily on establishing close relationship and building trust with the governmental organization in order to increase their export performance (Ibid).
A significant academic research by Lincoln (1990) shed light on the fact that building trust and relationship are important and every country has different levels of trust context. For instance the reputable author conducted a research in Japan from 28 Japanese firms in the USA noticed that Japanese employees value relationship and trust more than the American employees (Lincoln et al., 1981). This result is due to the fact that Japanese employees have different values and morality reasoning compared to the US employees and they tend to rely on relationship and trust both for internal and external environments of the company.

There are also other perspectives of these arguments, for instance some scholars argue that relationship management must be implemented by managers together with high quality and innovative product in order to get the best exporting experience (Michell 1979; Morgan et al., 2004). Moreover, it is believed that successful exporters care more about the customer preference and product quality. In this context Burton and Schlegelmilch (1987) state that, success full exporter pay more attention to quality and customer preference through relationship management than non-exporters. Moreover, Pehrsson (2016) states that innovation can be risky at first but, companies or subsidiaries look for creative methods to innovate their products, as this will enhance the chance of new market share in to the foreign markets.

### 2.4.5 Marketing barriers

Marketing barrier is the most important internal export barrier for companies which must be solved through the right marketing strategy (Moini, 1997). The marketing barrier is involved with promotional activities, pricing, distribution and logistics (Leonidou, 2004). In this regard a recent survey based study of 122 Tanzanian exporting SMEs by Milanzi (2012) shows that, exporting companies can increase their export performance with the right marketing strategy. The reputable author claims that, marketing for export can be enhanced with sufficient information and knowledge of exporting which will allow the company to expand its business in the foreign market.

Kahiya and Dean (2016) also claim that, the most common marketing barrier for exporting arise from the lack of modifying marketing mix in the foreign market. Moreover in this context Kahiya (2013) adds that, the most common marketing barriers during export are,
adjusting price and promotion for overseas clients, having the right distribution channel and meeting with the quality required by the customer.

Marketing barriers normally appear not in the early stage of exporting but mostly in the stage where the company is not planning to sell its product overseas (Kahiya & Dean, 2016).
3 Conceptual model

The aim of this chapter is to disclose the research model generated by the author with the aim to explain the objective of this research. The model is explaining the items and constructs of literature review with the aim to solve the research question and purpose of this dissertation.

Figure 1: Research model (Author`s elaboration)

As it was mentioned in the first chapter, there is a lack of research regarding exporting from large and SMEs international companies from developed countries to emerging markets. Moreover in the literature review the author provided clear explanation of exporting as well as environmental (macro barriers) barriers followed by internal barriers and their operational solutions (solutions to overcome the barriers). Figure 1 illustrates the process of exporting to emerging markets from left to right (from start and end). Moreover, each number with in the model corresponds to the barriers and their respective operational solutions.

Based on the model it can be assumed that, the companies (the four companies for this study) will face external and internal barriers while exporting to emerging market and the operational solutions will help them overcome the barriers.
4 Methodology

This chapter aims to enlighten and motivate the methodology used for this study in order to examine the conceptual framework as well as answering the purpose and research questions. Moreover, the chapter aims to motivate the research approach and present the validity, reliability, operationalization table and interview guide design. Lastly, the chapter will provide the readers with a summary of the methodology chapter.

4.1 Research approach

Research approach is defined as a track (Inductive or deductive) in which a researcher selects in order to answer the purpose and research questions of an academicals study (Bryman & Bell, 2011). In this thesis, a deductive qualitative approach is applied for reasons discussed in the following sections.

4.1.1 Inductive versus deductive research approach

Inductive and deductive approach institutes two dissimilar research philosophies. In inductive approach the researcher focuses on framing models and theories based on event which has occurred in practical world or reality (Saunders et al., 2009; Bryman & Bell, 2011). Later on, the data collection process will be based on the models which are applied from the reality. Moreover, during the inductive approach the researcher normally produces new theories and concepts (Saunders et al., 2009). However, if the researcher employs pre-existing theories and models as a structure or foundations for gathering empirical data to fill a research gap, then the researcher is following a deductive approach (Bryman & Bell, 2011).

Hence, through deductive trail the researcher reviews existing literature (or existing theories) and secondary data in order to understand the problem and gather primary data from the conceptual model and see if the constructs (theories) fit with the context of the research or not, the author could also suggest theory modification if needed (Robson, 2002).

It must be justified that, even though deductive is mostly used in quantitative study it can also be used in qualitative research, famous methodology scholars such as Yin (1994) and Patton (1991) confirmed that, deductive approach can be used in multiple case studies if the author is using theories in analysis (Hyde, 2000).
The deductive approach best fits this thesis as the empirical research is steered by qualitative method approach followed by research questions and conceptual frame work which has been framed from pre-existing theories and review of literature. Moreover the author is aiming to link theories and data in the analysis (will be explained later on) in order to fill the research gap.

4.1.2 Qualitative versus quantitative research method

Qualitative and Quantitative methods are two different lanes of conducting research with different styles of collecting data and analyzing (Bryman & Bell, 2011). Both methodologies are anticipated to generate a better awareness of the atmosphere of the research problem and gain understanding of how individuals, groups, systems, institutions perform and their effect on another (Sogunro; Sullivan, 2001).

Through quantitative research, the outcomes are understood to be measurable and certified in the form of numbers and statistics with the aim to generalize results based on the outcomes of the investigations (Saunders et al., 2009). Moreover, quantitative study is suitable for testing theories/hypothesis through survey based data collection from large number of participants and illustrating the results through charts and graphs (Bryman & Bell, 2011).

In contrast, qualitative data collection method focuses more on words, pictures, descriptions and narratives (Saunders et al., 2009). Furthermore, qualitative approach strives to gain a deeper understanding of the problem and empirical data when there is less knowledge of the context of investigation (Boris et al., 2005). Likewise, qualitative method is appropriate when the research is aiming to answer “how”, “why” and” what” types of research questions (Ibid). Additionally, appropriate quantity of information is gathered from several variables but, typically from low number of individuals or units (Neuman, 2003).

The author has chosen qualitative path for this thesis since our research question starts with what and how. Moreover, as it was mentioned in the first chapter of this study, the author aims to investigate the export barriers of large Swedish B2B firms from only four firms since only these companies are willing to provide primary data for this investigation. Furthermore, the author is aiming to conduct one to one interviews in order to gain in-depth primary data through with the help of theories (as research model).
4.2 Research design

According to Saunders et al. (2009), research design is the process in which the researcher is aiming to carry out the entire research to answer the purpose and research questions. Moreover, Kent (2007) states that, research can be categorized depending on the purpose and used techniques to achieve the objectives of the study. Moreover, Bryman and bell (2011) defines research design as, the procedure to answer the research aim and objectives through suitable structure or framework (Bryman & Bell, 2011).

There are diverse ways of classifying research designs according to their primary objectives in business studies, according to Saunders et al. (2009), research designs can be classified into descriptive, exploratory and explanatory methods. Yet, it must be addressed that, it is not essential to only use one of these approaches, according to Robson (2002), a research question can be both exploratory and descriptive (or different types).

According to Saunders et al. (2009), exploratory research design aims to help gain elementary knowledge within a problem area. Moreover, exploratory method is commonly used when the purpose of the study is unclear and the choice of theories is hard to justify (Robson, 2002). There are three ways to conduct an exploratory research; exploration through relevant literature, interviewing experts in the field and finally conducting focus groups Saunders et al. (2009).

Descriptive study approach is suitable when the research problem and purpose are clearly structured. The aim of descriptive study is to describe or portray an accurate profile of a person, events or situations (Robson, 2002). In this regard, according to Churchill and Iacobucci (2006), descriptive approach is suitable when the aim of the study is to explain characteristics of a specific group or approximating the quantity of people in explicit population with similar backgrounds or events to frame certain forecasts. This method is mostly used in quantitative studies where the researcher aims to collect data in large quantity (Bryman & Bell, 2011).

Explanatory or causal research design is popular when the aim is to study associations between causes and symptoms (Saunders et al., 2009). Moreover, in the context of explanatory approach,
intention is to find relations between variables when the researcher has a clear understanding of the problem, which has already been explored and described (Ibid). Furthermore, Reynolds (1971) states that, one of the main motives for selecting explanatory study is to produce theories which could be used to clarify empirical findings through descriptive approach. Likewise, Yin (1994) claims that, explanatory approach aims to yield clear explanations of particular events which later on provide enlightenments on how these arguments can be applied in other contexts.

The authors of this paper have decided to choose exploratory research design in order to answer the problems of this investigation, since the focus is to understand a problem through primary (interviews, focus groups) and secondary data (Literature reviews) which are suitable for this paper. According to Saunders et al. (2007), the aim of exploratory research is to gather as much information as possible from a subject through secondary and primary method of data gathering. Moreover, the reputable author adds that, exploratory research is commonly used in qualitative studies and mostly in case studies.

4.3 Data sources

Researchers can collect data from two natures of sources, primary and secondary, and sometime both sources are used (Saunders et al., 2009). The researcher can use primary data to complement the secondary data (Ibid). Moreover, primary data are gathered from people, companies and organizations through surveys or one to one interviews (or other methods) in order to answer the purpose of the study (Bryman & Bell, 2011). Meanwhile, secondary data are the existing literature and materials which are gathered in the context of the research and will help the researcher answer the purpose of the study (Boris et al., 2005).

It can be settled that, primary data are collected when the researcher aims to accumulate data from the population that is the most appropriate for the nature of the research; while secondary data are collected when there are existing data in the form of literature and pre-studied materials available for the purpose of the investigation (Ibid).

For the purpose of this thesis, the author has used both primary and secondary sources. The secondary sources are used in order to conduct literature review of the existing research in the field of international marketing (exportation) to have a clear understanding of the problem and topic. Later on the literature review provided the conceptual frame work of the research which can be used as a frame for gathering primary data from the sample group.
4.4 Research strategies

According to Yin (2012), a research strategy must be based on three elements; how the research question have been framed, the classification of control demanded over behavioral events and finally if the events are contemporary and part of the present or not. Likewise, Saunders et al. (2009) points out that, the amount of existing knowledge, the quantity of time and resources and philosophical understanding of research must be measured prior to choosing a research strategy. Furthermore, the reputable scholar settled that, there are seven research strategies that can be implemented by researchers: experimental, survey, case study, action research, grounded theory, ethnography and finally archival research.

- **Experimental strategy** is a useful research strategy if the scholar is aiming to understand the relations between independent variable and dependent variable, for instance if the change in independent variable yields change in another dependent variable (Hakim, 2000).

- **Survey strategy** is mostly used in deductive and quantitative approach, in this strategy the researcher aims to collect data from large amount of resonance through survey Saunders et al. (2009). Moreover, this tactic is useful when the researcher want to test theories or hypothesis (Ibid).

- **Case study** is a category of strategy which allows the researcher to conduct investigation through real phenomena and cases in life (Bryman & Bell, 2011). Furthermore, for the researcher to be able to execute this strategy he/she must have multiple sources from cases such as, companies, organizations, events or phenomena that have taken place already (Ibid). According to Boris et al. (2005) case study can be used both in explanatory and exploratory approach. Moreover, Yin (2003) states that, researchers have four options when conducting case studies, they can either choose single case study, multiple case study, holistic case study and embedded case study. Single case study can be conducted when the researcher is aiming to study single particular phenomena such as event, company, organization or person (Saunders et al., 2009; Yin, 2003). Likewise, multiple case study is suitable when the researcher is aiming to research multiple cases (events, companies, organizations,
people), with the aim of generalization of the finding through comparison with other results (Ibid). Moreover, according to (Yin, 2003) holistic case study is when the researcher is mostly focusing on gathering data from one organization as a whole, while embedded case study focuses analyzing an organization with its sub-units (for instance: customers or suppliers).

- **Action research** strategy have been introduced for the first time by Kurt Levin in 1946 with the purpose of solving a real threat in research over contentious course of planning and evaluating until the final results are reached (Levin, 1946; Saunders et al., 2009).

- **Grounded theory strategy** is normally used in inductive approach with the aim of reaching newly build theories (Saunders et al., 2009). Moreover, in this tactic data is collected without any original theoretical basis (Ibid).

- **Ethnography strategy** is mostly useful in inductive context with the aim to produce new theories, furthermore it must be addressed that, ethnography is from the field of anthropology (Saunders et al., 2009). Likewise, the goal of this strategy is to explain and highlight the influence of social world through a full involvement of the researcher in the studied environment (Ibid).

- **Archival research strategy** permits the option for the scholar to use administrative records and documents as the primary source of data as a frame to analyze the research (Bryman & Bell, 2011). Additionally, this approach allows the researcher to formulate historical analysis and generate research questions with awareness of time consumption (Ibid).

As it was mentioned earlier, the author of this thesis is aiming to collect qualitative data from four large B2B Swedish firms (four cases). So, the strategy used for this thesis is a multiple case study with holistic approach. Moreover, according to Yin (2012), multiple case studies are suitable for qualitative approach, since the researcher is focusing on gathering more in-
depth data. Also the reputable author address that, this method can be used for exploratory and explanatory methods with the aim of generalizing the research finding.

4.5 Sample studies

Sampling is the procedure where the researcher extracts representatives (which are useful for the study) from the targeted population in order to gather primary data sources (Bryman & Bell, 2011). Moreover, Boris et al. (2005) defines population as, the total amount of entities or units which exists in a specific geographical zone. Furthermore in this regard, Boris et al. (2005) classifies sampling process in two categories, probability or non-probability.

According to Saunders et al. (2009) probability sampling arises when each entity from the population is chosen randomly, meaning that each unit of the population has the same probability of being selected as part of the sample. On the contrary, non-probability sampling occurs when the selection of units from the population (or the selection of sample) is not random (Ibid).

According to Bryman and Bell (2011), a sample can be distinct over three phases of, definition of sample population, presentation of sample frame and decision about the sample size. Rendering to Marshall (1996), random sampling or probability sampling is not a perfect fit for qualitative methodology and it’s frequently appropriate for quantitative study with the aim to get high rate of respondents without concerns for complex issues and behavioral observation. Moreover, Gray (2009) also confirms this statement and adds that, in non-probability approach the choices are fewer divers and the researchers’ aims to get more in-depth data through interviews.

Non-probability sampling is divided in to three categories; Convenient, judgmental and theoretical (Marshall, 1996; Bryman & Bell, 2011).

In convenient sampling technique, the researcher selects units that are the easiest to reach with in the targeted population, this strategy is often used when the aim is to reduce costs and be more time efficient (Saunders et al., 2009). Judgmental sampling occurs when the researcher chooses the samples which are mostly suited for his/her study and purpose; whereas theoretical sampling is formed on the theories that are going to be tested (Ibid)
In this thesis, non-probability and judgmental sampling has been selected, since, the author have selected four Swedish B2B firms that are actively exporting to Iran and are willing to provide the primary empirical for this study. The four companies are Electrolux, Ericsson, Volvo (trucks division) and Scania. It must be also mentioned that the reason for choosing large enterprises was in the evidence that was provided in chapter 1, since these firms are active in export with Iran. Also according to a telephone call to the head of commercial division of the Iranian embassy it was confirmed once more that these four companies are willing to expand their export to Iran dramatically. In these four companies the author managed to successfully get, 4 interviews from Ericsson, 3 from Electrolux, 2 from Scania and 1 from Volvo. Some companies could give more interviews than others since more persons were available but some others could contribute less as they did not have time.

Some participants from the companies want to remain anonymous; therefore we will not mention their names in the thesis. However, most of the participants are okay to reveal their names and positions.

In the table below the author plans to organize the following; indication of the participants affiliation (except for the anonymous participants), the date of the interviews from each company (except for the anonymous participants) and finally label each participant with a number as it becomes easier in the empirical chapter when denoting the reputable interviewees. In this regard, labeling participants with numbers becomes easier since some participants want to remain unidentified.

**Table 1: Participants names and companies**

<table>
<thead>
<tr>
<th>Companies:</th>
<th>Affiliation (Full name, position and number)</th>
<th>Time and date of the interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ericsson</td>
<td>- <strong>IP 1</strong>: Ali Danesh: Account manager at Ericsson for Iran</td>
<td>- 40 minutes phone interviewee (25th of April 2016)</td>
</tr>
<tr>
<td></td>
<td>- <strong>IP 2</strong>: Sima Taher Khani: Sales and marketing for Iran</td>
<td>-34 minutes phone interviewee (20th of April 2016)</td>
</tr>
<tr>
<td></td>
<td>- <strong>IP 3</strong>: Anonymous (Related)</td>
<td></td>
</tr>
<tr>
<td>Company</td>
<td>Interviewee</td>
<td>Notes</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>------------------------------------------------------</td>
</tr>
<tr>
<td>Electrolux</td>
<td>IP 5: Kevin Salehi (Sales and marketing)</td>
<td>- 35 minutes phone interviewee (19th of April 2016)</td>
</tr>
<tr>
<td></td>
<td>IP 6: Sven Kallin: Former vice president of logistics and current consultant.</td>
<td>- 45 minutes phone interviewee (26th of April 2016)</td>
</tr>
<tr>
<td></td>
<td>IP 7: Ann-Helen Engstrand: Sales and Logistics manager.</td>
<td>- 34 minutes phone interviewee (20th of April 2016)</td>
</tr>
<tr>
<td>Scania</td>
<td>IP 8: Anonymous (related position for Iran)</td>
<td>47 minutes Phone interview (25th of April 2016)</td>
</tr>
<tr>
<td></td>
<td>IP 9: Daniel Schöder: Project manager for Iran</td>
<td>- 42 minutes phone interviewee (20th of April 2016)</td>
</tr>
<tr>
<td>Volvo (Truck division)</td>
<td>IP 10: Benny Lamberg: Country manager of Iran</td>
<td>- 40 minutes Skype interview (26th of April 2016)</td>
</tr>
</tbody>
</table>

4.6 Data collection method

There are different sentiments on how a researcher can collect his/her primary data thus, the researcher should reflect on the method that is appropriate for the purpose and the context of the research (Saunders et al., 2009; Bryman & Bell, 2011; Yin, 2012). Moreover, according to Bryman and Bell (2011) the construction of the accurate primary data collection method is essential for the outcomes as different picks may lead to biased results. Furthermore, the same source argues that, there are four natures of data collection methods; in-depth interviews, surveys, content analysis and focus groups.
Boris et al. (2005) classify in-depth interviews in two categories of semi-structured and unstructured interviews. Likewise, the reputable authors justify that in semi-structured interviews the researcher mostly asks questions from the questionnaire list and aims to have conversations mostly from the questions, on the other side the un-structured approach has less structure and the researcher is free to ask questions regardless of the questionnaire list if it is required.

It can be concluded that, semi-structured interviews are less flexible, meaning that the interviewer has to ask questions mostly from the questionnaire whereas in un-structured interviews have more flexibility and allows the interviewer to ask questions based on the answers they get (Saunders et al., 2009). Moreover, focus groups can be conducted when the researcher is aiming to hear opinions of a small group (mostly between 6 to 12 people) (Johnson & Christensen, 2012). In addition, the interviewer will provide a certain topic in the focus group and ask for people to give their opinion in order to create an open discussion (Ibid).

Content analysis can be used when the aim of the research is to analyze documents and text to generate content based on different classes (Bryman & Bell, 2011). Lastly, surveys can be distributed when the researcher is targeting to measure the primary data from large sample of population with the objective to illustrate the results through numerical and statistical elaboration (Yin, 2012).

According to Bryman and Bell (2011), inept interviews are commonly used in qualitative studies. Moreover, semi-structured interviews are constructed on a set of interview questions framed from theories or items (Ibid). Likewise, Boris et al. (2005) adds that, during semi-structured interviews the representative or the researcher can ask follow up questions if it helps to gather more accurate data.

For this thesis, the author has chosen one to one semi-structured interviews in order to gather primary data with more flexibility and accuracy.
4.6.1 Data collection procedure

As it was mentioned earlier, the objective of this study is to gather qualitative data from 4 large B2B companies (Electrolux, Volvo, Ericsson, Scania) through semi-structured interviews. The interview questionnaire has been sent to the participants one week prior to the interview so that they can have enough time to prepare the answers and get ready (Childow et al., 2010).

Ericsson, Electrolux, Scania and Volvo trucks have been the companies that accepted to provide information for this dissertation.

Some interviews were made via Skype, telephone, moreover the atmosphere of the interview and the conversation held was not that formal so that the participants could feel more comfortable (Childow et al., 2010). As it was also mentioned in the sample studies (section 4.5) the author managed to conduct 10 qualitative semi-structured phone and Skype interviews with responsible people at each company.

In order to interview the right people, the author selected the departments that worked with Iran regarding exporting at each company. Each company assigned a certain number of people to the author in terms of their availability. Lastly, the author set appointments with the participants of each company and conducted the interviews.

Companies like Ericsson and Electrolux could contribute more regarding the data collection procedure (4 interviews from Ericsson and 3 interviews from Electrolux) while Scania and Volvo gave less interviews (2 interviews from Scania and 1 from Volvo) since the people where eventful. The author did its best to gather data from the same number of participants at each company but this was not possible,

4.7 Data collection instrument

According to Bryman and Bell (2011), validity and reliability are two of the utmost significant factors in data collection and research which must be addressed in the right order (it will be explained in detail in the following sections). To enrich the validity and reliability of this dissertation an operationalization table has been designed showing the items or constructs which have been extracted from the literature review chapter. Moreover, the table
of interview guide design (see Appendix A for the interview guide design table) has been created including the questions of the interview which have been extracted from the operationalization table. According to Bryman and Bell (2011), questions must be framed from relevant materials in the literature in order to construct a valid reliability and validity in academic research. Moreover the authors add that, the most common way to generate questions is from the table of operationalization

4.7.1 Table of operationalization and interview guide design

Bryman and Bell (2011) describes the course of operationalization as the process where the researcher turns the theories and item into measurable words. Moreover in this context, Mahlotra and Birks (2007) respectively argue that, the operationalization table requires six stages to compete, the stages are as follows: gathering of items or theories, definition of the selected perception, explanation of the concepts measure, identification of the measure to investigate the chosen concepts, careful examination of the items or concepts and lastly testing before the data collection.

The following table (table 2) is the constructed table of operationalization which has been designed by the author based on the concepts with in the literature review chapter.

*Note: the interview guide design (Table 3) is located in the appendix (A). Also a longer version of the operationalization table (table 2.1) placed in appendix (A) with more details.*
<table>
<thead>
<tr>
<th>Concept</th>
<th>Concept definition</th>
<th>Operationalization definition</th>
<th>Measure and Question numbers(Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export modes and barriers</td>
<td>- There are general export barriers for companies when entering a hosting country (Morgan et al., 2012; (Cavusgil &amp; Nevin 1981). - There are two types of exporting, direct and indirect (Sharma &amp; Erramilli 2004; Hessels &amp; Terjesen 2008).</td>
<td>The measure is to recognize the general barriers of export and export modes.</td>
<td>- Environmental barriers (Cavusgil &amp; Nevin 1981) Q1 - Firm size barriers (Leonidou 1995). Q2 - Exogenous barriers (Tesfom and Lutz, 2006). Q1 - Direct and indirect export mode (Hessels and Terjesen 2008). Q3</td>
</tr>
<tr>
<td>External barriers: Institutional barriers /Legal and political barriers of export</td>
<td>Legal and political environment of the hosting country can act as export barriers for companies (Zucker 1987; (Hutman et al., 2009).</td>
<td>The measure is to understand the political/legal/uncertainty barriers of export.</td>
<td>- Legal environment (Chung 2003; Hultman et al., 2009). Q4 - Uncertainty of political and legal settings (Leonidou 2004). Q5 - Political environment (Chan and Makino, 2007; Sheng &amp; Yang 2016). Q4</td>
</tr>
<tr>
<td>External barriers: Institutional barriers /Cultural barriers of export</td>
<td>Cultural environment of the hosting country can largely affects the export and act as a barrier (Shoham 1999; Baum et al., 2013).</td>
<td>The measure is to understand the cultural barriers of export in the hosting country.</td>
<td>- Cultural settings barriers (Baum et al., 2013). Q6 - If the exporting good is acceptable in the importing country’s culture (Shoham 1999). Q7 - Cultural difference (Ang et al 2015). Q8</td>
</tr>
<tr>
<td>Internal Barriers: Experience and knowledge barriers of export</td>
<td>Knowledge and experience are two significant cornerstones which allow companies to achieve high performance during the process of internationalization and exporting in the hosting country (Blomstermo et al., 2004; Okpara 2009; Sheng &amp; Yang 2016).</td>
<td>The measure is to understand the level of knowledge and experience of the exporting company and the barriers.</td>
<td>- Level of knowledge (Furchs and Kötner, 2016; Hultman and Robson (2011). Q9 - Level of experience (Furchs and Kötner, 2016; O’Cass and Julian’s 2003). Q10</td>
</tr>
<tr>
<td>Internal barriers of export/ Information barriers</td>
<td>Internal information barriers of export are all about identifying the right foreign business opportunities through the process of</td>
<td>The measure is to understand the internal information barriers of the exporting firm.</td>
<td>- Teaching the employees about the hosting countries market through the right information (Hart et al., 1994). Q11, 12 - Clear information</td>
</tr>
</tbody>
</table>
identifying, selecting and contracting, this process, which is normally done through the managers with suitable strategies (Morgan and Katsikeas 1997; Venkatraman & Prescott 1990; Leonidou 2004)

about the hosting countries market can allow the manager to make the right decision (Katsikeas 1997). Q13
- Finding potential partners and designing suitable prices (Gil et al., 2015).14
- Market segmentation will with suitable information (Leonidou 2004). Q14

### Internal barriers of export/Functional barriers

<table>
<thead>
<tr>
<th>Description</th>
<th>Measure</th>
<th>Additional Notes</th>
</tr>
</thead>
</table>
| Vozikis and Mescon (1985) describe functional barriers of a company as disorganization of enterprise functions such as human resources, inappropriate or managerial planning, production and financial department with regard to exporting | The measure to explore and understand the functional barriers of exporting. | - Human resources/Inadequacies export (Gomez 1998). Q11
- Financial barriers to produce more goods (Leonidou 2004). Q15
- Bad management planning (Leonidou et al 1998). Q16 |

### Internal barriers of export/Marketing barriers

<table>
<thead>
<tr>
<th>Description</th>
<th>Measure</th>
<th>Additional Notes</th>
</tr>
</thead>
</table>
| Marketing barrier is the most important internal export barrier for companies which must be solved through the right marketing strategy (Moini 1997; Kahiya & Dean 2016), the marketing barrier is involved with promotional activities, pricing, distribution and logistics (Leonidou 2004). | The measure is to understand the internal marketing barriers of export related with the firm. | - Marketing strategy through the right information and knowledge (Milanzi 2012). Q17
- Pricing and promoting the good (Leonidou 2004). Q17
- Distributing channel and logistics Kahiya (2013). Q17 |

### Internal barriers of export/Relationship management barriers of export

<table>
<thead>
<tr>
<th>Description</th>
<th>Measure</th>
<th>Additional Notes</th>
</tr>
</thead>
</table>
| A strong relationship management factors between the exporter and importer can play a large role in increasing the export performance of the focal firm (Leges et al., 2009; Zaheer & Zaheer 2006). | The measure is to understand the relationship management strategy and barriers of the exporting firm. | - Relationship leads to trust (Zaheer & Zaheer 2006). 18
- Respectable relationship management can be achieved through communication of the employees between the exporting company and the importer (Michell 1979; Morgan et al., 2004) 18
- Innovation and quality can increase the level of relationship management (Schlegelmilch, 1987; Michell 1979; Morgan et al., 2004) 19 |
4.8 Method of analysis

According to Ghauri and Gronhaug (2005), analysis is the process where the researcher can manipulate the data and make logic out of the empirical investigation. In this regard, Yin (2014) suggests five method of analysis when carrying a qualitative multiple case study approach, accordingly, the researcher can select from the following depending on the aim of the research; Cross-case synthesis (often used in multiple case studies, analyses each case separately through linkage of theories and empirical), Explanation building (scholar inspects a case study in order to shape an explanation against the case), Logic models (matching the events that are detected with-in an empirical study with theoretical forecast events), Pattern matching (comparison of patterns with empirical and theory) and time series analysis (Analyzing over experiments and quasi-experiments, moreover the analysis can be used with the help of time series or chronological sequence).

According to Yin (2014) cross-case synthesis analysis is a technique that is mostly used in multiple case studies. For this method, the researcher will look in to each case separately and will link the findings to the theories (Ibid).

For this study the author has decided to choose the cross-case synthesis method of analysis as this method is the most suitable analysis method for case study and fits the objective of this research. The author will separately analyze Volvo, Scania, Electrolux and Ericsson and later on provide the reader with a summary of the cross-case analysis.

4.9 Quality measurement

In all the areas of academic research, the quality and validity of the results are essential and must be measured through validity and reliability (Saunders et al., 2009). In this final section of the methodology chapter the author will discuss these two issues as well as the effort made to assure the research quality is up to standard.

4.9.1 Validity

Validity is when the results are really about that they appear to be about, according to Saunders et al. (2009) validity can be classified in three categories, content validity (or face
validity), construct validity and external validity. In this respect, Bryman and Bell (2011) defines content validity as, the process of making sure that the measurement device (in this case the measurement questions of the questionnaire) covers the investigation question. This is normally by pre-testing through letting a panel of experts in the field judge the questionnaire and its objectives and give comments (Boris et al., 2005).

For this reason, the author did the pre-testing by sending the questionnaire to three researchers at Linnaeus University in the field of marketing; one PhD students in business administration, one professor of marketing from Linnaeus University as well as three managers in large companies. After receiving remarks from the commentators (the pre-test experts) the author carefully addressed the comments and updated the questions. Finally it is worth mentioning that, the comments of the expert were frequently about the clarity of the questions and the order of the questions.

According to Saunders et al. (2009) construct validity is to determine if table of constructs or items (in this study the table of operationalization) is measuring what it needs to measure. In this regard, the author has sent the table of the operationalization to the same experts in the field through the pre-testing and addressed all the comments accordingly.

The external validity educates to, encompass in which your research design and the final results are generalizable, more specifically it to see whether the research can be extended and applied to other research settings and organizations (Boris et al., 2005). Moreover, Yin (2012) argues, generalizability is mostly about the number of cases as well as the features enterprise entity of the research.

Saunders et al. (2009) states that, in qualitative multiple case studies due to limited number of cases it is not possible to generalize the result of the study to all the population (in this research the companies). Additionally, the reputable author adds, in qualitative nature the researcher results are based and valid for the particular setting of the research which is conducted. However, Boris et al. (2005) claims, in qualitative multiple case study it is possible to conduct external validity to check the robustness of the concluding remarks through a follow up study in other research settings. Yet, the reputable author adds that, in qualitative setting the researcher must avoid generalizing the results in the conclusion.
In this regards, other, researchers are free to do a follow up study and test the findings or even conduct a quantitative study in order to generalize the conclusion, however this particular research is covering a few cases and will not be generalized by the author.

4.9.2 Reliability

According to Boris et al. (2005) reliability test is done to make sure that, the data collection technique or analysis will harvest consistent results. Reliability can be made through repeatability of the research and data collection through other scholars in the field to see if there is transparency and accuracy in the extracted data (Saunders et al., 2009). Moreover, internal consistency must also be checked in reliability to see if the constructs and items are measuring what they need to measure (this has been done in pre-test) (Ibid). To assure reliability Johnson and Christensen (2012) argue that the researcher must follow these four stages sensibly; subject and participant errors, choosing the right time for the interviews, interviewees may response in a way that the interviewer wants to hear (which the error must be observed), different ways to frame the questions and conducting interviews, different ways of interpreting the answers (the bias must be observed).

In order to achieve the reliability of this study, the author sent the questionnaire to the participants one week before in order to give them the time that they need. Moreover, the time and the appointments chosen were agreed upon by the respondents. Also at the end of the interview the author finalized the answers once to make sure they are no bias. Also before the interviews the questions and the table of items have been checked to make sure they are okay.

Finally, the author of this thesis will also invite other researchers in the field to freely check the data and test the results.

4.10 Methodology summary

In this segment the author will illustrate the concluding remarks of the methodology chapter by presenting the following table:
<table>
<thead>
<tr>
<th>Sample</th>
<th>10 interviews (4 companies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample detail</td>
<td>Large Swedish B2B firms that export to Iran</td>
</tr>
<tr>
<td>Research approach</td>
<td>Qualitative research – Deductive approach</td>
</tr>
<tr>
<td>Research purpose</td>
<td>Exploratory research</td>
</tr>
<tr>
<td>Research strategy</td>
<td>Holistic Multiple case study</td>
</tr>
<tr>
<td>Data sources</td>
<td>Primary source</td>
</tr>
<tr>
<td>Data collection technique</td>
<td>In-depth-semi-structured interviews</td>
</tr>
<tr>
<td>Data analysis method</td>
<td>Content analysis</td>
</tr>
<tr>
<td>Quality criteria and measurement</td>
<td>Validity, Reliability</td>
</tr>
</tbody>
</table>
5 Empirical investigation

In this chapter of this dissertation the author will provide the primary data which has been collected through phone interviews as well as Skype conversation. In order to give clear information regarding the companies, the author will first give a brief corporate background of each company in order to make the readers familiar with the companies’ activities and industries. Later on the author will disclose the data from the interviews under the corporate background section of each company followed by a brief summary of the data. The primary data from each case will be revealed according to the concepts of which has been mentioned in the operationalization table.

Note: As it was mentioned in the methodology chapter (Chapter 4 under the sample studies sub-section), the author have labeled each participant with an IP number, therefore only their numbers will be mentioned and not their names.

5.1 Electrolux AB

Electrolux is a large B2B Swedish manufacturer of electronic equipment as well as whole seller for electrical household equipment. The firm was established in 1919 by Axel Wenner-Gren a Swedish entrepreneur. The turn-over the company is around 123 billion SEK which ranks it as the 7th largest company in Sweden by turn-over in 2015; also the current CEO is Mr. Jonas Samuelson (Largestcompanies.com, 2016). Likewise, Electrolux is on the top 30 largest companies in Sweden in terms of exporting (Ibid).

Electrolux at this point is at an excellent standing point; in 2016 they have doubled their profits in total (Thelocal.se, 2016). Moreover, Electrolux has other famous brands like AEG, Molteni and Westinghouse. Some of Electrolux top competitors are Samsung Groups, LG electronics and whirlpool (Hoovers.com, 2016; Electroluxgroup.com, 2016). Moreover, Electrolux is present in over 60 countries and sells goods in over 150 markets around the world; the company has around 55000 employees around the globe (Electroluxgroup.com 2016).

Lastly, Electrolux is also active in exporting goods such as laundry and electronic gadgets to Iran; this has been also confirmed by Mr. Sven Kallin who is an active consultant and was the former vice president of logistics at Electrolux (Ibid).

Table 5: Electrolux AB in brief (Author’s elaboration)

<table>
<thead>
<tr>
<th>CEO</th>
<th>Mr. Jonas Samuelson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>electrical household equipment</td>
</tr>
</tbody>
</table>
5.1.1 Primary data from Electrolux

5.1.1.1 External Barriers of Export

Expert barriers and modes

When asked about the export barriers that Electrolux faces with Iran, all the interviewees (IP 6 and 7) except IP 5 started talking about the political situation in Iran and how the sanctions have made it hard to export goods to Iran. IP 5 stated that “Iran is a very stable country for business; even though the size of our export to Iran is not large the country has been stable for export before and after sanctions”. IP 5 also added that the laundry division of Electrolux has not been part of the sanctions and business has not been affected. However, IP 6 and 7 argue that, if the political situation in Iran becomes more stable business can be fruitful and profitable. Moreover, IP 5 and 6 stated, Partners and dealers in Iran can help a lot in order to reduce the export barriers and make business easier for us.

When asked about export modes, all the IP’s mentioned that they do in-direct exports to Iran, and, they seek the help of consultants in the hosting countries to make things easier.

It was asked from all the participants to answer if larger firms face less changes regarding exporting (does firm size matter?) or not. IP 5 stated that “Firm size is not that important, since all the companies face some fixed challenges”, however IP 5 later on argued that, larger firms have more responsibility to fulfil which can make exporting more challenging for them. On the other side, IP 7 and 6 both mentioned that, larger firms have more resources and more departments and this can make it a lot easier.

IP 7 for instance stated “A larger company has the logistic resources to supply more easily. Also a larger company has a bigger sales organization with given financial resources to find
a financially stable partner with well-trained sales and service staff (or can provide training.)”. In this regard IP 6 stated similar response and added that, “Large companies can handle legal documentation a lot better than small firms and most of the time they are more experienced which allow them to find suitable partners”. Later on IP 6 gave an example in this context, he mentioned that in Iran and Iran war for instance larger companies could still do business with Iran since they knew more on how to handle the uncertainty.

**Institutional barriers /Legal and political barriers of export**

All participants were asked to explain if the political situation and the legal environment of Iran will affect them. All the participants except IP 6 had a common ground regarding this matter; they all talked about how sanctions have made it a challenge which is different from Iranian policy and regulations. IP 6 on the other side stated that, Iran is stable and good for business and with the help of the consulting partners in the hosting country business can be obtained like any other country. In this regard, IP 5 and 7 had the same point of view and they mentioned that local partner firms can make things a lot easier.

The author also asked the participants to explain if political uncertainty of the hosting country can cause barriers for exporting. All the interviewees agreed that this is true, IP 7 addressed that, the issue of payment is important since it is hard to guarantee in uncertain situations. In this context IP6 stated that” The uncertainty in Iran is not out of hand, countries like India, Brazil and Russia are more uncertain to work with”. All the participants highlighted the role of consultants and partners in the local countries and mentioned that, during uncertainty local dealers can help the exporting firm a lot.

**Institutional barriers /Cultural barriers of export**

It was asked if Iranian culture has any barriers for Electrolux. All the participants mentioned that culture of Iran does not cause any barriers for export and it’s normal to work with. IP 7 also added that, “as a woman I have worked with Iran for many years and have not witnessed any cultural barriers in Iran and it does not mark any challenges”. Later on the IP’s were asked to define the cultural difference of Iran and Sweden. In this regard, all the participants mentioned that both countries have great differences. IP6 added that, learning and understanding the hosting country’s culture will help the companies to conduct business easier. Moreover, IP 7 gave an example regarding this issue and added that, in Iran customers
tend to bargain more on the price or they negotiate on the price more. IP 7 also argued that, Iran is a religious country compared to Sweden but this does not affect the business.

5.1.1.2 Internal barriers of export

Experimental and knowledge barriers of export

It was asked from the participants to mention how they solve the knowledge barrier problems between Sweden and Iran, also if knowledge about the hosting country plays an important role in export. IP 6 stated that “Working through experienced dealers and partners can solve most of the knowledge barriers”. Later on IP 7 added that, normally good partners in the local country are selected based on their experience and knowledge, hence, we avoid working with young and recently established partners in Iran. However, IP 7 had a different answer as she stressed more on training the staff within the organization to solve the knowledge barrier problems. Moreover IP7 stated that, “we have head-quarters in Dubai which is dedicated to train the employees to work with countries in Middle East”.

Also IP 5 had a different point of view; he mentioned that, traveling to Iran is a good for our employees to work with Iran since they can gain more knowledge about the country. Later on IP 5 added that “by traveling to Iran employees can meet dealers or importers and know them personally, this can make the job easier”.

When asked about experience and its role on export, the entire participant agreed that experience hold an important factor in exporting. IP 5 stated that “Experience in international sales is everything; you have to know the area, be present and active to increase performance”. Similarly, IP 7 gave a very convincing reply; she stated that “Of course experience is one vital part of performance, but also knowledge. You have to know your products; you have to know the whole solution. Electrolux does not sell machines, Electrolux sells “solutions”, and for the Laundry part it starts with the “dirty pile”, and ends with clean, dry linen on the shelf. Hence any salesman has to know how and why, he has to know his own products, everything about the products that may be sourced from another manufacturer, and he has to have the financial training so that he - together with the customer - can go through the advantages and savings with any quoted solution. Experience and knowledge hand in hand.”
**Information barriers**

Regarding internal barriers of export, it was to the whole participant, if the information about the hosting country makes exporting easier and how the information about the hosting country affects the recruiting process. All the participants highlighted the importance of enough information and considered it to be vital for the survival of the internal organization activities. Regarding recruiting process people had different opinions but similar procedures, all the interviewees agreed that recruiting process will be based on the hosting countries situation but IP 5 and IP 7 mentioned that, the company will hire a person through a certain procedure and training which is a standard procedure for all the employees. So people who work with Iran are also hired in the same fashion; however IP 5 stated that “of course when working with Iran the knowledge of the language and culture is a merit”.

IP 6 mentioned that recruiting process is based on information about the exporting country and added that, “we tend to recruit experienced people who have worked in such markets, who are willing to travel and who know the language”.

Participants were asked if they can name some internal barriers that the company faces when exporting goods, the response were similar. All the participants mentioned that, there are no internal barriers that can affect the firms export to a large extent. However, IP 7 mentioned that, sometimes newly employed people could make some errors but this is normal.

When asked about the role of information on market segmentation and managerial strategies, all the interviewees accepted that, Information about the hosting country can help the firm segment the market and also help the managers make the best strategies.

**Functional barriers**

When asked about the financial situation of Electrolux to the participants, none of the respectable interviewees considered this an internal barrier for the company. In this regard IP 7 added that, Electrolux is a very large company and has not faced any financial challenges in the upcoming years especially regarding Iran.
It was also asked if the managerial performance of the company affects exporting and all the answers were positive. IP 6 argued that “It does always, more skilled managers will help a lot, but we have a management team where they talk and communicate, management is about teamwork”. In this regard, IP 7 stated similar response and mentioned, “Management skills is important. But so is the knowledge and professionalism of all staff, since this is a team work”.

Marketing barriers

When asked about the role of information and knowledge on marketing activities, all the participants agreed that these two elements are important for marketing. IP 7 stated that, “Only with correct knowledge and information you can increase results. Marketing activities and promotion will have to be adjusted to local conditions. Pricing is regularly monitored on all markets. Distribution is special: Mostly containers are delivered to one place (quite often an entry point, harbor or the like) and distribution from there to customers is handled locally”. In this context, IP 5 mentioned that, “There are no direct marketing activities in Iran since we are not present as an organization; however our dealers and importers do such activities with promotions etc., on their own.”

Relationship management barriers

When asked about how Electrolux intends to enhance their relationship with Iranian clients, all the participants had a common response. They all stressed on the role of frequent communication and traveling to Iran which will result in a better relations between the dealer and the firm. It was also asked on how the company is able to convey the value of relationship through their employees. In this regard IP 6 stated that “the employees must be polite and value respect for the Iranian side, also traveling will allow them to know the dealers and gain mutual trust”. IP 5 and 6 also had the same approach as IP 7, they argued that relationship is the result of trust and communication between our employees and clients, therefore the company aims to send its employees to Iran so that they can have better communication with the dealers.

It was also asked from the IPs if they value innovation and quality and agree if these two elements will help them gain a better relationship. All the participants agreed, IP 6 stated “Iranian clients demand quality products just like European clients; we have to offer high
end innovative products with quality. This is achieved through communication and heavy investment on the R & D department”.

IP 7 had similar opinion as IP 6 and stated that “Electrolux has always been a forerunner when it comes to high quality and innovative products. A good relationship is based on trust, and reliable equipment is one part. Customers shall know that with an Electrolux solution they will have the best, most reliable equipment at the best price. And spare parts shall be easily accessible, as well as well trained technicians. One of the biggest departments in Electrolux, staff wise, is the R&D. So, the company will continue to be the forerunner”. IP 5 added that quality and innovation are essential for relationship but price is also a factor.

5.1.2 Empirical summary from Electrolux

Table 6: Electrolux’s primary data summary (Author’s elaboration)

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Primary data</th>
</tr>
</thead>
</table>
| **Export barriers and entry modes**          | • Environmental barriers from sanctions (political and regulatory sanctions).  
• More flexibility and following the EU rules will help to overcome the barriers.  
• In-direct exporting (through dealers and intermediaries).  
• Larger firms have more advantage in exporting specially for Iran.           |
| **Institutional barriers /Legal and political barriers of export** | • Legal and political situation in Iran are stable but the global political and legal environment due to sanctions have caused barriers and finally influenced Iran’s political and legal environment to form barriers.  
• To help overcoming these barriers Electrolux follows the EU rules and seeks help from its partners in Iran.  
• Transaction barriers are also problematic for export.  
• Uncertainty is not an issue in Iran, but if it arises local partners can help. |
| **Institutional barriers /Cultural barriers of export** | • Cultural settings of Iran do not cause any barriers for export.  
• Iran is a religious country compared to Sweden.  
• In Iranian culture they tend to bargain more for price.                      |
| **Experimental and knowledge barriers of export** | • Knowledge barriers can be solved through working with local partners and trainee programs for the employees.  
• Experience is vital for the firm; the more experiences sales people can market the products better. |
| **Internal barriers of export/ Information** | • Information regarding the hosting country                                                                                               |
barriers can lead to survival of exporting.
- Information regarding the importing firm can help shape the recruitment procedure for export personal and create suitable assessment procedures for them.
- The recruiting process has its own standard procedures but information regarding Iran can also help.
- People who are familiar with Iran and have worked in similar environments have more chance to get employed for Iranian division.
- Information can allow the manager to make the right plans (segment the market).
- Newly employed people can sometimes cause internal barriers with small mistakes.

| Internal barriers of export/ Functional barriers | • No financial difficulties.  
• No serious functional barriers.  
• The manager can influence the internal barriers with the right decision and communication with staff. |
| Internal barriers of export/ Marketing barriers | • Knowledge and information regarding Iran can help the marketing.  
• Seeking the help of the local partners (logistic and distribution for instance are handled with partners). |
| Relationship management barriers of export | • Relationship can be enhanced through frequent visits and communications with partners.  
• Employees are advised to respect the Iranian side and communicate.  
• Innovation, price and high quality are important for good relations with Iran. |

5.2 Scania

With 90 billion SEK in turnover Scania automotive manufacturer is in the top 12 largest B2B companies in Sweden with high rate of exporting (Largestcompanies.com, 2016). Scania is the world leading automotive manufacturer founded by Gustaf Erikson in 1891 Malmö, Sweden; the company is mostly involved with manufacturing, trucks, busses and engines (Scania.com, 2016). The company’s CEO is Mr. Henrik Henriksson and with over 45000 employees Scania is considered one of the most successful and international Swedish companies which offers high end technology, quality and top notch innovation to its clients (Ibid). Scania has several competitors around the world; according to their annual report published in 2014 Scania is actively competing with MAC, Volvo trucks, DAF, Man trucks and Mercedes-Benz (Ibid).
According to Scania`s 2014 annual report, Scania is exporting 18% of its trucks as well as 24% of its busses to Asia and Middle East (Scania.com, 2016). Moreover, the company is now focusing mostly on logistics improvement and hybrid/ environmental friendly engines more than ever, according to the CEO’s statement.

Scania is also is exporting goods to Iran, this is both confirmed by the regional manager and the company’s web page (Many references was provided for this in the first chapter).

Table 7: Scania in brief (Author’s elaboration)

<table>
<thead>
<tr>
<th>CEO</th>
<th>Mr. Henrik Henriksson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Automotive</td>
</tr>
<tr>
<td>Competitors</td>
<td>MAC, Volvo trucks, DAF, Man trucks and Mercedes-Benz</td>
</tr>
<tr>
<td>Employees</td>
<td>45000</td>
</tr>
<tr>
<td>Revenue</td>
<td>Over 92 Billion SEK in 2015</td>
</tr>
<tr>
<td>Founder</td>
<td>Gustaf Erikson in 1891</td>
</tr>
</tbody>
</table>

Sources: (Scania.com, 2016)

5.2.1 Primary data from Scania

5.2.1.1 External barriers

Export barriers and modes

IP 8 and 9 were asked to state the challenges they face while exporting goods to Iran. Both participants started talking about the sanctions and how this issue is causing problems for the company. IP 8 commented; “the issue of sanction is witnessed as a barrier specially when exporting and must be dealt accordingly”. IP 9 had the same opinion but also added; “sanctions are not gone yet, even though everyone thinks this is true but it takes a long process”. It was also requested from both participants to explain how they grip these barriers of export. IP 8 mentioned that, through following the EU rules and carefully planning the export process this issue can be solved. IP 9 mentioned; “We tend to solve these barrier by working with local partners (Oghab, MAMMUT) in Iran”. Both the IP’s talked about the importance of following the EU regulations and selecting the right forwarders and dealers for exporting.
Regarding exporting modes to Iran both IP’s stated that they use in-direct exporting modes to Iran since this is the best option and they can do this through the local dealers. IP 8 also supplemented to this and cited; “at this point with the help of the dealers exporting will be safer and the risks will be less”.

When asked about firm size and exporting, both participants accepted that firm size is important. However, IP 8 commented; “firm size is important but all the companies have some certain challenges, also in is not about the company sometimes, the situation of the hosting country is also important”. IP 9 mentioned, Scania has different departments dedicated for exporting and smaller firms have less potential in this matter.

In this regard, IP 9 also added, “Scania has close relations with the embassy and the governmental sector, normally for smaller firms these connections are harder to establish”. IP 8 also added that” larger companies have more resources and more influence especially in uncertain countries, in general larger firms are more capable but some factors are out of the hands of both small and large firms”.

**Institutional barriers /Legal and political barriers of export**

It was asked if the political situation and regulations of Iran can alter the export of Scania, the answers where parallel to each other. Both participants stated that; the political and regulatory barriers are the number one concern. IP 8 addressed the issue of sanctions and the limitations this can bring for Scania. IP 9 added that, sanctions are part of the political barriers and regulatory barriers and can cause major issue. Moreover, IP 8 talked about the issue of uncertainty and mentioned; “we must be flexible and cautious regarding political issues of Iran but this is not mostly a product of the politics of Iran alone, this is a product of EU and US politics too”. In order to overcome these challenges both interviewees mentioned that the options are limited and the company must be flexible and obey the regulations. IP 9 also mentioned that, political uncertainty is tricky to adapt to and this dispute is not only in Iran it is in many countries.

The follow up questions was asked in the context of political uncertainty and its relations to export. Both participants stressed on the role of flexibility and communications. IP 8 commented that, Scania is aware of the uncertainty and we handle this through
communication with partners and governmental sector. IP 9 added that, having an in-direct export through dealers is beneficial for this issue; the dealers can handle the uncertainty for us.

**Institutional barriers /Cultural barriers of export**

It was asked if the culture of Iran can cause barriers for Scania while exporting, the participants had different opinions. IP 8 did not see this as an obstacle and commented; “Iran is rich in culture and we love this about Iran the only factor limiting us from export is the sanctions”. On the other side IP 9 cited; “Culture must be well known, it is a lot better to know the culture before doing business of course but the sanctions are more important”. Moreover IP 9 mentioned; “our partners in Iran can also help use learn many things about the Iranian culture and at the same time solve other export barriers”. IP 8 mentioned that “partners are important for export even if you don’t know the country’s culture they can help you out”. IP 9 also mentioned that, the main partners of Scania in Iran are Oghab and MUTAN and through them export can become a lot easier.

It was asked if the cultural barriers of Iran can alter the sales and marketing, the answer where similar. IP 9 answered no, later on he commented; “at first if you don’t know the culture it can cause problems, but we know the culture and have close relationship with Iran so this is not an issue. Also in Iranian culture they demand high quality product in which we are the best so this is easier for us”. IP 8 also answered no and mentioned; “Iranian culture does not cause any barriers for export for Scania, also partners can help us understand the culture even better”.

When asked about the cultural differences between Sweden and Iran, both participants agreed that there exist differences in the culture. IP 9 commented; “there are cultural differences, but as long as we work with our partners in Iran we are ok”. IP 8 mentioned that, Iran and Sweden are different but the culture of business is understandable. Moreover IP 8 stated, the young business men and women in Iran think and plan in a way that it is acceptable with any western society, this means that the cultural differences in the business area is becoming thinner every day.
5.2.1.2 Internal barriers

Experimental and knowledge barriers of export

It was asked to participants to explain how Scania solves the knowledge barriers and both answer likewise. IP 9 stressed on the role of partners in Iran while IP 8 stressed on the role of partners and the trainee programs for employees. IP 8 mentioned; “We solve the barriers through our partners in Iran but we must also be knowledgeable. The exporting team is trained to overcome the knowledge barriers and also our partners in Iran will help us”.

Both participants were asked to define the role of experience in exporting. All the participants had similar answers to some extent. IP 9 mentioned that, experience is important especially in uncertain markets. IP 8 had the same arguments as IP 9 but also stated; “Experience is very important but not everything, some uncertainties cannot even be solved through experience”. IP 8 added that, Iran is a very fast moving country and the role of experience could help the company understand the direction of the business.

Information barriers

It was argued by both parties that, enough information about Iran is gained through partners and visits to Iran. Moreover, regarding recruitment process, both participants mentioned that, the HR department has several assessment procedures and will make sure that the person fits the offered position. Both of the participants mentioned that, the HR department defines the roles according to the information they receive. IP 9 mentioned that, Scania is very large and diverse company and they hire from every culture and backgrounds, people will go through the best training courses to improve the performance of the firm. IP 8 stated that, people who are employed for Iran are recruited from every background but it is beneficial for them to know more about Iran compared to other employees.

It was asked if Scania has any internal barriers while exporting to Iran. Both participants answered no. IP 9 mentioned that, Scania is a very export oriented company and is ready for all the challenges. IP 8 also mentioned that even though Iran is a different market we still work with Iran with no internal barriers like any other country. IP 8 added that “internal barriers of large companies especially in Sweden are very limited”.

50
It was asked if enough information about the hosting country can help the managers through decision making and strategy. All the answers were positive. IP 8 commented; “management is about information, communication and planning. The right information can result in the right decision”. IP 9 also added that, managers can find the right partners through the sufficient information about the hosting country.

When asked about the relations between information and market segmentation both participants had parallel comments. IP 8 mentioned that, through information from the dealers we can identify our main clients and design our marketing campaigns. IP 9 had similar perception and added; “market studies are easier with more information compared to not having information, but the local partners are the main sources for gaining valuable information”. IP 9 also mentioned that “accessing information in Iran is a bit complex that is why reliable partners are the key factor here”. IP 8 also mentioned, traveling to Iran can allow the company to gain valuable knowledge and information which will result in a better market segmentation.

**Functional barriers**

It was asked if the financial matters of Scania have ever caused any barriers from exporting to Iran. IP 8 mentioned; Scania is strong financially and is ready for large orders with very strong financial team. IP 9 stated that, the financial matters of Scania have never been any issue but the money transfer between Iran and Scania has caused challenges due to sanctions. It was asked if managerial skills affect exporting and firm’s functionality. Both participants agreed that management is important and can affect several things. IP 9 emphasized on the importance of time and planning which are bi-products of the right management. IP 8 mentioned that management is important but team work is even more valuable. IP 8 mentioned that, a good manager must allow everyone to share ideas and comments so the organization can grow.

**Marketing barriers**

It was asked if knowledge and information can cause challenges for marketing after exporting. IP 8 stated that, knowledge and information are large part of marketing and without the right information the company will face many challenges. In this regard IP 9 commented; “enough knowledge can teach us more about sanctions and regulations in Iran
which will shape our marketing strategy. Information and knowledge are important since Iran is uncertain, also information can help us compete with our rivals smartly”. IP 8 also mentioned that, “Without information and knowledge the company can lose a lot of money in an investment”.

**Relationship management barriers**

It was requested from participants to explain how they improve their relationship with Iran and how they teach this to their employees. Both participants mentioned that frequent visits to Iran can help a lot. IP 9 mentioned that, Scania does its best to establish strong relationship with its Iranian partners and traveling to them is a key factor. Moreover, IP 9 added that, Scania encourages the employees to travel and visit the local partners in order to establish trust and better relationship. IP 8 also had the same comment and added that, communication and frequent visits to Iran can allow the company to have more robust relations with Iran.

It was also asked if innovation and high quality products can increase the relationship between the importer and exporter.

IP 8 and 9 both agreed that quality and innovative products can bring the exporter and importer closer. IP 9 mentioned, “Iran demands high quality and its standards are like European countries now, through heavy funding in the R & D department we tend to increase the innovation”. Also IP 8 commented; “Iranians are good with us because we offer high quality trucks and busses, they love the fact that our automotive can last long without repairs compared to other brands. That is why they trust us and we have better relationship with them”.

**5.2.2 Empirical summary from Scania**

**Table 8:** Scania’s primary data summary (Author’s elaboration)

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Primary data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export barriers and entry modes</td>
<td>• Political and legal barriers from sanctions.</td>
</tr>
<tr>
<td></td>
<td>• In-direct mode of exporting (Oghab and MAMMUT) through main partners.</td>
</tr>
<tr>
<td></td>
<td>• Using local partners can help overcome the barriers.</td>
</tr>
<tr>
<td></td>
<td>• Larger companies have more capabilities in exporting, since they can achieve better networks.</td>
</tr>
<tr>
<td>Institutional barriers /Legal and political barriers of export</td>
<td>Sanctions have caused the political and legal environment to be challenging for Scania. Options are limited to solve the barriers, however following the EU and US rules will help. Uncertainty is also a challenge but through close relations with governmental sector and partners it can be solved. In-direct exporting can help with uncertainty.</td>
</tr>
<tr>
<td>Institutional barriers /Cultural barriers of export</td>
<td>No cultural barriers as long as the firm works closely with local partners. Having high quality products will also help pass the cultural barriers. Iran and Sweden have different cultures but this not bad for business.</td>
</tr>
<tr>
<td>Experimental and knowledge barriers of export</td>
<td>Knowledge barrier is not an issue Knowledge barriers can be resolved through working with local partners and trainee programs for staff. Experience is essential as it can help the firm overcome the uncertainties in Iran.</td>
</tr>
<tr>
<td>Internal barriers of export/ Information barriers</td>
<td>The firm gains information through the local partners and visits to Iran in order to minimize the internal barriers. Information from Iran helps but does not help the recruiting process of the employees since they must go through the standard hiring procedures. The company has no internal barriers. Market segmentation and managerial strategies can be achieved with higher performance through information from Iran.</td>
</tr>
<tr>
<td>Internal barriers of export/ Functional barriers</td>
<td>No functional barriers Financial barriers do not exist, only financial transactions are problematic. Manager’s decisions can influence the firm’s internal performance; therefore the manager must observe ideas and plan wisely.</td>
</tr>
<tr>
<td>Internal barriers of export/ Marketing barriers</td>
<td>Information and knowledge are two important cornerstones of marketing for Iran. Understanding the competitors and monitoring the rules and regulations will also help.</td>
</tr>
<tr>
<td>Relationship management barriers of export</td>
<td>Traveling to Iran and communication will attain trust and bring better relationship. Quality and innovation are also highly valued concerning relationships building with Iran.</td>
</tr>
</tbody>
</table>

5.3 Volvo (Trucks division)

Volvo Trucks is one of the many subsidiaries of Volvo AB which is one of the largest manufacturing B2B companies in Sweden (Volvo.com, 2016). According to its turnover, of over 312 billion SEK, With 100000 plus employees in more than 19 countries and 190
markets, Volvo is the largest Swedish company (Volvo.com, 2016, Largestcompanies.com 2016). Also, Volvo is considered among the top two largest exporting companies in Sweden after Ericsson (Ibid).

Volvo was founded in the April of 1927 by Assar Gabrielsson and Gustaf Larson with the aim to produce automotive vehicles, Volvo’s CEO is Mr. Martin Lundstedt (Volvo.com, 2016). Volvo is active in many areas, according to the company’s 2015 annual report and their website, Volvo is active in manufacturing; trucks, buses, construction equipment, industrial power, marine power, financial services and most importantly cars (Ibid). Volvo is also giving parts and engines to many famous automotive companies such as MACK and it’s mostly known for its fuel efficiency, high quality engines and gear box (Ibid).

According to the 2015 annual report from Volvo, it is obvious that the company has many rivals and competitors, the following shows some of the most important companies which are actively competing with; MAN, Scania, Sinotruk, Brunswick, and Terex (Volvo.com, 2016). According to the country manager and Volvo’s website, the company is actively exporting goods to Iran especially in the truck division.

**Table 9: Volvo in brief (Author’s elaboration)**

<table>
<thead>
<tr>
<th><strong>CEO</strong></th>
<th>Mr. Martin Lundstedt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Automotive</td>
</tr>
<tr>
<td><strong>Competitors</strong></td>
<td>MAN, Scania, Sinotruk, Brunswick, and Terex</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>100000</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>Over 312 Billion SEK in 2015</td>
</tr>
<tr>
<td><strong>Founder</strong></td>
<td>1927 by Assar Gabrielsson and Gustaf Larson</td>
</tr>
</tbody>
</table>

Source: (Volvo.com, 2016)


5.3.1 Primary data from Volvo trucks

5.3.1.1 External barriers

Export barriers and entry modes

It was asked from IP 10 if Volvo faces any exporting barriers when trading with Iran and how they handle the situation. IP 10 replied that, “Even though they are saying that sanctions are gone still this is not true, banks don’t work with Iran and a lot of forwarders do not want to take the goods to Iran”. Later on IP 10 commented that, SAIPA (an Iranian automotive firm) will order the goods from Volvo and they will solve the issues and barriers for Volvo. Later on IP 10 mentioned that Volvo works according to the EU rules and deals with the sanction like any other company that works with Iran. Lastly IP 10 commented that, “the banking system is also a challenge and we need to be more flexible and patient, but our partner in Iran will normally solve this issue”.

Regarding the entry modes to Iran the respondent commented that, “Volvo sends the goods in-directly to Iran, SAIPA will order and we send to SAIPA and later on they distribute to the clients”.

When asked about firm size and its effect on exporting, IP 10 commented; “Large companies have more advantage to overcome the administration problems, also history with Iran and experience will help a lot”.

Institutional barriers /Legal and political barriers of export

It was asked if political situation of Iran as well as its rules and regulations will affect the exporting of Volvo, IP 10 replied; “by following the regulatory rules of EU and having enough knowledge regarding Iran exporting to Iran will be ok”. IP 10 also commented that, Iran has some issues and problems regarding sanctions but this can be handled by carefully following the rules. It was later on asked if the legal and political uncertainty in Iran can alter the export for Volvo. In this regard the IP commented;” yes it does, however we try to follow the rules and be flexible, also the nationality of the exporting company is important. The political situation of the exporting country can also affect our exporting policy, no matter how big our company is but still we must follow the rules.”.
Institutional barriers /Cultural barriers of export

When asked about Iranian culture, IP 10 did not see this as a barrier of export. According to the comment of IP 10; “Iranian culture has no consequence on exporting, Iranians have a very friendly attitude and through this we can work perfectly. We also follow the social corporate responsibility training which is offered at Volvo, this program teaches us how to work with different cultures”. Next question was asked to see if culture of Iran has any effect on the sales and marketing of Volvo in Iran and the answer was negative. IP 10 commented “If the political situation is okay and the EU rules don’t limit us the culture will not be a problem for us”.

It was asked from IP 10 to define the cultural differences between Sweden and Iran, IP 10 commented; “There are a lot of differences between Sweden and Iran, Iran is more traditional and they have so called bazar mentality. While Sweden is more industrial with high production at least in the industry we are known in the world. However, Iran is different from the other middle-eastern countries; like high quality and they have money”.

5.3.1.2 Internal barriers

Experimental and knowledge barriers of export

When asked about knowledge barriers, IP 10 clearly stated that, knowledge barrier of the hosting country exists and it must be solved for successful exporting. In order to solve the knowledge barrier IP 10 commented; “We have a number of plans for this, we have to conduct long term relationship first, next we must be able to connect with valuable partners in Iran, and finally we also have to educate ourselves regarding the Iranian rules, regulations and culture”. IP 10 also addressed that, in Iran the government is planning to increase jobs and companies must know these policies, this is why Volvo aims to establish part of its operations in Iran in order to teach technical know-how and create jobs in Iran. Also the money transfer to Iran is something that is hard to adopt and companies must have the knowledge.

When asked about the importance of experience on export, IP 10 commented that, experience is very important and one must gain this valuable tool through interacting in trade and
exporting. Moreover IP 10 added that, through experience one can understand the tradition of the business and how to increase sustainability as well as relationship.

**Information barriers**

It was asked from IP 10 to explain the process of recruitment at Volvo trucks for the Iran division and if information regarding the country can help this process. IP 10 replied; “Information is important when hiring people, especially for Iran. However the company has its own assessment and standard procedures for employing people. Meanwhile, when we want to hire people for Iranian division we look for people who know the culture and understand the country, no matter what culture they come from as long as they know Iran it is a merit for them to work for us”. Moreover, the firm communicates constantly with its partners to gather as much information as possible said IP10.

A follow up question was asked regarding internal barriers in general, it was asked to the participants if Volvo trucks face any internal barriers while exporting. IP 10 commented; “We are a large company and we normally don’t have internal barriers, we tend to follow the EU regulations and do business flexibly. However, during this process we might face some minor errors internally, such as communication but this will never cause major issues since all our employees are experts”.

The subsequent question was asked concerning the relation between information and managerial decision making. IP 10 commented that, managers can make decisions on many factors but information is the most important element in this process. Likewise IP 10 added that, information about the hosting country will allow the manager to have a holistic point of view and avoid mistakes. IP 10 also added that, the managers at Volvo tend to communicate a lot with the exporting country and have frequent visits in order to have sufficient information before formulating plans.

When asked about relations between information and market segmentation, IP 10 commented that, information about the hosting country makes it easier for us to find partners and this will make the market segmentation easier. IP 10 commented more in detail regarding information and cited; “The exporting process is all about information and local knowledge, information is best gained through trustworthy local dealers and consultants. Consultants sell valuable information about the hosting country and this makes everything easy”. Moreover, in this
regard, IP 10 mentioned that the first business between Iran and Volvo was conducted in 1934 with a technical service firm called RENA, from this time till now we are communicating and gaining valuable information from Iran.

Functional barriers

It was asked if the financial situation of Volvo ever caused any barriers of exporting to Iran and the answer was negative. In this regard, IP 10 remarked “Iran is a valuable market for us and we will not allow the financial barriers to occur at the first place. Iranian people are in love with high quality products and this allows us to have close relationships with our clients. In the past we had some problems regarding large volumes of orders to Iran where we were not able to keep up with the production capacity but this has never caused any real issues. Also Iran is a big market with loyal customers that have huge demands”.

IP 10 was also asked what he thinks about the relationship between managerial skills and export performance. Later on IP 10 commented”. A good manager especially for Iran must understand the parameters of management in order to plan wisely for a country”. IP 10 also added that, for Iran the manager must not push too hard and he/she must be flexible and patient. A manager must however be flexible and must be prepared for uncertainty said IP 10.

Marketing barriers

IP 10 was asked what he thought about the relations of enough knowledge and marketing performance, if enough knowledge can increase Volvo’s marketing performance in Iran. IP 10 answered yes. IP 10 mentioned; Volvo needs to know about the Iranian society and regulations when doing business, these are achieved through knowledge, later on based on these inputs the firm can formulate marketing plans. IP 10 also gave an example for this matter where he commented; “Iranian government is looking for companies that will operate in Iran in order to create jobs, we must plan our marketing for instance according to these contextual regulations”.

Relationship management

IP 10 was asked to disclose some of the plans they have to increase their relationship between the Iranian clients and Volvo. IP 10 commented that, we must be present (some operations must remain in Iran) in Iran and communicate in order to enhance our ties with the Iranian side. Moreover, he mentioned that, Volvo needs to be present in Iran and this will allow us to
achieve trust and better relationships. A follow up question was asked regarding how the company intends to encourage their employees to establish a better relationship with Iran. IP 10 replied that, our employees learn this through the process of doing business and their training programs that we have, but more importantly by traveling to Iran and dealing directly with the clients.

It was also asked if innovation and high quality product can increase the level of relationship between exporter and importer and the answer was positive. IP 10 mentioned that, people of Iran are looking for high quality and innovative companies and they are not keen to do business with companies that offer poor quality. IP 10 also gave a very interesting example and commented; “Volvo took the market away from Mercedes-Benz 20 years ago simply because Benz was not able to keep up with the quality and innovation”.

It was also asked from IP 10 regarding innovation process at Volvo and how they tend to keep up with innovating ideas and products. The participants responded that, Volvo invests heavily in and R & D and also they carefully monitor customer satisfaction index. The customer satisfaction index will allow the company to understand the issues of a product line and solve those problems for the next production.

5.3.2 Empirical summary of Volvo

Table 10: Volvo’s primary data summary (Author`s elaboration)

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Primary data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export barriers and entry modes</td>
<td>• Political and legal export barriers from Iran (from sanctions).</td>
</tr>
<tr>
<td></td>
<td>• Transaction barriers</td>
</tr>
<tr>
<td></td>
<td>• In-direct exporting (SAIPA is the main partner)</td>
</tr>
<tr>
<td></td>
<td>• Relying on the partners and following EU regulations will help solving the</td>
</tr>
<tr>
<td></td>
<td>exporting barriers</td>
</tr>
<tr>
<td></td>
<td>• Large firms can overcome the administration obstacles easier when exporting</td>
</tr>
<tr>
<td></td>
<td>with Iran.</td>
</tr>
<tr>
<td>Institutional barriers /Legal and political</td>
<td>• Barriers are from sanctions, uncertainty, political and regulatory</td>
</tr>
<tr>
<td>barriers of export</td>
<td>environment of Iran.</td>
</tr>
<tr>
<td></td>
<td>• Enough knowledge, following the rules of EU and flexibility will help to</td>
</tr>
<tr>
<td></td>
<td>overcome the barriers.</td>
</tr>
<tr>
<td>Institutional barriers /Cultural barriers of</td>
<td>• Culture of Iran does not cause any barriers of</td>
</tr>
<tr>
<td>export</td>
<td>export to Volvo</td>
</tr>
<tr>
<td></td>
<td>• The social corporate responsibility trainee program at Volvo will allow</td>
</tr>
<tr>
<td></td>
<td>them to work in</td>
</tr>
</tbody>
</table>
The culture of Iran does not affect the sales and marketing of Volvo in Iran. Sweden and Iran have large cultural differences, Sweden is more industrial and Iran more traditional but this is no problem for business.

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**Experimental and knowledge barriers of export**

- Knowledge barrier is important and it is evident, this is resolvable by conducting long term relations with Iran, establishing network with valuable partners and training its employees.
- Experience barriers are not greatly patent, but through direct interaction with trades with Iran this matter will be also solved.
- Having knowledge and experience regarding local production can help the company to a large extent.

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**Internal barriers of export/ Information barriers**

- Gathering information from the hosting country can help the company in several areas.
- The company can use information from the hosting country in hiring the right export personal but they also have certain recruitment procedures.
- Candidates who know are familiar with Iran have a higher chance to get employed in the division responsible for Iran.
- Communication barriers have been recognized as an internal barrier at Volvo.
- By traveling regularly to Iran managers can also gain a lot of information regarding partners and market segmentation to help them make better strategies.

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**Internal barriers of export/ Functional barriers**

- No Financial barriers
- The firm has faced some issues regarding large volume of orders.
- Managers must be flexible and patient in order to optimize the exporting performance.

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**Internal barriers of export/ Marketing barriers**

- Having knowledge regarding the rules and regulation of Iran are the most important tools of marketing for Volvo.

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**Relationship management barriers of export**

- Being present in Iran can enhance the relationship between Volvo and its partners, this can also result to more trust.
- Some operations must also remain in Iran, in order to enhance the relationship.
- Selling high quality, innovative and focusing on customer satisfaction index can lead to better relations.

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### 5.4 Ericsson

Ericsson is the second largest B2B Swedish manufacturing company in Sweden (by turn-over) with over 115000 employees’ worldwide active in 180 countries; also 40 % of the world
mobile traffic is carried out by Ericson’s networks (Ericsson.com, 2016). Also, Ericsson is considered to be the number one exporting company in Sweden with over 117 billion SEK of turnover from export (Largestcompanies.com, 2016).

Ericsson was founded in 1876 by Lars Magnus Ericsson who had deep passion and desire for technology and innovation, the founder started with a very basic telegraph repair work shop and later on expanded its business (Ericsson.com, 2016). At this point the giant telecom firm (Ericsson) is operating through the management of the CEO Mr. Hans Vestberg (Ibid).

According to the 2014 annual report from Ericsson, the company is active in heavy competition with Alcatel-Lucent, Cisco, Huawei and Juniper; moreover the company is aiming to expand its operations in emerging markets and Middle Eastern countries (Ericsson.com, 2016). It is clearly stated in Eriksson’s 2014 annual report that the company operates in Iran and is actively exporting goods to the country, even though the sanctions have limited its activities (Ibid).

**Table 11: Ericsson in brief (Author’s elaboration)**

<table>
<thead>
<tr>
<th><strong>CEO</strong></th>
<th>Mr. Hans Vestberg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td>Telecommunication</td>
</tr>
<tr>
<td><strong>Competitors</strong></td>
<td>Huawei, Samsung, Motorola, Alcatel-Lucent, Xperia, Apple, Sony, Nortel, Cisco</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>115000</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>Over 227 Billion SEK in 2015</td>
</tr>
<tr>
<td><strong>Founder</strong></td>
<td>Lars Magnus Ericsson 1876</td>
</tr>
</tbody>
</table>

Source: (Ericsson.com, 2016)

5.4.1 Primary data from Ericsson

5.4.1.1 External barriers

Export barriers and entry modes

It was asked from all the interviewees to name some challenges they face when exporting to Iran, all the participants talked about political situations and sanction. IP 2 stated, “We have to make sure the product we sell is acceptable for Iran since the country is still under sanctions”. In this regard, IP 1 added more factors which can act as barriers, “sanctions are
not all, cargo, shipment, quality, regulatory organization, quality control are also important factors that we have to overcome”.

IP3 however, mostly considered barriers with-in Iran and different governmental sectors, these challenges will occur when the company is waiting for some documentations (like Authorized economic operator license or community reinvestment act) or shipment procedures. Regarding solutions to these barriers all the participants mentioned that; there is no fixed solution and the key is following the rules, meeting the quality control requirements and having flexibility.

When asked about the mode of export, all the participants answered direct exporting since they have a branch in Iran already. However IP 4 also mentioned that sometimes they also use in-direct ways of exporting. IP1 also stated that, “when ordering goods from Iran most of the items comes from our Dubai Branch to Iran, we tend to use dealers less since we have a branch in Iran”. For the follow up question it was also asked if, firm size matters for exporting and if larger firms have more advantage when doing export. All the participants except 1 mentioned that larger firms have more advantage in exporting. IP 3 did not see firm size as an improvement for export and mentioned, “The process of export is the same and firm size is not important”. However IP 1, 2 and 4 thought that, larger firms have more power when dealing with official documentation and legal issues. IP2 also added that, the political and legal factors of Iran is not uncertain, the sanctions has caused these complexity for European companies, but inside Iran things are stable.

Institutional barriers / Legal and political barriers of export

When asked about the legal and political situation of Iran and how it affects exporting, all the interviewees replied accordingly and mentioned, this is very touching and significant element for export. IP1 stated that” Sanction have put pressure on Ericsson since we cannot do business freely, for instance money transfer is done in a very complex manner since the banks are under sanctions”. IP 2 and 3 also mentioned that, there is uncertainty while doing business in Iran and this is due to the political situations and sanctions. It was also asked to the IP’s regarding the strategy that Ericsson uses to overcome these political and legal challenges, all the IP’s except IP 1 believed that this has no solution and the company must
follow the rules. IP1 however, mentioned that flexibility is the key and we tend to be patient and flexible when working with Iran.

A follow up question in similar context was asked to the participants, it was asked if uncertainty (political and regulatory uncertainty) of the hosting country is important on export and what plans the company has for this issue. IP 1 promptly responded that “uncertainty has direct outcome on exporting, if a country is uncertain companies incline to invest less”. IP 2, 3 and 4 also said that, uncertainty is a crucial factor in exporting. IP 2 and 4 mentioned that uncertainty will result in more complex work and documentation when doing business and a lot of companies will avoid these complexities. IP 3 also added that, since we are a European company we must obey the EU rules which make it extra difficult for us since Iran is under sanctions.

**Institutional barriers /Cultural barriers of export**

It was asked if culture of Iran can make exporting difficult for Ericsson and the answer was no. IP 3 and 4 mentioned that the culture is nothing to worry about and the business does not face any challenges culturally. IP 1 stated that “the culture of Iran can even be advantageous for Ericsson, the people of Iran are looking for high quality products and European goods have large market in Iran. They avoid buying cheap and low quality items.” In this regard, when the next question was asked (if the cultural barriers affect the sales and marketing) IP1 clearly stated that, the Iranian culture can make our sales and marketing more profitable and fruitful. All the other participants also mentioned that the culture has no effect on sales and marketing and all the products are acceptable in the Iranian culture as long as it is not sanctioned from the EU.

Later on it was asked from each participant to define the cultural difference between Iran and every one had interesting responses. IP 1 stated that, there are differences between Sweden and Iran but this is no problem. Later on IP 1 added that, Sweden is also a country that has accepted a lot of immigrants from Middle Eastern countries such as Iran and they can understand the Iranian culture well. IP 2 said that “Iran is a religious oriented country while Sweden is not, I would say this is the only difference between Sweden and Iran”. IP 3 later on prolonged that, the cultural difference are their but it is not an obstacle for business.
5.4.1.2 Internal barriers

Experimental and knowledge barriers of export

Participants were asked to elaborate on how they intend to solve the knowledge barriers of export when exporting to Iran. The responses were identical, IP 1 stated that, the company uses large groups of professional people who search for every aspect of export with Iran before doing any activities. Moreover IP 1 stated that, at Ericsson a department of professionals is dedicated to exporting and these people can identify solutions and overcome the knowledge barriers. All the participants also mentioned that lack of knowledge could be a barrier to export. IP 3 stated that, in order to overcome the knowledge barrier for Iran we must educate our team to understand the regulatory aspects of business with Iran. IP 2 and 4 had similar opinions and they mentioned that, knowledge is important and must be obtained before exporting and since Ericsson has been present in Iran they know how to handle this situation. Regarding knowledge barriers all the participants of Ericsson stated that, this issue will be solved internally most of the times but IP 1 mentioned that during some hard times we must seek the help of professional consultants.

A follow up question was asked in the context of experience and its relations to export. All the participants agreed that experience is one important cornerstone in exporting and must be achieved. IP 1 and 2 had similar opinions and both argued that, every country is different for business and having the right experience will make business easy for you. IP 4 added that, experience and knowledge have relations with one another; gaining knowledge will result in experience later on. Also IP 3 finalized this topic by stating that; “successful exporting is achieved by highly experienced organizations”.

Information barriers

It was asked if information about the importing country can shape the way the company recruits’ employees, also how they train their personnel and the answer was both positive and negative. All the participants agreed that information about the hosting country is important but they are other factors when recruiting. For instance IP 1 mentioned that, when we try to recruit each position is different and has a certain assessment process. Moreover the IP 1 added that the entry level job candidate will be trained and assisted until they get enough knowledge and experience. IP 1 also stated “Ericsson provides some special tools and
application for all its employees in order to educate them, also each year every personnel must take an assessment test and be evaluated”. For the senior jobs and positions, IP 1 added that the person must have some sort of experience in similar market. IP 3 also mentioned that information is crucial when hiring people; it will allow the HR team to hire the right person.

IP 2 and 4 had similar answers and they thought that information about the hosting country will allow the HR to find the right person but also Ericsson has its own assessment exams where they evaluate other skills. In a follow up question it was asked, what kind of outcomes does the company face if the employees are not performing well. IP 2 mentioned that the assessment test every year will identify people who are performing poorly and will help them to improve. IP 1 also mentioned that poor performance can harm the company but it happens rarely. Moreover, all the participants agreed that, poor performance by the employees can be solved through training and sufficient learning tools.

The interviewer asked the participants to name some internal barriers that the firm faces and all the participants except 1 person said that there are no internal barriers. IP 1 however had a different opinion; he stated that “internal barriers are not a lot in a big company like Ericsson but there are some general internal barriers that all firms have, for instance old methods of running things that needs to be improved and will be”.

It was asked from the participants about the relation between information and management decision all the participants had similar response. All the IP’s mentioned that information is an important element for a manager when formulating strategy. IP 3 mentioned that a manager can formulate the right plans with sufficient information and avoid losses. Also IP 4 mentioned that a good manager will seek information from other colleagues and competitors and will formulate plans. IP 1 mentioned that, managers can avoid risks (financial and other types) and save the company. Lastly IP 2 stated that “Information is valuable and can be achieved through communication, good managers are people who can communicate with others”.

A followed up question was asked to see if enough information can help Ericsson segment its market more professionally. All the participants declared that, information will allow them to know their clients and segment their products a lot easier. IP 1 and 3 emphasized the role of communication for obtaining information. IP 2 and 4 on the other hand had the same
approach but they added that competitors are also important to take in to account and they can also provide information when marketing.

**Functional barriers**

It was asked from the interviewees if financial situation of Ericsson can cause barriers while exporting, all the answered was negative. IP 2 and 1 stated that, Ericsson has no financial problems and this has never been a challenge for Iran. IP 3 stated that, financial problem of Ericsson has never been a challenge but, financial transactions between Iran and Ericsson has been challenging. IP 4 also stated that,” Sometimes large volumes of orders can cause some internal barriers but this is rare and they do not have any interference with financial matters of Ericsson”.

It was asked if managerial skills has direct effect on exporting and function of the firm, the answers where similar but different. IP 1 stated that, managers are important and their decisions can make a lot of changes, for instance the performance of logistics and supply chain can be increased through the right management. IP 3 stated that, the manager must know about the rules and regulation of the importing country and make decisions wisely. IP 2 and 4 both mentioned that management is important and can be achieved through team work. IP 4 stated that, managers must communicate and avoid making decisions without communication. IP 2 also stated that, at Ericsson the tasks are achieved through team work and not just 1 specific manager.

**Marketing barriers**

It was asked if adequate information from the hosting country can have effects on marketing of Ericsson. All the participants agreed with this. IP 1 stated that,” we tend to market our products based on surveys and feedbacks from our customers and these information will shape our marketing activities”. IP 2 stated that, Information from the clients can help a lot and must be achieved through interacting with customers. IP 3 and 4 also had similar opinions to IP1, IP 3 stated that feedbacks from the customers are valuable information but also information from the political situations and regulations can help the marketing process. IP 4 stated that, marketing is based on information about the customer but the place and the country is also important, Ericsson will market based on the information that they have from the situation of the country.
Relationship management barriers of export

The author asked the participants regarding relationship and its importance for business. Also how they teach their employees to establish better relationship with their clients.

All the participants mentioned that relationship is very important for long term business and must be taken seriously. IP 1 stated that, “we teach the value of relationship to our employees through the training programs we have at Ericsson”. Moreover, IP 1 claimed that, trust is everything and it is established through relationship with the clients and knowing their personality. IP 1 also added that, relationship with our forwarders is also important, for instance we have close relationships with DHL and this has resulted in higher performance for delivery. IP 3 stated that, relationship is achieved through mutual respect and will result in trust, later on it was added that, Ericsson normally aims to enhance the relationship through customer service and high quality products. IP 2 and 4 both valued relationship and stated that, Iranian clients are looking for quality, and IP 2 stated that it is easy to trust a company as reputable as Ericsson since they put the customers first. IP 4 also stated that, relationship is a product of communication, customer service and flexibility, and Ericsson has taught its employees all these attributes.

It was asked if innovative and high quality products can result in a better relationship, every ones answer was positive. IP 3 mentioned that, the reason Ericsson is ahead of a lot of competitors and has good relationships in Iran is the fact that they have high quality and innovative products. IP 1 also added that, Ericsson normally tries to innovate its products through a survey based research (also known as customer satisfaction index) and in Iran high quality will bring a positive brand image which will later on result in better relationship.

IP 2 also had similar respond and she mentioned that, innovation is highly valued at Ericsson and it is done in the best way possible. IP 2 and 4 also mentioned that Iranians value quality and Innovation and they tend to establish better relations with Ericsson since they offer quality products.

5.4.2 Empirical summary from Ericsson

Table 12: Ericsson’s primary data summary (Author’s elaboration)

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Primary data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export barriers and entry modes</td>
<td>• Political and legal environment of Iran frames barriers for exporting (Due to sanctions).</td>
</tr>
</tbody>
</table>
Factors such as; quality control, governmental organizations, regulatory organizations, cargo and shipment also causes barriers for export.
No fixed solution for the barriers, except following the rules of EU, flexibility and meeting the quality control of Iran.
Direct export through its own branch in Iran.
Larger firms can export easier to Iran as they can handle complexities better.

Institutional barriers /Legal and political barriers of export

- Legal and political situations cause serious barriers from export (due to sanctions).
- The method of payment is also a serious barrier for exporting (banks are under sanctions).
- Uncertainty is also a challenge in Iran, it can prevent others foreign companies not to invest in Iran.

Institutional barriers /Cultural barriers of export

- Culture does not cause any exporting barriers for Ericsson.
- Iranian culture is actually beneficial for business as they demand high quality products.
- Iran is a religious country compared to Sweden, but they can communicate with west just like any other country.

Experimental and knowledge barriers of export

- Knowledge barrier is important; it is advised for the firms to know the regulatory concepts of Iran before exporting.
- Overcoming the knowledge barriers is mostly donning by the experts (in the firm) and employees at Ericsson.
- Professional trainee programs can increase the level of knowledge at Ericsson.
- Experience allows the firm to adapt to different situations in Iran.

Internal barriers of export/ Information barriers

- Information regarding Iran can shape the recruitment procedure for the Iran division at Ericsson but, the firm also has its own assessment procedures too.
- It is an advantage for job candidates to also have worked in similar markets before they get hired for the Iranian sector at Ericsson.
- The company has denied having internal barriers, however, some old methods of management has caused some problems.
- Information about Iran can help the firm achieve better strategies for market segmentation.

Internal barriers of export/ Functional barriers

- Financial transactions between the Iranian clients and Ericsson have been challenging.
- Ericsson itself has no financial problems.
- Keeping up with large order has been problematic in the past.
- Management roles are highly influential at Ericsson as they have direct affect over the performance of exporting and logistic
channels.
- Managers must know the regulations, communicate and act in teamwork.

| Internal barriers of export/ Marketing barriers | • Marketing is best achieved through customer satisfaction index and customer reviews.  
- Sufficient information regarding Iran’s regulation and politics are also essential for marketing. |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Relationship management barriers of export    | • Relationship can bring long term business.  
- Through trainee programs the firm teaches its employees the knowledge of the right communication with clients.  
- Having close relations with partners, forwarders and clients is beneficial for the firm’s exporting and logistic performance.  
- High quality and innovative products can lead to trust and better relationship management. |
6 Analysis and discussion

In this chapter the author will carry out a cross-case synthesis analytical technique analysis and will compare the empirical findings of the study with the theories literature reviewed. The analysis will follow the structure of the table of operationalization (the concepts and constructs) and will provide the reader with clear linkage between the concepts from the theories and empirical findings of each case. Later on the author will provide a discussion based on the findings of the study and the previous research (mostly the theories which has been used as a model for this study) and argue the relations between the findings and the theories. Lastly, the author will give a summary of the analysis and discussion in the form of table to make the chapter brief.

6.1 External barriers

6.1.1 Export barriers and entry modes

Hessels and Terjesen (2008) states that, there are two modes for exporting; direct (direct exporting to clients) and in-direct (with the help of dealers, subsidiaries, intermediaries) modes of exporting. According to Morgan et al. (2012) exporting to hosting countries can have several challenges for the focal firm. In this regard, Cavusgil and Navin (1981) remarked, environmental atmosphere of the hosting country (regulatory, political, economic factors) will affect the performance of exporting. Tesfom and Lutz (2006) also referred to the environmental barriers as exogenous barriers of export (barriers out of the hand of the firm). Leonidou (1995) also claims that, barriers of export can vary for large and small firms, moreover it is likely that small firms face more challenges when exporting compared to large firms.

6.1.1.1 Analysis for Electrolux

Following the theoretical concepts and empirical from Electrolux in can be analyzed that, the company is facing environmental challenges while exporting to Iran. These challenges relates to the political situation and sanctions that the country is facing. The company must follow the EU rules and regulations in order to conduct its exporting to Iran and be more flexible. Moreover the firm is using in-direct exporting to Iran which allows them to distribute to clients through the dealers and intermediaries. According to the empirical investigation from Electrolux it can be noticed that, the company agrees that larger firms have more advantages in exporting (do to more resources). In order to overcome some of the barriers of exporting Electrolux is using partners and intermediaries.
6.1.1.2 Analysis for Scania

The empirical findings of Scania show that, Scania is facing environmental barriers of export to Iran. These barriers are related to the political and legal environment of Iran which is caused by the sanctions. It can be also understood in the empirical findings of Scania that the company uses in-direct exporting and uses partners (Oghab and MAMMUT) in Iran to reduce export barriers. Moreover, from the perspective of Scania, larger firms face less pressure while exporting specially to uncertain countries. This argument is due to the fact that, Scania believes larger companies can establish better relations and have more resources.

6.1.1.3 Analysis for Volvo

The primary data of Volvo (truck division) displays that, Volvo is facing political and regulatory environmental challenges when exporting to Iran. The company aims to solve the barriers through local dealers and it main partner in Iran which is called SAIPA. Volvo is facing challenges regarding sanctions and political uncertainty and they export to Iran by following the EU regulations and having flexibility. According to the empirical investigation from Volvo, the company faces challenges regarding the payments and finding suitable forwarders. Furthermore, Volvo is using in-direct mode of exporting to Iran and seeks the help of local partners and dealers whom they trust. It must be added that, Volvo also believes that larger firms have less barriers of export since they can overcome the administration problems in a more professional manner.

6.1.1.4 Analysis for Ericsson

Looking at the primary data from Ericsson it can be observed that; political situation regarding sanctions have caused barriers of exporting. The company argues that; legal and political situations have put pressure on its exporting which has reduced its performance. However, Ericsson also mentioned; factors such as quality control, governmental organizations, regulatory organizations, cargo and shipment have also caused barriers when exporting to Iran. The company has no particular solution for the barriers and the only option is to follow the rules of EU, meeting the quality control requirements and being flexible. Moreover, the Ericsson used direct mode of exporting since the firm has its own official branch in Iran. According to the empirical investigation from Ericsson, the company tends to
use less dealers, consultants and partners in Iran and rely mostly on its branch. The primary data from Ericsson emphasizes that, firm’s size is important while exporting since they can handle complex situations efficiently.

6.1.2 Institutional barriers /Legal and political barriers of export

According to (Chung 2003) and Hultman et al. (2009) the exporting firm will face challenges regarding the legal environment of the hosting country and must familiarize them self with the market. In this context, it is also argued that political factor of the hosting country can cause serious export barriers for the exporting firm (Chan & Makino, 2007; Sheng & Yang, 2016). Finally, Leonidou (2004) argues that, legal and political environmental barriers of the hosting country can form more challenges if the hosting country is more uncertain.

6.1.2.1 Electrolux analysis

From the primary data from Electrolux can be analyzed that, political situation and legal environment of Iran have caused barriers to export for Electrolux. This is due to the sanctions that the country is facing and the complexities that this will cause. However, the empirical data of Electrolux also shows that the political and legal situation of Iran itself is stable but the problems are due to the sanctions. In order to overcome these political and legal challenges Electrolux mostly relies on its local partners in Iran and follows the EU regulations. According to the empirical findings from Electrolux, uncertainty is an issue and it is witnessed in Iran but the degree is not too high. The firms are facing challenges regarding the payments and financial matters, which are due to sanctions. Moreover, Electrolux relies on its partners to solve the barriers concerning the uncertainty in Iran.

6.1.2.2 Analysis for Scania

By looking at the empirical data from Scania and theories it can be analyzed, Iran’s political and legal environment is a large obstacle for exporting and this is mostly due to the sanctions. The company has limited options to solve these barriers and therefore they must obey the rules and regulations imposed by the US and EU. Scania also argued that, flexibility is also an important matter when exporting to Iran. According to the primary data from Scania, uncertainty is a challenge for the company, Iran has some uncertainties according to the company but it can be minimized through communication with governmental sector as well
as its partners. Moreover Scania addressed the importance of in-direct export in uncertain countries and argued that this mode can help them with overcoming uncertainties in Iran.

6.1.2.3 Analysis for Volvo

The empirical materials of Volvo trucks show that, the company is facing challenges regarding the political and regulatory context when exporting to Iran. These barriers are caused by the sanctions and must be addressed through following the EU regulations, according to Volvo. According to Volvo the issue of political and legal uncertainty can also cause barriers of export for the company. Moreover, Volvo is facing uncertainty in Iran due to sanctions and they tend to focus on obeying the EU rules in order to have fewer challenges in Iran.

6.1.2.4 Analysis for Ericsson

The primary data from Ericsson shows that, Ericsson is facing serious political and legal challenges in Iran due to the sanctions. According to the empirical investigation from Ericsson, the company is facing many challenges due to the sanctions and this has limited their exporting performance. According to the firm, the method of payment can alter exporting speed; this is not a standard procedure for Iran since their entire banks are sanctioned. Also, Ericsson believes that uncertainty in the context of politics and legal matters are important elements for exporting. Ericsson tends to look at uncertainty as a barrier which will prevent others from investment, since the company has to go through more complex procedures.

6.1.3 Institutional barriers /Cultural barriers of export

Cultural settings of the hosting country can form barriers for the exporting firm and must be addressed with the right approach and mostly by being present in the hosting country (Barkema et al., 1996; Baum et al., 2013). In this regard, Shoham (1999) claims, some exporting goods may not be acceptable in the hosting countries culture hence; the importing firm must tackle these issues. It is also argued that, too much cultural differences between the hosting and exporting country can cause more challenges for exporting (Ang et al 2015).
6.1.3.1 Analysis for Electrolux

By looking at the empirical investigation and theory it can be analyzed that, Electrolux does not face challenges concerning the Iranian culture. By reflecting to the empirical material from the company it is evident that the company has no problems regarding the cultural settings of Iran, therefore, culture does not cause any barriers regarding export for Electrolux. It must be noted however, Electrolux did not deny the fact that Iran and Sweden have cultural differences. They defined Iran as a religious country and people who tend to bargain more for price.

6.1.3.2 Analysis for Scania

Projecting to the empirical from Scania and the theories the author analyzed; cultural export barriers do exist for Scania but not to a large extent. The empirical materials of the firms shows that, it is in the favor of the company to know the culture before entering the market but this does not cause large barriers for export. Scania states that, in order to learn the culture they have a plan to work with partners closely and learn from them. Moreover, Scania argues; people of Iran demand higher quality and this is part of their culture that is why the firm has good associations with Iran. Scania also addresses the issue of cultural differences between Sweden and Iran. In this regard the empirical findings show that, the company tends to work with the partners to overcome these differences.

6.1.3.3 Analysis for Volvo

According to the empirical materials from Volvo, the company does not see culture as a large barrier for export. However, the firm aims to become familiarize and learn from the culture through the social corporate responsibility (SCR) training programs that are offered at Volvo. The company argues that, SCR program will teach them diverse cultures so they can work together on any context. Moreover, in this context, Volvo argued that Iran and Sweden have cultural differences but this is not too important. Similarly, according to the empirical material from Volvo, Iran is more traditional in business and Sweden is more industrial and modern.

6.1.3.4 Analysis for Ericsson

Rendering to the primary data of Ericsson, it is evident that the culture of Iran is no obstacle for Ericsson. Likewise, the company claims that, Iranian culture is actually beneficial for
business since they demand high quality and this is something that Ericsson offers to its customers. It was also mentioned by Ericsson that all the products are acceptable in the Iranian culture as long as they are not part of the sanctions. In regard to Swedish and Iranian cultural differences Ericsson claims that, Iran is more religious but they can easily communicate with the west and this is not problem for exporting.

6.2 Internal barriers

6.2.1 Experience and knowledge barriers of export

Experience and knowledge both play an important role in exports, Furchs and Kötner (2016) argue that firms with high level of knowledge can overcome the exporting barriers easier. Likewise, Hultman and Robson (2011) have a parallel opinion and confirm that level of knowledge has direct influence on the performance of the focal firm. Moreover, the issue of firm experience is highlighted as an important element for export; it is argued that firms with more experience can achieve a higher performance regarding their export (Furchs & Kötner, 2016; O’Cass and Julian’s, 2003).

6.2.1.1 Analysis for Electrolux

By looking at the primary sources from Electrolux it can be analyzed; Electrolux perceives knowledge as an important tool for exporting with Iran. In order to overcome the knowledge barriers they tend to work closely with partners, train their employees for Iran and travel to Iran regularly. Electrolux also values experience to a large extent, the firm believes through experience the company can increase its export performance. The firm trusts in the fact that experienced people at the company can market its products better than non-experienced employees, since they know the objective of the firm.

6.2.1.2 Analysis for Scania

Regarding experimental and knowledge barriers for Scania the author can analyze that; the firm values both these elements to a great deal. Additionally, Scania argues that the issue of knowledge barrier is solved through sufficient trainee programs for the employees and knowledgeable partners in Iran. The empirical from Scania shows that, Scania believes that experience is crucial for Iran since, it can help the firm understand the direction of business and overcome the uncertainties.
6.2.1.3 Analysis for Volvo

According to the primary data from Volvo it can be observed that, Volvo finds the dispute of knowledge barriers important for export. In this respect, the firm has number of plans to overcome these barriers. The plans are as follows; conducting long term relations with Iran, establishing network with valuable partners and training its employees. Likewise regarding experience, Volvo believes that the company must interact in trade in order to achieve experience for long term success. According to Volvo, through experience the firm can find the tradition of business.

6.2.1.4 Analysis for Ericsson

From the theories and empirical investigation of Ericsson it can be analyzed; that Ericsson sees knowledge barrier as an important issue for export. According to Ericsson, enough knowledge about the regulatory system of Iran can help the firm to a create deal. In order to overcome the knowledge barrier the company relies mostly on experts within the organization. Ericsson believes they have sufficient experts in the firm to tackle all kinds of challenges regarding exports. Therefore, the firm relies on professional training methods for its employees and lastly on local consultants. Regarding firm experience, Ericsson agrees that this concept is valuable for export. Moreover, the firm believes that experience regarding the hosting country allows the firm to adapt to different situations.

6.2.2 Information barriers

Information has a high value regarding exporting and it can shape many internal functionalities for the firm; therefore the managers must constantly find ways to use valuable information to optimize internal functions of the company (Morgan & Katsikeas, 1997; Venkatraman & Prescott, 1990; Leonidou, 2004). In this regard Hart et al. (1994) states that, teaching the employees about the hosting countries market through the right information can make things a lot easier. Sufficient information can also help human resources such with recruiting the right export personal and finding the right employee for the job (Gomez, 1998). Moreover in this regard, it is argued that rich information about the hosting countries market can allow the manager to make the right decision concerning exportation (Katsikeas, 1997).
Also, literature suggests that, finding potential partners and designing suitable prices becomes more convenient with sufficient information (Gil et al., 2015). Finally, Leonidou (2004) states that, after exporting market segmentation will be easier with sufficient information.

6.2.2.1 Analysis for Electrolux

According to the empirical findings of Electrolux, the firm values the role of information concerning the hosting country significantly, since it can help with the exporting performance of the firm. It is witnessed from the primary data of Electrolux that, information about the hosting country can help the survival of the firm. Regarding the recruiting process the company argues that, information can help the firm hire the right person for the exporting department but they must also go through the assessment procedure. In this context, Electrolux also looks for people who know about the hosting country’s culture, language and have work experience in similar environments before hiring at Electrolux. So it can be analyzed that, the firm has its own procedure for recruiting but they also look into certain values depending on the context and environment of the job. Electrolux primary data shows that, the firm has no serious internal problems concerning its exports. However they mentioned that sometimes minor biases which are caused by newly employed people could affect the exporting performance. The firm also adds to this argument and claims that, information allows the managers to make the right plans and also help the firm to segment the market to the right target group.

6.2.2.2 Analysis for Scania

By looking at the empirical from Scania and theories in the context of information, Scania values information to large extent (they gain information from visits and local partners) but this does not shape the way the company hires people. According to the empirical materials, Scania has its own assessment procedures and they hire people from all backgrounds. Moreover the firm considers itself without any internal barriers when exporting goods to Iran. Also, Scania believes information can allow the manager to make efficient decisions concerning the exports. Lastly, market segmentation may not be achieved without sufficient information about the hosting country.
6.2.2.3 Analysis for Volvo

From the empirical materials from Volvo, it can be analyzed that the firm attempts to gain information regarding the hosting country (mostly through its partners) since it is beneficial for export. Regarding the hiring procedure the company argues that information can help but the candidates must take some standard sets of examination prearranged by the company. It can be seen in the primary data from Volvo that, the firm values candidates who know the Iranian culture more when hiring people who work with Iran but, they hire all type of people. The company faces some minor internal barriers concerning Iran, communication barriers between Volvo and Iran has happened but this is normal according to Volvo. According to Volvo information can also shape the managerial decision making process, therefore it is important for managers to travel to Iran regularly and communicate with partners to gain more information. Lastly, information allows the firm to target local partners wisely and segment its products.

6.2.2.4 Analysis for Ericsson

By looking at the empirical investigation from Ericsson it can be analyzed that, Ericsson values information to a large extent. Information regarding the hosting country has effect on the way they recruit people in the firm but the company also has its own assessment procedures and trainings. Likewise, experience in similar markets can also be a valuable skill for Ericsson when working with Iran. It must be added that, Ericsson forms the job qualifications based on the information regarding the hosting country in order to improve its export performance.

Regarding internal barriers, Ericsson sees some old and traditional methods of management in the system as barriers but this is not uncontrollable. The company believes that there are almost no internal barriers in the firm, however like any other firm there are some methods and strategies that must be updated regularly. Finally, Ericsson uses information to segment its market and allow its managers to make smart plans to avoid financial loss.

6.2.3 Functional barriers

According to literature several functional barriers can occur when doing export (Leonidou, 2004). In this regard, Gomez (1998) highlights the importance of the right export personal while Leonidou (2004) sheds light on the importance of financial matters for producing
goods. Moreover, in this regard Leondiou et al. (1998) also mention that, managerial decision and planning can also affect the functional performance of the firm while exporting.

6.2.3.1 Analysis for Electrolux

Rendering to the primary data from Electrolux it can be analyzed that, the firm has no functional barriers concerning the export personnel and financial difficulties. In this regard, the role and decision making of the manager was considered important for the firm’s exporting performance. Yet, the company argues that, the manager cannot be successful without team work and communication with the other staff.

6.2.3.2 Analysis for Scania

Scania believes that financial matters of the firm has always been strong, however the procedure of money transfer between Iran and Scania has caused barriers. In this context, it can be analyzed that, the company has no financial issues internally regarding production and other activities, however it suffers from the sanctions financially since the firm cannot receive payments directly from Iran. Moreover, Scania values the managerial decision making and believes it can influence the firm’s performance. Also, the firm encourages its managers to plan right, have right timing and inspire other employees to share their ideas.

6.2.3.3 Analysis for Volvo

According to the empirical investigation from Volvo it can be analyzed that, the company has no financial barriers and they are very stable financially. However, in the past they have faced some challenges regarding large volumes of orders where they could not keep up with the orders. Volvo argues that managers must plan wisely in order to have secured exporting to Iran; moreover they argue that the managers must be flexible, patient and must not be very strict.

6.2.3.4 Analysis for Ericsson

Ericsson has some financial challenges regarding transaction between Iran but it has no financial problems with in the company. The firm denies any serious internal problems that could lead to functional difficulties and reduction of export performance. However, it can be
understood from the empirical that they have had functional difficulties before regarding keeping up with the order volumes.

At Ericsson the role of managers are considered highly complex roles, therefore the manager is prepared to make decision professionally according to the context of the market. It is claimed by Ericsson that, managers can influence the logistics and export performance, therefore, they must understand the regulations of export. Moreover, the managers are advised to communicate and have team work with their employees.

6.2.4 Marketing barriers

Marketing strategy is also an internal barrier that can affect firm’s exports. It is argued that the right information and knowledge can shape marketing activities (Milanzi, 2012). Moreover, elements such as pricing, promoting, logistics and distribution channels can increase the marketing performance of the firm and also help exporting (Leonidou, 2004; Kahiya, 2013).

6.2.4.1 Analysis for Electrolux

According to the empirical data of Electrolux, it can be seen that, the firm relies on both knowledge and information for marketing. However, they also seek the help of their partners in order to execute their marketing plans for Iran. The issue of price is also an important element for marketing according to Electrolux. Lastly the issue of logistics and distribution is also handled by the local partners in Iran.

6.2.4.2 Analysis for Scania

According to the empirical from Scania the company focuses on information and knowledge for marketing since they will help the firm understand about sanctions and how to market its goods based on those barriers. According to Scania, marketing is made through understanding the regulations and monitoring its competitors.

6.2.4.3 Analysis for Volvo

According to Volvo’s empirical material it can be analyzed that, the firm is looking for valuable knowledge and information concerning the Iranian rules and regulations in order to
achieve successful marketing plans. Volvo believes that, they must know more about the governmental policy before planning to market their products.

**6.2.4.4 Analysis for Ericsson**

By looking at the primary data from Ericsson it can be analyzed; the firm values the right information and knowledge when marketing its products in Iran. Moreover, they focus on the customer’s reviews and comments on their products through a survey based system and customer satisfaction index. However, the firm believes that having sufficient information and knowledge regarding the regulations and policies of Iran is vital for its marketing.

**6.2.5 Relationship management barriers of export**

Relationship management has direct effect on exporting, according to the literature relationship leads to trust between the exporter and importer which can be beneficial for export (Zaheer & Zaheer, 2006). Moreover, respectable relationship management can be achieved through communication of the employees between the exporting company and the importer (Michell, 1979; Morgan et al., 2004). Lastly, Innovation and high quality products by the exporting firm can increase the level of relationship to a positive extent (Schlegelmilch, 1987; Michell 1979; Morgan et al., 2004).

**6.2.5.1 Analysis for Electrolux**

From the empirical result from Electrolux it can be analyzed that, the firm values relationship with Iran and tends to improve it through frequent visits and communications with its partners. In order for the employees to have better relationship with Iran, Electrolux encourage them to respect the Iranian side and communicate through frequent visits to Iran. Furthermore, Electrolux can see that good relationship will result in trust and commitment between the firm and Iran. Electrolux values quality and innovation, by investing profoundly on its R&D department they produce high quality and innovative items. According to the empirical findings, Electrolux believes innovation and quality can alter relationship with Iran since they always demand high quality products. It must be mentioned that, the firm also believes price is an important measure for relationship too; therefore it must be taken in to account.
6.2.5.2 Analysis for Scania

It can be analyzed from the empirical findings that, Scania values close relations with its Iranian partners. They focus on traveling and conducting close communication with the Iranian side in order to achieve trust between the two parties. Moreover, this method is also taught to their employees and they are also encouraged to travel and visit the partners regularly. Scania also looks at quality and innovation as to important factors for attaining relationship and trust for Iran. Therefore, they have a tendency to invest heavy on R&D department to fulfil this goal.

6.2.5.3 Analysis for Volvo

From the empirical observation of Volvo it can be analyzed that, Volvo solves the relationship complications by being present (visiting and operating in Iran) in Iran. The company values relationship and trust and plans regular visits to Iran in order to have direct communication with its partners and clients. In this regard, the firm teaches its employees through many training program the value of relationship management and how it can be achieved. The firm focuses on quality and innovation through customer satisfaction index and investments on R&D department. They believe Iran demands high quality and innovative products and if they don’t meet these criterions they will lose the market and will not have good relations any more.

6.2.5.4 Analysis for Ericsson

According to empirical discovery of Ericsson it can be analyzed, the company values relationship since it’s the key to long term business. Moreover, they convey this message to their employees through the trainee programs they offer and make sure their staff know how to communicate and interact with clients. According to the findings from Ericsson, the firm aims to create close relations with both their partners, forwarders and clients, this is realizable through understanding their nature. This can allow the company to increase its exporting and logistic performance.

Ericsson is known for innovation and high quality; they achieve this through carefully monitoring the customer satisfaction index. In this regard, they believe quality and innovation can bring trust and relationship values for their firm and Iran is no exception.
6.3 Discussion

As it was argued earlier, this thesis is based on analysis from four large Swedish manufacturing firms (Ericsson, Scania, Volvo and Electrolux). This study sought to gather information concerning exportation of goods from Sweden (a context for resembling developed country) to Iran (a context for resembling developing country) and the barriers these companies face while exporting and how they overcome these barriers.

The result from the analysis shows that all the companies (Ericsson, Volvo, Scania, and Electrolux) are facing export barriers regarding Iranian market, which is considered an emerging market. Thus, this research shows that all the companies are facing institutional challenges while exporting to Iran; these challenges are mainly regarding sanctions that are part of the political and regulatory setting of Iran. This is aligned with the previous research which demonstrates that political and legal atmosphere of the hosting country can act as barriers for export (Chung, 2003; Chan & Makino, 2007; Hultman et al., 2009; Sheng & Yang, 2016). Moreover, Leonidou (2004) raises the issue of political and legal uncertainty of importing country and the negative influences of this matter for the exporting firm. Similarly, this argument is parallel with the findings of this study as all the companies talked about the issue of uncertainty in Iran and its challenges for export. According to the primary data from this research, all the four companies find uncertainty in Iran challenging, in order to have control over this barrier they follow the EU regulations, collaborate with local partners and tend to be more flexible. Moreover, the issue of uncertainty according to Ericsson is a serious challenge for Iranian market as foreign investors tend to reduce their investments in uncertain countries. This also advances the work of Lenidou (2004) as the reputable scholar mentions regarding its findings.

Following the underlying logic of cultural barriers for export, it can be observed from the results of this study that, culture does not create any challenges for export in all the companies (the four studied companies for this thesis). This contradicts the research made by Baum et al. (2013), Shoham (1999) and Ang et al. (2015) where they highlight on the importance of cultural barriers for exports, according to the reputable scholars, cultural differences between the exporting firm and the hosting country can cause barriers for export, unless the firms has sufficient experience with the hosting country. However, it must be
mentioned that, all the companies had plans to adopt themselves with the culture of Iran and gain familiarities with its traditions but none of them saw culture as a barriers.

Furchs and Kötner (2016) have argued in their research that, knowledge and firm experience are two valuable cornerstones for exporting; this statement has also been underlined by other scholars in the literature (O’Cass & Julian’s, 2003; Furchs & Kötner, 2016). In this regard, the outcomes of this study also show the same results as all the cases of this research valued knowledge and experience to a large extent. Moreover companies have similar approaches for gaining knowledge, all the companies except one, mentioned that working with the local partners in Iran will help them gain knowledge and experience (Scania relies on both partners and trainee programs for knowledge gaining). This outcome also validates the research of Fletcher (2004) as the reputable author also claims that local partners can help the companies overcome several export barriers through in-direct exporting. However, Ericsson mostly relies on its own way of gaining knowledge, which is through special trainee programs as they are not too keen on working with local partners since they have their own branch in Iran.

According to Hart et al. (1994) sufficient information regarding the hosting country can make exporting easier, yet the firm must also teach adequate information regarding the hosting country to its employees. The finding of this study also confirms the work by Hart et al. (1994) as all the cases have plans to familiarize their employees (related export employees) with Iran through trainee programs and frequent visits. Moreover Gomez (1998) argues that, in order to recruit employees for the export department, the HR must take into account all the information concerning the hosting country for export and recruit based on the knowledge from the importing country. However, our findings did not fully accept this statement; even though information regarding Iran could help the companies for recruiting people but all the cases have their own trainee and recruitment procedures that the candidates must fulfill. There is one argument that might validate why our findings did not fully support Gomez (1998).

It must be addressed that, Gomez (1998) does not go really deep in to the recruitment procedures but the reputable author argues that information regarding the hosting country will allow the HR team to find suitable employees.

The findings also show that all the managers from our cases use a lot of information concerning the importing country and make exporting decisions based on the observed
information. This is aligned with the findings of Katsikeas (1997), as the reputable author shows that information (regarding the hosting country) can help managers overcome many barriers for export.

According to Leondiou et al. (1998) managerial decision making and planning can affect the internal performance of the exporting firm. Our findings advance this statement as all the companies argued the importance of management positions and how they can influence the firm. It must be mentioned that, Electrolux also values teamwork and believes a single manager cannot achieve everything without communication and teamwork. Moreover, all the companies value the importance of financial situations but none of them saw financial situation as a barrier for export. This contradicts with the findings by Leonidou (2004) as all the companies argued that their financial situation is stable and does not affect their exporting. Moreover, our findings show that the companies have financial problems but regarding financial transaction between Iran and the companies, but this is not shown in any previous research in this context.

Knowledge and information are valuable tools of marketing, our findings also confirms this arguments as all the cases saw knowledge as a key factor for marketing goods to Iran since the country has complex business environment due to sanctions. Our findings show a common result as the previous research made by (Milanzi, 2012) where the scholar implies the importance of knowledge for emerging markets before exporting.

Leonidou, (2004) and Kahiya, (2013) take the view that, elements such as pricing, promotion and logistics can help the exporting firm market their goods/services. Our finding had some similarities with this arguments but it also added some more elements (according to the empirical from the cases). Even though all the companies accepted that price, promotion and logistics are important for marketing they did not believe these factors are enough for marketing to Iran. For instance Electrolux believes relying on partners is very important for marketing, whereas Volvo and Scania value relationship with governmental sector and understanding the competitors’ essential for marketing. Lastly Ericsson believes customer’s satisfaction is more essential than other marketing elements.

Findings of all four companies’ clearly show that, innovation and high quality production are valued largely. Moreover, they all mentioned that Iranian clients demand high quality and innovative products and that is the main reason they have great relations with Swedish
companies. Our findings are aligned with the previous research of several scholars as they clearly argue the importance of high quality and innovation through establishing relationship with exporting and importing firms (Schlegelmilch, 1987; Michell, 1979; Morgan et al., 2004). Moreover in this regard, Michell (1979) and Morgan et al. (2004) show in their research that, communication with clients can bring trust for between the importing and exporting firm, this has also been witnessed over the results of this study as all the four companies stressed on the importance of frequent communication and visits in order to gain better relations with their clients.

6.4 Summary of the analysis and discussion chapter

The following table (table 13) summarizes the author’s outcomes from the cross-case analysis resulting from empirical and theoretical outcomes.

**Table 13: Summary of the analysis (Author’s elaboration)**

<table>
<thead>
<tr>
<th>Barriers of export Firms</th>
<th>External barriers</th>
<th>Operational solutions for Overcoming the barriers</th>
<th>Internal barriers</th>
<th>Operational solutions for Overcoming the barriers</th>
<th>Entry mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ericsson</td>
<td>1)Legal and political barriers(Sanctions <em>, Governmental</em> organizations*, Regulatory organizations*) 2)Uncertainty 3) +Cultural barriers 4) Quality control organizations. 5)Cargo and shipments 7) Financial transactions.</td>
<td>1)Following the regulations of EU and flexibility 2) # 3) - 4) Meeting the requirements. 5) Having good relations with the forwarders. 7) #</td>
<td>1)Experience and knowledge barriers for export(Regulatory knowledge <em>) 2)Information barriers(management and recruiting) 3) Old methods of management</em> 4) +Functional barriers(large volume of order*) 5)Marketing barriers 6)Relationship barriers</td>
<td>1) Training its employees, relying on internal experts, local consultants. 2) Gathering information from the hosting country. 3) Will be improved. 4) # 5) Gaining information regarding the clients (customer satisfaction index). 6) Communication with clients and forwarders, high quality products.</td>
<td>Direct export: through official branch in Iran.</td>
</tr>
<tr>
<td>Company</td>
<td>Legal and Political Barriers</td>
<td>Uncertainty</td>
<td>Financial Transactions</td>
<td>Cultural Barriers</td>
<td>In-direct Export</td>
</tr>
<tr>
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<tr>
<td>Scania</td>
<td>1) Legal and political barriers (Sanctions*) 2) Uncertainty* 3) Financial transactions 4) Cultural barriers</td>
<td>1) Following the EU and US rules 2) Relations will partners and government, Indirect exporting. 3) 4) Working with local partners, Learning the culture.</td>
<td>1) Experience and knowledge barriers for export 2) Information barriers (management and recruiting) 3) + Functional barriers (financial payments*) 4) Marketing barriers 5) Relationship barriers</td>
<td>1) Trainee programs, local partners. 2) Local partners, visits to Iran. 3) 4) Knowledge, information, observing regulations, Monitoring, competitors. 5) Improving product quality, traveling to Iran, Communicating with partners.</td>
<td>Indirect export: Through local partners (Oghab, MAMM UT)</td>
</tr>
<tr>
<td>Volvo</td>
<td>1) Legal and political barriers (Sanctions*) 2) Uncertainty* 3) Financial transactions 4) Finding forwarders*</td>
<td>1) Local dealers, Partners Following EU rules. 2) Following EU rules. 3) SCR 4) # 5) #</td>
<td>1) Experience and knowledge barriers for export 2) Information barriers (management and recruiting) 3) + Functional barriers (large volume of order*) 4) Marketing barriers 5) Relationship barriers</td>
<td>1) Conducting networking and relationship, Interacting with trade. 2) Communication with partners. 3) 4) Understanding rules regulations and governmental policies. 5) Being present in Iran, regular visits, customer satisfaction index, quality and innovation, Operating in Iran.</td>
<td>Indirect export: through local partners (SAIPA)</td>
</tr>
<tr>
<td>Electrolux</td>
<td>1) Legal and political barriers(Sanctions*) 2) Uncertainty 3) Financial transactions.</td>
<td>1) Implementing EU rules, Flexibility, Local partners. 2) Local partners 3) #</td>
<td>1) Experience and knowledge barriers for export 2) Information barriers (management and recruiting) 3) + Functional barriers (large volume of order*) 4) Travel, trainee programs, local partners 2) Gaining information from the hosting country.</td>
<td>In-direct export: Through local partners.</td>
<td></td>
</tr>
<tr>
<td>4)</td>
<td>+Cultural barriers</td>
<td>4)</td>
<td>-</td>
<td>3) Trainee programs</td>
<td>4)</td>
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<tr>
<td>5)</td>
<td>Sufficient knowledge, local partners, Price, Logistic performance.</td>
<td>6)</td>
<td>Visits, communication by partners, price, innovation, quality.</td>
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</tbody>
</table>

**Table Keys:**
- Export Barriers cited by the companies: *
- It’s no barrier for export: +
- No solutions required: -
- No fixed solution to overcome these barriers (according to the companies): #
7 Conclusion and implications

In this final chapter the results from the cross-case analysis and discussion from the previous chapter will be put together to answer the two research questions of this dissertation. Later on it acquaints readers with theoretical contribution followed by managerial implications. Lastly, the limitations and suggestions for future research are presented to the respectable readers.

7.1 Answering the research questions

As it was mentioned earlier in this study, the purpose for this thesis is to identify the export barriers that large B2B companies in developed countries face while exporting to emerging markets such as developing country and how they overcome these barriers. In order to carry out this study the author used Swedish large international B2B firms and investigated their exporting procedures to Iran as this was an interesting and convenient context for the author. Moreover, due to the fact that this thesis was based on only four cases (four large Swedish manufacturing B2B firms; Scania, Volvo, Ericsson and Electrolux) it is not possible to generalize the results since the sample of study is too little. However the findings provide indications and insights.

Note: the author will only point out only the barriers that affect the firms while exporting to Iran and will leave out the barriers that do not alter the exportation. (For all the barriers and solution to barriers the readers can also refer table 9)

RQ1) what export entry barriers do large B2B companies in developed countries face in emerging markets?

According to the empirical investigation and analysis from Ericsson, Electrolux, Volvo and Scania, it can be concluded that, all these companies are facing several external and internal barriers which are as follows:

**Barriers of export:** all the cases showed that, institutional barriers in political and regulatory settings are problematic when exporting to Iran due to the sanctions. Moreover, the companies are facing challenges regarding uncertainty and financial transactions. Likewise, it is witnessed that companies find the process of finding forwarders challenging. Also from the results it can be seen that companies also suffer from Knowledge barriers of exports.
Lastly, elements such as keeping up to date with sufficient knowledge (knowledge barriers) regarding Iran and production capacity (large order volumes that are hard to handle by the firm) also caused export barriers for the companies.

**RQ2) How to overcome the export barriers of large B2B companies in developed countries while exporting goods to emerging markets?**

In order to overcome the barriers associated with exporting to Iran the companies have several operational solutions for each barrier. In order to overcome the barriers the companies (the four companies for this thesis) imply the following:

- **Political and legal barriers:** Working with flexibility through the local dealers and establishing close relationship with the partners. Moreover following the EU rules and regulations and educating the employees regarding Iran are important measures for these barriers.
- **Uncertainty barriers:** Establishing close relations with the governmental sector and following the EU rules.
- **Financial transaction:** No fixed solutions (However, working with partners can help)
- **Finding forwarder:** Having close relations with partners and suitable shipping companies.
- **Production capacity barriers:** This barrier occurs rarely and can be solved with the right planning.
- **Knowledge barriers:** Relying on local partners and educating the employees through trainee programs and CSR courses.
- **Knowledge barriers:** Working with partners and trainee programs that will increase the knowledge to the employees.

### 7.2 Theoretical contributions

This thesis was conducted following several theories (literature review) in order to fulfil the research gap which was presented in the first chapter of this study (deductive approach). Moreover, Remenyi and Williams (1998) advocates that, Contribution to literature can be achieved through the following: spreading our capability to comprehend phenomena, new ways of smearing present science or theories, rejecting unacceptable theories, and offering unifying enlightenments for events and circumstances.
In order to show how this thesis will contribute to science the author will argue the main theories that where suitable for this study and the ones that did not suit this context in order to fill the research gap. Moreover the author will try to give some suggestion for future modifications of some of the theories based on the outcome of this study. This research was based on external/macro environmental barriers and internal barriers associated with exporting. The author used several theories from previous research in this context to comprehend how other companies dealt with similar situations in exporting and if these theories also fit the context of this study. Moreover the constructs and previous researched help the author to fill in the existing research gap which was not fully studied before.

Zucker 1987 and Hutman et al. (2009) argued in their research on the importance of governmental and regulatory settings of the hosting country while exporting. This was a great fit for this thesis as the results from the reputable authors match with the findings from this thesis. Moreover, the concept of uncertainty by Leonidou (2004) was also tested positive in this research since our findings also shed light on the barrier on uncertainty and how it’s affecting the Swedish firms. However, the cultural barriers notion by Shoham (1999) and Baum et al. (2013) did not fit the context of our study as the companies did not find this issue a challenge for exporting to Iran. Moreover the following theories fit our context since they helped to fill the research gap for this paper (Constructs are also available in the table of operationalization: table 2 ); knowledge and experience barriers (Blomstermo et al., 2004; Okpara, 2009; Sheng & Yang, 2016); information barriers (Morgan and Katsikeas, 1997; Venkatraman & Prescott, 1990; Leonidou 2004), functional barriers (Leonidou 2004; Gomez 1998; Leonidou et al., 1998), relationship barriers (Zaheer & Zaheer 2006; Schlegelmilch ,1987;Michell 1979; Morgan et al., 2004;Michell 1979; Morgan et al., 2004). Lastly, the author would like to make a suggestion for modification of a particular construct which was not fully accepted in this study. Leonidou (2004) argues several internal barriers of export; the financial barriers needs to be modified since large firms (in our context) did not accept financial barriers at all rather they talked about transaction as barriers.

7.3 Managerial implications

Based on the findings of this study the author has provided some managerial recommendations mostly for the studied cases from this thesis. However Swedish companies
with the same size can also benefit from them if they wish to have fruitful exports from Sweden to Iran.

- Establishing connection and networks are essential for business with Iran, seeking partners and having relationship with the government is beneficial. Volvo and Electrolux have close relations with the dealers but not with the governmental sector, while Scania on the other hand has close ties with the government. It is advisable for Volvo to also establish strong networks with the governmental sector. This recommendation can also go for Electrolux as they are planning to expand their exports to Iran.

- Ericsson does not seek much help from consultant and local dealers, they can benefit from local consultants in order to solve their shipment and logistics issues.

- It is recommended to Volvo to open its own branch in Iran and create jobs as this was required by the Iranian government. This can also help them gain better trust and relationship with the Iranian authorities.

- Even though all the companies denied the concept of internal barriers but after investigations all the cases showed signs of internal barriers to export. It is recommended to the companies to overcome these barriers through the experts and local partners in order to enhance the exporting performance.

- It is essential to follow the rules and regulations of EU before establishing fruitful business with Iran, the financial transaction issues can also be fixed with the help of legal and financial consultants from both Iran and Sweden.

- Electrolux is advised to find large partner companies or to establish their own branch in Iran either like Volvo and Scania or Ericsson in order to expand their market as their exportation to Iran is limited.
7.4 Limitations

Even though every possible measure was taken in order to minimize the flaws and risks from this dissertation, no study is impeccable and this one is no exception. Therefore the author will provide the readers and future researchers with certain number of limitations that have risen in this study. Time and financial matters limited the broad outcome of this study; some interviewees were living abroad and in other cities and it were not financially possible for the author to travel to collect the data face-to-face. Moreover, during this dissertation the author was not able to collect data from equal number of participants in each company as the time for gathering data was limited. Moreover, the author reached out to many companies and they refused to be part of this study due to several political and time issues.

7.5 Suggestions for future research

The aim of this dissertation is to shed light on the existing research gap and problems that companies (in developed countries) face when exporting to emerging markets such as developing countries therefore, Sweden and Iran has been chosen as two interesting context to study these phenomena. Future research can study this context in a quantitative research and make generalization as the author was not able to achieve generalization due to low number of cases. Furthermore, future studies can also gather data from small and medium enterprises and understand their exporting barriers to developing countries. Likewise, researchers can also frame a mixed method study (qualitative and quantitative) to have both in depth and generalizable perspective of the phenomena
References


Swedish Electrolux sees profits more than double (2016), *The local* : <http://www.thelocal.se/20160428/swedish-electrolux-sees-profits-more-than-double> [Accessed 10 April 2016]


Turbulence, and Export Performance in an Emerging Economy. *Journal of Small Business Strategy, 26*(1), 1


Appendix A: Interview questions and operationalization full version.

**Table 3**: interview guide design (Author`s elaboration)

<table>
<thead>
<tr>
<th>Concept</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export barriers and entry modes</td>
<td>Not: Warm up question was asked regarding the participants name and affiliation</td>
</tr>
<tr>
<td></td>
<td>1) What challenges do you face when exporting goods to Iran? And how do you overcome the barriers? (example: environmental factors such as cultural, political, legal uncertainty or factors that are out of the hand of the firm)</td>
</tr>
<tr>
<td></td>
<td>2) What exporting modes you have to Iran? (direct in direct, subsidiaries)</td>
</tr>
<tr>
<td></td>
<td>3) Do you think larger firms can have less challenges while exporting? And why? (Does firm size matters?)</td>
</tr>
<tr>
<td>Institutional barriers /Legal and political barriers of export</td>
<td>4) How does the political situation, rules and regulations in Iran impact the company`s exporting? What is your strategy to overcome these challenges?</td>
</tr>
<tr>
<td></td>
<td>5) How do you think that political and legal uncertainty of the hosting country can cause barriers for exporting? How do you handle this barrier?</td>
</tr>
<tr>
<td>Institutional barriers /Cultural barriers of export</td>
<td>6) Does the Iranian culture cause any barriers to export for your company? How do you intend to solve this barrier?</td>
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<td>----------------------------------------------------</td>
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<tr>
<td></td>
<td>7) How do the cultural barriers in Iran affect your sales and marketing? How do you solve these barriers? (Example; are all the products acceptable in the Iranian culture)</td>
</tr>
<tr>
<td></td>
<td>8) How do you define the cultural differences between Iran and Sweden? (Is it similar or very different, is this good or bad? If they bargain more etc…)</td>
</tr>
<tr>
<td>Internal barriers of export/Experience and knowledge barriers of export</td>
<td>9) How do you intend to solve the knowledge barriers when exporting to Iran? (how you gain knowledge and educate your firm regarding Iran, example: help from subsidiaries)</td>
</tr>
<tr>
<td></td>
<td>10) How do you define the role of experience in exporting? (does more experience increase your export performance)</td>
</tr>
<tr>
<td>Internal barriers of export/Information barriers</td>
<td>11) How do you train and recruit the employees that work with Iran? Do you recruit the employees according to the information you have from the hosting country? What happens if the employees are not well trained?</td>
</tr>
<tr>
<td></td>
<td>12) Do you have any internal barriers inside the organization while exporting? How do you solve these problems? (Problems that will happen inside the organization which reduce the export performance)</td>
</tr>
<tr>
<td></td>
<td>13) Does enough information about the hosting country make it easier for the managers to make the right decision regarding export? How?</td>
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<tr>
<td></td>
<td>14) Are you able to segment your market easier with sufficient amount of information regarding the hosting country? (Finding suitable price, potential partners)</td>
</tr>
<tr>
<td>Internal barriers of export/Functional barriers</td>
<td>15) Does your financial situation affect your exports to Iran? How?</td>
</tr>
<tr>
<td></td>
<td>16) How does managerial skills effect exporting? (such as time, planning, strategy)</td>
</tr>
<tr>
<td>Internal barriers of export/Marketing barriers</td>
<td>17) Does having enough knowledge and information regarding the hosting country allow you to increase the marketing performance of your product? How? (Marketing activities such as pricing, promotion and distribution)</td>
</tr>
</tbody>
</table>
| Relationship management barriers of export | 18) How do you intend to enhance your relationship and trust between your company and Iranian clients? How do you teach your employees to establish better relation with the Iranian side?  

19) Do you think having high quality and innovative products will allow the exporter and importer to have better relationship? How do you tend to keep up with innovation? |
Table 2.1: Operationalization table longer version

<table>
<thead>
<tr>
<th>Concept</th>
<th>Conceptual definition</th>
<th>Operationalization definition</th>
<th>Measure</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export modes and barriers</td>
<td>- There are challenges and barriers for companies while exporting to a hosting country (Morgan et al., 2012; Cavusgil &amp; Nevin 1981).</td>
<td>The measure is to recognize the general barriers of export and export modes.</td>
<td>- Exporting can have several barriers, such as environmental factors (Cavusgil &amp; Nevin 1981)</td>
<td>-Q1</td>
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<td></td>
<td>- There are two types of exporting direct and indirect (Sharma &amp; Erramilli 2004; Hessels &amp; Terjesen 2008).</td>
<td></td>
<td>- Firm’s size impacts export barrier (Leonidou 1995).</td>
<td>-Q2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Exogenous barriers (Tesfom and Lutz, 2006)</td>
<td>-Q1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Direct and indirect export mode (Hessels and Terjesen 2008)</td>
<td>-Q3</td>
</tr>
<tr>
<td>External barriers:</td>
<td>Legal and political environment of the hosting country can act as export barriers for companies (Zucker 1987; Hutman et al., 2009).</td>
<td>The measure is to understand the political and legal barriers of export.</td>
<td>- Legal environment such as rules and regulations of the hosting country (Chung 2003; Hultman et al., 2009).</td>
<td>-Q4</td>
</tr>
<tr>
<td>Institutional barriers</td>
<td></td>
<td></td>
<td>- Uncertainty and change in political and legal situation of the hosting country (Leonidou 2004)</td>
<td>-Q5</td>
</tr>
<tr>
<td>and political barriers of</td>
<td></td>
<td></td>
<td>- Political situation and environment of the hosting country (Chan</td>
<td>-Q4</td>
</tr>
<tr>
<td>export</td>
<td></td>
<td></td>
<td>2008)</td>
<td></td>
</tr>
</tbody>
</table>

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| External barriers: Institutional barriers /Cultural barriers of export | Cultural environment of the hosting country can largely affect the export and act as a barrier (Shoham 1999; Baum et al., 2013). | The measure is to understand the cultural barriers of export in the hosting country. | -Cultural settings barriers of the hosting country (Baum et al., 2013). -If exporting good is acceptable in the hosting countries culture (Shoham 1999). -Too much cultural differences between the hosting and exporting country can cause more exporting barriers (Ang et al 2015) | -Q6 -Q7 -Q8 |
| Internal Barriers: Experience and knowledge barriers of export | Knowledge and experience are two significant cornerstones which allow companies to achieve high performance during the process of internationalization and exporting in the hosting country (Blomstermo et al., 2004; Okpara | The measure is to understand the level of knowledge and experience of the exporting company and the barriers. | -Level of knowledge can increase the performance of export in the hosting country (Furcfs and Kötner, 2016; Hultman and Robson (2011). -Level of experience can increase the performance of export in the | -Q9 -Q10 |
| Internal barriers of export/Information barriers | Internal information barriers of export are all about identifying the right foreign business opportunities through the process of identifying, selecting and contracting, this process, which is normally done through the managers with suitable strategies (Morgan and Katsikeas 1997; Venkatraman & Prescott 1990; Leonidou 2004) | The measure is to understand the internal information barriers of the exporting firm. | 2009; Sheng & Yang 2016); hosting country (Furchs and Kötner, 2016; O’Cass and Julian’s 2003). | Q11 | Q12 | Q13 | Q14 |
| Internal barriers of export/Functional barriers | Vozikis and Mescon (1985) describe functional barriers of a company as | The measure to explore and understand the functional barriers of exporting. | | - Human resources such as Inadequacies export personal, such as finding | - Q11 |
| Internal barriers of export/Marketing barriers | Marketing barrier is the most important internal export barrier for companies which must be solved through the right marketing strategy (Moini 1997; Kahiya & Dean 2016)), the marketing barrier is involved with promotional activities, pricing, distribution and logistics (Leonidou 2004). | The measure is to understand the internal marketing barriers of export related with the firm. | -Marketing strategy through the right information and knowledge (Milanzi 2012) | -Q17 |
| Internal barriers Relationship management barriers of export | A strong relationship management factors between the exporter and importer can play a large role in | The measure is to understand the relationship management strategy and barriers of the exporting firm. | -Relationship leads to trust between the exporter and importer (Zaheer & Zaheer 2006) | -Q18 |
increasing the export performance of the focal firm (Leges et al., 2009; Zaheer & Zaheer 2006).

- Respectable relationship management can be achieved through communication of the employees between the exporting company and the importer (Michel 1979; Morgan et al., 2004)

- Innovation and quality can increase the level of relationship management (Schlegelmilch, 1987; Michell 1979; Morgan et al., 2004)