International Market Selection among Swedish retailers

An exploratory study of how Swedish international retailers identify and select foreign markets

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Abstract

In the wake of globalization, an increasing amount of firms must consider internationalization strategies to remain competitive. The strategic decision of where to expand is complex by nature. This is particularly true for retailers, and despite this being generally accepted, relatively little is in fact known about retailers’ choice of foreign markets. Hence, this study investigates international market selection (IMS) strategies of Swedish retailers with global operations. The purpose of this study is twofold; first, to explore which criteria Swedish retailers use upon making international market selection decisions and investigate the relative importance among these criteria. Second, to assess the possibilities of creating a weighted IMS model for retailers, which can be use as guidance for marketing practitioners. The research questions which will be answered are:

**How do Swedish international retailers select foreign markets?**

**What are the possibilities of creating a weighted IMS model for retailers?**

The study embraces a qualitative strategy with an exploratory research approach and a multiple case study design. Through extensive literature review, a conceptual framework is constructed, and subsequently developed, post gaining insight in practitioners’ reasoning. The empirical data was gathered through interviews with managers of Swedish retailers with international presence, as well as strategy consultants who routinely work with strategy conformation for Swedish retailers. Our findings show that criteria which influence IMS decisions among Swedish retailers are quite similar among firms and can be arranged under three main categories; *market attractiveness, psychic distance and internal factors*. Moreover, as a result of the empirical findings, we suggest previous IMS research lack one important factor which influences the IMS decisions, namely “gut-feeling”/coincidence. The relative importance among factors proved to vary among firms. Consequently, four concepts aiming at explaining the variations were developed. The four concepts include *firm size, firm objective, industry of the firm, and ownership structure*. Finally, with support from respondents, we arrived at a conclusion suggesting that construction of a weighted IMS model for all types of retailers is unfeasible. However, if the scope is limited to only include firms of similar characteristics as proposed by the four concepts, such model could potentially yield solid validity.

Key words: international market selection, international market segmentation, international retailing, international marketing, international marketing management, international strategy, internationalization, international market entry, international expansion
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1. Introduction

In this chapter, the reasons for why this topic was chosen as well as the underlying problem background is presented. Based on this, a need for studying the topic is identified and presented along with the research questions and purposes. The chapter ends with a presentation of delimitations and a chapter overview in which the structure of the thesis is clearly outlined.

1.1 Choice of topic

The choice to write a thesis tackling a problem related to challenges taking place within an international business context was natural, as both the authors have a genuine interest in globalization and its accompanied implications for organizations. Additionally, as both authors aim at attaining management roles in companies operating globally, there was a mutual willingness to gain insight into how leaders are in practice making strategic decisions.

In the semester prior to the conduction of this thesis, both authors studied courses related to international strategy, including Strategic Management and Global Business Strategy. An issue which struck us as particularly interesting on the topic deals with the immense amount of information available for firms upon assessing foreign markets. Consequently, an interest for screening processes and prioritization was triggered.

The authors of this thesis have an interest in the retail sector. In part because both held positions at such firms but mainly as it is an industry which make up a huge part of the world’s GDP and has been inherently affected by the trends related to globalization and international business (OECD, 2001b). With this in mind, it was decided to explore retailers’ IMS strategies and decisions further.

The aim is not only to gain insight into how companies evaluate new potential markets, but also to understand how practitioners make sense of, and prioritize, the immense amount of information available. On top of this, it is of hope our study will lay the groundwork for future studies. The goal is to make this thesis beneficial for many actors.

1.2 Problem background

In international marketing management, strategies related to globalization and market expansion are of importance (Gaston-Breton & Martín Martín, 2010, p. 268). In today’s environment few firms, if any, manage to stay untouched by the contemporary globalized competitive business landscape. As stated by Camillus (2016, p. 23), even companies with little interest in internationalization must consider the global landscape and its implied threats upon developing strategies to remain competitive. Further, Camillus (2016, p. 23) emphasizes the future expected intensification of globalization along with its associated complexity and uncertainty. Continuously altered geo-political landscapes, and multifaceted differences in terms of culture, ideologies and institutional set-up include some of the highlighted factors of which contribute to the complexity (Camillus, 2016, p. 23).

Nevertheless, not far away from challenge and threat often lie opportunity. Internationally proactive firms have incrementally enjoyed an improved basis for market expansion as a
consequence of factors such as establishment of trade agreements, barrier reductions, and greater access to data, research, and prejudicial events (Papadopoulos & Martín Martín, 2011, p. 132). Having this said, international market expansion is all but relaxed. Prior to committing the necessary resources, an abundance of complex factors must be considered, which shall culminate in the making of delicate decisions (Papadopoulos & Martín Martín, 2011, pp. 132-133). On a high level, these decisions can be arranged under three broad categories; “how” to enter (referred to as entry mode), “when” to enter (referred to as timing of entry), and “where” to enter (referred to as foreign market identification/international market selection) (Huang & Sternquist, 2007, p. 613-614). The where, which in previous research (e.g. Gaston-Breton & Martín Martín, 2010, p. 268; Papadopoulos & Martín Martín, 2011, p. 133) is referred to as international market selection (IMS) and international market/consumer segmentation, will be the principal topic of this thesis.

The choice to enter a foreign market is considered a “strategic decision” which subsequently is accompanied by a number of features (Evans et al., 2000, p. 380). First, the decision is of infrequent nature and hence standardized decision rules can rarely be applied. Second, the decision most commonly affects the entire organization due to significant resource commitments. Third, the decision carry complexity as the process require multiple dimensions of detailed analysis (Evans et al., 2000, p. 380). As can be implied, the decision of “where” to enter a new market is crucial and can play a definitive role in firms’ overall success and performance (He & Wei, 2010, p. 535).

As mentioned previously, few, if any, firms have remained untouched by the intensified globalization in recent years and one sector to which this statement hold particularly true include retailers. The retail trade sector include actors of which purchase finished goods and resell to end consumers (OECD, 2001a). The retail sector account for approximately 60% of total GDP among OECD’s member countries and facilitate substantial employment (OECD, 2001b). A clear reference in terms of international growth within the retail sector is given by Wrigley & Lowe (2010, p. 6) whom state that in 2009, eight of the world’s fifteen largest retailers obtained more than 50% of its revenues abroad, compared to only three firms in 1999.

Whether or not a retailer succeed upon entering a new market largely depend on the level of quality market research and planning. (Clarke & Rimmer, 1997; White, 1995, cited in Evans. et al., 2000, p. 375 & 381). As entry into a new market is said to have "critical impact on firms´ performance" in terms of competitiveness, resources allocation, and management, the importance of making solid decisions cannot be stressed enough (O’Farrell & Wood, 1994, p. 243). Strategic decisions such as those of selecting foreign markets are complex processes (Evans et al., 2000, p. 380). According to Gripsrud & Benito (2005, p. 1674) the choice of which foreign market/s to penetrate constitutes an aspect of internationalization which should not be underestimated or taken lightly.

### 1.3 The need for studies on international market selection

Despite the magnitude of retail as a sector, and the importance of strategic decisions related to international market expansion, “relatively little is in fact known about retailers’ choice of foreign markets” (Gripsrud & Benito, 2005, p. 1672 & 1675). This is supported by several
authors, highlighting the lack of insight, as well as inconsistencies, in how companies, and especially retailers, choose foreign markets (Gripsrud & Benito, 2005; Vida & Fairhurst, 1998; Huang & Sternquist, 2007; Simkin & Dibb, 1998). A statement of which we can confirm and actualize as a result of detailed review of related literature.

Concerning research and recommendation of international market selection (IMS) processes, one can, as stated, observe a lack of consistency. Inconsistencies of which leaves retail practitioners and marketers with little guidance upon turning to academia for support (Simkin & Dibb, 1998, p. 407). We perceive the subject of international market selection within the retail sector to be of importance and hence find plenty of room for additional research on the matter. Many previous studies has been of normative character aiming at explaining how IMS analytical processes could/should be conducted (e.g. Cavusgil et al., 2004; Gaston Breton and Martín Martín, 2011; Bijmolt et al., 2004; Brouthers et al., 2008). However, not many studies have looked into how firms conduct IMS in practice (Brewer, 2001, p. 156). The few studies that has, shows "a considerable gap between normative models and practice" (Brewer, 2001, p. 156). Many of the studies of which has been conducted has mainly investigated which criteria firms embrace in their IMS process (Simkin & Dibb, 1998; Callaghan & Morley, 2002; Brewer; 2001). We acknowledge this approach but believe an additional dimension in terms of gaining insight into what affects the importance hierarchy among such variables would add additional value and reliability to IMS research. As Freytag & Clark (1994, p. 481), Callaghan & Morley (2002, p. 761) and Sarabia (1996, p. 61) suggests, the research and modelling of importance hierarchy is limited. As far as the researchers´ knowledge goes, there has been no prior study asking decision makers within the retail sector to assess the relative importance among the different criteria used in the process of analyzing new markets. Hence it is of interest to feasibility test such an initiative.

Given the wide array of potential variables to assess, the following question arises; how do retailers prioritize the information available? To the best of our knowledge, there has been no previous qualitative studies of which investigate which kinds of approaches/models/frameworks related to IMS are in practice used by retailers. Questions of which subsequently appear include; do firms in practice use any of the theories proposed by academia? Do firms have models of their own? If so, what constitutes their models, are they completely “homemade” or are they perhaps intermediates? Is there anything of which is prominently used by practitioners but ignored by academics, and vice versa? The overarching question then crumbles down to; how do international marketing decision makers of retail firms carry out the IMS analysis needed to make final decisions?

1.4 Research questions and purpose
Summarized, the lack of insight in retailers choice of foreign market, the inconsistencies in IMS literature and the relatively little guidance for practitioners forms the research questions:

How do Swedish international retailers select foreign markets?

What are the possibilities of creating a weighted IMS model for retailers?
There are two elements within the first research question which will be covered in the empirical study. The first is to map which criteria Swedish international retailing firms use upon assessing new potential markets, the second is to investigate which criteria they consider more important in relation to other criteria, and why. The second research question enables an assessment of the possibilities of creating a weighted IMS model for retailers.

As stated in the previous section, there is a shortage of research related to international retailing as well as inconsistencies in overall IMS research. Thus, the purpose of this paper is to explore which criteria retailers use upon deciding which market/s to enter and which criteria are considered more important. We aim at understanding which factors influence the perception of what makes certain criteria more important than others. Furthermore, the aim is to investigate the possibilities to create a weighted IMS model for retailers, which could be used in practice by practitioners in the future. Hence, there are two purposes of this thesis. The first purpose can be formulated as:

*To explore which criteria Swedish retailers use upon making international market selection decisions and investigate the relative importance among these criteria.*

The second purpose can be formulated as:

*To assess the possibilities of creating a weighted IMS model for retailers, which can be used as guidance for marketing practitioners.*

To fulfill the purpose of this study, a conceptual framework is developed consisting of criteria suggested by previous studies and literature. The framework is subsequently altered as further practical insight concerning the decision making process of strategists and retailing firms is gained. Consequently, the intention is to develop the framework and explain the importance hierarchy. Furthermore, by performing in depth interviews with people of which has practical insight into IMS processes, we aim at being able to extract similarities and dissimilarities between the recommendations given in previous literature and the procedures of which in practice has turned out to be successful. Has anything gone missing within academia? Finally, as theoretical models does not seem to be embraced in practice (Brewer, 2001, p. 156) we hope to come to a conclusion whether or not it is possible to create a weighted IMS model for retailers.

As the research approach is of exploratory nature, the purpose is not to generalize the findings, but rather to attain insight into the IMS process of Swedish retail firms. With this said, we still hope the findings will entail whether or not it is possible to create a weighted model, as the need for this is apparent in previous research. Given Simkin’s and Dibb’s (1998, p. 497) suggestion, that there is little practical guidance on international market selection, one can assume any supplementary investigations are welcomed by the international marketing community. Our hope is the research will yield grounded concepts which could be further investigated.

1.5 Delimitations
In order to conduct a solid study, it is important to delimitate it. Nenty (2009, p. 24) explains the concept of delimitations to be the boundaries of a study, as set by the researcher. This is
done in order to be able to achieve the stated purpose of the research (Price & Murnan, 2004, p. 66). Below, the delimitations of this study are presented.

Due to practical reasons, several delimitations had to be done in order to be able to conduct a contributing and relevant study. As a consequence of limited amount of time and resources, the study is limited to only cover international retailers with Swedish heritage. Furthermore, the study focuses on retailers overall, as in terms of finding sufficient amount of appropriate respondents, keeping the scope wide was seen as most appropriate and feasible. In the effort of constructing a conceptual framework, focus was placed on the variables of which are frequently emphasized in previous literature, whereas indicators used to assess the variables are ignored. The choice to not strictly define each variable is made intentionally. We argue that views on what constitutes for example market size and market growth differ from individual to individual, making it unreasonable to define it in this study. The definition is instead believed to lie righteously in the mind of the respondents. Nevertheless, as the interviews were performed in a qualitative manner, it was made sure each respondent clearly understood what was being referred to.

1.6 Chapter guide
In figure 1 below, a chapter guide is presented in order to provide a structured overview of the thesis.

Figure 1. Chapter guide.
2 Literature review

This chapter starts with providing a brief overview of the conceptual framework as its constituents are key throughout this study. Subsequently, the topic of IMS is introduced and its characteristics highlighted. International retailing and its association to IMS is then presented, followed by an overview of previous studies which are relevant to the purpose of this study. Lastly, an extensive description of the conceptual framework and its properties are given. This framework lays the foundation for the subsequent empirical findings and data analysis.

2.1 Presentation of conceptual framework

The high level conceptual framework of which is used as point of departure in this study is visualized in figure 2 below. To properly understand the topic of international market selection as well as the research process, acquaintance with the elements of the conceptual framework at an early stage is beneficiary. The conceptual framework aims at explaining and illustrating the analytical ingredients included in the selection of international markets. The far right rectangle, “international market selection”, represents the ultimate objective of IMS research, being selection of the “right” foreign market. Consequently, the three sub criteria, “Market Attractiveness”, “Psychic Distance”, and “Internal Factors” represent prime criteria of which ought to be assessed on the quest of identifying and selecting this “right” market.

In this context, market attractiveness relate to the criteria used to assess the attractiveness of a foreign market place. Here, focus is placed on measures of the external environment present in a foreign market. Internal factors on the other hand, direct focus towards the internal characteristics, capabilities, competencies etc. of the particular firm of which undertakes the foreign market identification analytical procedure. The third criteria, psychic distance, aims at explaining and investigating similarities and disparities between a firm’s home market and a proposed foreign market, with respect to geography, culture, and business landscape. This framework is presented in more detail in section 2.6.

[Diagram of conceptual framework]

Figure 2. Conceptual framework.
2.2 International Market Selection (IMS)

For firms with intent to expand internationally, identification of target markets is of immense relevance (e.g. Ter Hofstede et al., 2002, p. 160; Gaston-Breton & Martín Martín, 2011, p. 268; Cavusgil et al., 2004, p 607). Many historic approaches towards international market selection has placed emphasis on normative recommendations for how foreign markets ought to be selected (Papadopoulos and Martín Martín, 2011, p. 139). Andersen and Strandskov (1997, p. 67) suggests a definition of the traditional IMS approach to be formulated as “the process of establishing criteria for selecting (country) markets, investigating market potentials, classifying them according to the agreed criteria and selecting which markets should be addressed first and those suitable for later development”. Further, Andersen and Strandskov (1997, p. 67) suggest the IMS process used to primarily be perceived as an issue related to information screening and optimization. Consequently, as stated by Douglas et al. (1982, pp. 26-30) the majority of conducted normative studies dealt with screening and prioritization of information, coming up with recommendations for both how to find the relevant secondary data as well as how to analyze it. What has further characterized IMS research in the past is the focus on identifying and screening markets on some metrics of which distinguish countries by its national boarders (Papadopoulos and Martín Martín, 2011, p. 139). However, subsequent research has heavily acknowledged the relevance of also screening markets based on some shared consumer characteristics (e.g. Papadopoulos and Martín Martín, 2011, p. 140; Cavusgil, 1985, p. 30). This delineation is investigated in more detail in the following section.

2.2.1 Country and consumer segmentation

Historically it was in research common to define, delimit, and segment prospective markets based on solely national and political boarders (Ter Hofstede et al., 2002, p. 161). However, already in 1988, Papadopoulos and Denis (1988, p. 46), suggested that “in many cases boundary lines are the result of political agreement or war and do not reflect a similar separation in buyer characteristics among the people on either side of the border”. Furthermore, Ter Hofstede et al. (2002, p. 160) argue the relevance of such “countries as segments strategies”, are arguably becoming outdated due to intensified globalization, international market integration, and fragmentations within boarders. Hence, several academics has instead proposed a need for dual segmentation; more specifically, a combination of country segmentation and cross border consumer segmentation (e.g. Ter Hofstede et al., 2002, p. 160; Bijmolt et al., 2004, p. 324; Gaston Breton & Martín Martín, 2010, p. 268; Papadopoulos and Denis 1988, p. 47).

According to Gaston-Breton & Martín Martín (2010, p. 268), the two complementary perspectives has in previous research been distinguished such that, the procedure of selecting markets based on countries has been referred to as “international market selection” (e.g. Brewer, 2001; Rahman, 2003) whereas the procedure of segmenting based on consumers, has been labeled “international consumer segmentation” (e.g. Kamura et al., 1994; Kolman et al., 2003).

However, as suggested by Papadopoulos & Martín Martín (2011, p. 133); “selection and segmentation decisions are, by definition, segmentation decisions in the traditional marketing sense”. They argue the sole difference between the concepts lie in the definition
of the term “market”. Whereas “selection” refers to segmenting the market based on countries, “segmentation” refers to segmenting the market based on shared consumer characteristics, ignoring the aspect of national boarders (Papadopoulos & Martín Martín, 2011, p. 133). In other words, the two concepts share the same objective, to screen and identify target markets, but represent two complementary ways of reaching that objective. Papadopoulos & Martín Martín (2011, p. 133) hence suggest a distinction in which one should use IMSel upon referring to “selection” and IMSeg upon referring to “segmentation”. IMS is then left as a generic acronym representing both types of decisions. A distinction of which is found logical and hence will be applied throughout this paper.

Although both IMSel and IMSeg are said to be mutually important, it is IMSel which has yielded most attention and feasibility in previous research. The reason being that finding comparative trustworthy objective information on consumer values and behaviors are inherently difficult in practice (Papadopoulos & Martín Martín, 2011, p. 133). Many authors have tried to incorporate the IMSeg into the IMS analysis but has admitted limited practical value of their research and instead argue for IMSel as primary screening tool (e.g. Bijmolt et al., 2004, p. 325). Such studies are further investigated in section 2.3, but first some key features of IMS is highlighted.

2.2.2 IMS is important

Previous literature routinely emphasize the importance of IMS (Gaston Breton & Martín Martín, 2010; Camillus, 2016; Papadopoulos & Denis, 1988; Papadopoulos & Martín, 2011). Although globalization and multicultural integration is rapidly being diffused, market conditions tend to remain specific on a country and culture level and there are unquestionable dissimilarities among foreign markets around the globe (Papadopoulos & Martín, 2011, p. 135). Naturally the perceived level of contrast vary from market to market. However, for firms in consideration of market expansionary efforts, anticipation and preparation of differences may be key to their success (Papadopoulos & Martín Martín, 2011, p. 136), suggesting a withstanding and perhaps intensified relevance of IMS.

Furthermore, IMS make up a major and central part of firms’ overall global strategy in terms of competitive positioning in its global value chain (Papadopoulos & Martín Martín, 2011, p. 136). An argument which is reinforced by Narula and Dunning (2000, p. 160) whom state "choosing the right portfolio of locations for MNEs value added activities is a competitive advantage in its own right".

Establishing presence in the “right” market can yield substantial benefit for a firm whereas the potential opportunity cost associated with choosing the “wrong” market can have an equally substantial negative affect (Papadopoulos & Martín Martín, 2011, p. 136). Hence, having insight into the markets to which one aims at establishing presence, as well as being able to capitalize on those insights, is of essence in international marketing strategy conformation, IMS included (Bijmolt et al., 2004, p. 324). In addition, as IMS strategy is a natural prerequisite to establishment of local strategies, it will have important implications for subsequent development and execution of local strategies (Papadopoulos & Martín Martín, 2011, p. 136). A statement which is further supported by Gielens & Dekimpe (2001, p. 235), who argue “the success of foreign entries may also depend on the strategic choices
made at the time of entry, as they shape the platform from which competitive advantages can be gained”, which ultimately explain the overall level of success.

2.2.3 IMS is complex
Part of the complexity of IMS is directly linked to the inherent complexity of which accompanies the nature of globalization (Camillus, 2016, p. 23). Operating globally implies firms must take into account “differences across countries, cultures, mores, and political, educational and commercial institutions” and also be aware of the continuously altered geopolitical landscapes (Camillus, 2016, p. 23). All these are factors which cause uncertainty and risks, and to fully hedge against it all appear impossible. Hence, it goes without saying that initiating and developing operations globally carry more complexity than do pure domestic operations (Cavusgil, 1985, p. 28). From an analytical standpoint, part of the complexity deals with the fact that most people have very little knowledge related to geography, culture and economics of foreign markets (Cavusgil, 1985, p. 28). Even less people possess the necessary competence needed to judge whether or not a product will sell in a new country (Cavusgil, 1985, p. 28). Consequently, it is important that firms engage in sufficient and detailed analysis as the outcome of the decisions often solidly impacts the entire organization (Evans et al., 2000, p. 380).

The IMS decision is said to be “boundedly rational” (Papadopoulos & Martín Martín, 2011, p. 133). Acting completely rational is in most cases of limited feasibility since decision makers are only human, implying their cognitive ability is imperfect (Papadopoulos & Martín Martín, 2011, p. 133). However, Alexander et al. (2007, p. 424) argues "the notion of rational, or even scientific, selection is one that underpins research on market selection". Evans et al. (2010, p. 381) provide information on how international marketing decisions are being made in practice and state such decisions are “strongly influenced by subjective and perceptual factors”. The authors argue environmental uncertainty often arise from subjective perception and reduction of this uncertainty can only be realized via increased objective analysis. Hence, although the decision can never be completely objective and rational, there is room for intensification of objective procedures related to international marketing decisions. One should however keep in mind that the people involved in making the IMS decisions always face constraints related to time, available information, and reliable decision-making models (Papadopoulos & Martín Martín, 2011, p. 134).

Furthermore, well-informed individuals along with competence related to certain markets are important, yet it tends to be a scarce resource in most organizations (Papadopoulos & Martín Martín, 2011, p. 134-135). A fact which in itself may not come as a surprise considering the hefty amount of people needed to cover all potential markets (Papadopoulos & Martín Martín, 2011, p. 134-135). As a consequence, managers tend to place emphasis on their own subjective opinion to make market expansionary decisions (Alexander et. al., 2007, p. 424). According to Papadopoulos & Martín Martín (2011, p. 134), such a strategy is not optimal. They argue previous literature suggest a clear divergence between subjective and objective assessments of new markets and imply an existing association between subjective assessment and irrationality (Papadopoulos & Martín Martín, 2011, p. 134).
On the topic of rationality and level of analysis incorporated into the IMS decision, Papadopoulos and Martín Martín (2011, p. 134) explain that “this boundedly rational decision-making perspective of IMS, together with the large number and diversity of foreign markets and the transaction cost economics involved, provide a theoretical foundation to make the selection process sequentially and as efficient and effective as possible”. Many scholars has followed this approach and recommended a need for an initial screening stage in which a great number of irrelevant markets can be ruled out. One such suggestion is provided by Cavusgil et al. (2004, p. 615) in which the authors construct a model which clusters and ranks countries and markets based on secondary data. However, as suggested by Douglas and Craig (1992, cited in Papadopoulos & Martín Martín, 2011, p. 134), following such a procedure pose the risk of excluding markets too early on. Markets of which could have proven to become relevant at a later stage in the analytical process (Papadopoulos and Martín Martín, 2011, p. 134). Hence, using systematic sequential screening techniques may very well be effective and efficient, but it is not perfect. The implied difficulty to remain completely rational and apply systematic analytical procedures seems to heavily be contributing to the complexity of IMS.

Furthermore, it is repeatedly mentioned in previous literature that the IMS analysis process involve multiple layers of analysis (e.g. Evans et al., 2000, p. 380) and the amount of variables to potentially include in the analysis are immense. As extracted from previous literature, the layers of analysis can for example include; clustering and ranking of countries based on macro indicators (Cavusgil et al., 2004), determining similarities/dissimilarities of consumer values and characteristics cross boarders (Gaston-Breton and Martín Martín, 2011), and incorporation of domain/product/industry specific variables into the analysis (Bijmolt et al., 2004). Each layer subsequently include an abundance of potential variables, both qualitative and quantitative of which firms ought to at least consider prior to making final IMS decisions. The majority of actual variables of which firms could/should touch upon, are discussed in more detail in subsequent parts of this chapter.

2.3 Approaches to IMS
Questions of which appear are; given the presumed complexity of IMS, is it feasible to construct practically applicable prescriptive/normative IMS models, and how do firms in practice go about its IMS procedure? To gain insight on the matter, previous studies of both normative and descriptive nature are highlighted next.

2.3.1 Normative IMS models
As previously mentioned, there is a general view throughout international marketing research in favor of the need for combining IMSeg and IMSel (e.g. Ter Hofstede et al., 2002, p. 160; Bijmolt et al., 2004, p. 324; Gaston Breton & Martín Martín, 2010, p. 268; Papadopoulos and Denis 1988, p. 47). There are however some prominent studies, which focus solely on IMSel. One such study include “complimentary approaches to preliminary foreign market opportunity assessment: Country clustering and country ranking”, written by Cavusgil et al. (2004).
As the heading implies, the study focuses on extracting a normative model/guide for how a preliminary/initial foreign market screening could be performed (Cavusgil et al., 2004, p. 607). The study propose the use of two complimentary screening/assessment tools; country clustering and country ranking (Cavusgil et al., 2004, p. 608-609). Country clustering aim at finding similarities/disparities related to culture, economy, politics and commercial structure among countries and group them together. (Cavusgil et al., 2004, p. 607). Country ranking deal with making an objective ranking of countries, and is seen as complementary to clustering as the latter offer no real guidance in terms of which countries or clusters are of more relevance (Cavusgil et al., 2004, p. 614). The ranking is said to preferable be based on relevant and meaningful indicators which aims at representing a market’s overall potential, which in the study is decided by measuring market size, market growth, market intensity, infrastructure and market receptivity (Cavusgil et al., 2004, p. 609). The authors are clear in that the ranking is performed in a generic and standardized fashion, hence decision makers should themselves engage in customizing the variables so to match their own products/services and/or overall objective (Cavusgil et al., 2004, p. 615).

Cavusgil et al. (2004, p. 607) affirm some of the most commonly cited critique, which often relate to the process’ implied reliance on aggregate macro indicators. The critics express absentia of domain specific variables, such as product or industry specific characteristics. Factors of which Cavusgil et al. (2004, p. 608) agree will be important upon making the final decision. However, as initial screening tool, country clustering and ranking is arguably effective since engaging in domain specific investigations on all potential markets require vast resource allocation (Cavusgil et al., 2004, p. 608). Additional critique relate to the absentia of caretaking to IMSeg as the process disregards segmentation based on consumer values across boarders (Cavusgil et al., 2004, p. 608). Once again, the authors suggest such detailed considerations are important in subsequent steps of IMS (Cavusgil et al., 2004, p. 615). Little guidance, however is given in terms of what to do or where to go in order to receive guidance concerning such subsequent steps.

As acknowledged by Cavusgil et al. (2004, p. 615) and as mentioned by Ter Hofstede et al. (2002, p. 160) and Bijmolt et al. (2004, p. 324), to solely base IMS decisions on country screening is not sufficient. Information related to cross national consumer characteristics and domain specific characteristics are likewise said to be of relevance prior to making final IMS decisions.

Gaston-Breton and Martín Martín (2011), took the IMS analysis one step further and attempted to segment markets based on both country characteristics and consumer values, but did not take into consideration domain specific aspects. The authors state that “general segmentation bases (e.g. market attractiveness and consumer values) are independent of concrete objects and are more stable and enduring than domain-specific variables (e.g. technological and economic characteristics of the industry, consumer benefits in using specific products) which means they can provide decision makers with general and long-term guidance for international marketing and communication strategies” (Gaston-Breton and Martín Martín (2011, pp. 268-269). The authors create a two-stage model which aims at applying general segmentation bases on both a country level, referred to as “macro-segmentation” and on a consumer level, referred to as “micro-segmentation” (Gaston-Breton and Martín Martín, 2011, p. 269). The authors conclude market attractiveness as comprised
by market size/potential and market development to be the most commonly used macro screening criteria, and hence apply this variable to stage 1 of the model (Gaston-Breton and Martín Martín, 2011, p. 271). For stage 2, the authors segment consumers based on general characteristics and consumer values (Gaston-Breton and Martín Martín, 2011, p. 271).

The authors are successful in creating clusters of countries and consumers, within the EU, and subsequently rank countries based on attractiveness (Gaston-Breton and Martín Martín, 2011, pp. 280-281). The clusters and rankings are however only recommended to be applied if other strategic elements and domain specific variables are set aside, “such as firm resources and characteristics, particular industries, and the factors of the micro-environment not considered by the model” (Gaston-Breton and Martín Martín, 2011, p. 282). A statement which leaves one wondering whether usage of such general segmentation bases would serve decision makers with any practical guidance at all? Assumingly, there will always be strategic aspects, such as the ones mentioned above, involved in an IMS decision making process.

In terms of further narrowing down the scope of IMS modeling, there are occurrences in which IMSel and IMSeg model construction has been limited to a specific field. The aim of such initiatives is often to facilitate inclusion of domain specific variables into the IMS segmentation process (e.g. Bijmolt et al., 2004, p. 323). Variables of which by many has been emphasized as critical to take into consideration prior to making finalized IMS decisions (e.g. Cavusgil et al., 2004, p. 608; Bijmolt et al., 2004, p. 325)

One such example include Bijmolt et al. (2004) who carry out analysis and practical IMS guidance for firms within the financial sector. The authors argue “domain specific behavioral variables” will have an important effect on the success of financial product companies’ launches in foreign markets (Bijmolt et al., 2004, p. 325). In this case such domain specific variables include ownership patterns related to financial products (Bijmolt et al., 2004, p. 325). To find such variables on both a country segmentation level and on consumer segmentation level, the authors carry out a multi-latent class framework (Bijmolt et al., 2004, p. 323), which is a method used to cluster data separated by categories (Zhang, 2004, p. 697). The authors acknowledge a two stage segmentation (Bijmolt et al., 2004, p. 323). A process of similar character to the one applied by Gaston-Breton and Martín Martín (2011), suggesting an initial macro screening stage and a subsequent stage of consumer characteristics screening (Bijmolt et al., 2004, p. 324). However, instead of separating the two steps, Bijmolt et al. (2004, p. 325) integrate them into one single step. This allow the authors to engage in “simultaneously deriving country segments (IMSel) and cross-national consumer segments (IMSeg) on the basis of disaggregate data on consumer behavior” (Bijmolt et al., 2004, p. 324). A methodology said to create an immediate connection between countries and consumers, which subsequently guarantees formation of relevant and actionable segments (Bijmolt et al., 2004, p. 326).

As interpreted by us, the above approach can add value and provide practical guidance for decision makers within firms possessing the particular characteristics as matched in the study. A limitation which is not explicitly mentioned in the text but absorbed include the presumed ignorance of time and potential future applicability. Can one expect the segmentation to remain true forever or will it change as globalization, market integration,
and technology evolve? In general, however, it seems as Bijmolt et al. (2004) has been successful in creating cross national domain specific clusters of which could be of great value to decision makers. To us, the relevance of including domain specific variables into IMS research provide a sense of added reliability and practical relevance.

2.3.2 Descriptive IMS studies
In a quantitative study conducted by Simkin & Dibb (1998), 23 criteria were tested on 150 companies in different industries. The study identified three criteria of which were used to a larger extent than the rest, namely profitability, market growth and market size (Simkin & Dibb, 1998, p. 411). On the contrary, criteria of which constitute the widely acknowledged Porters five forces were all found in the bottom of the list (Simkin & Dibb, 1998, p. 411), naturally resulting in some doubt concerning the actuality of Porters five forces. In general, the results implied a lack of taking into consideration aspects such as external trading environment and competition, suggesting managers might be more concerned with achieving short-term profit than sustainable long-term prosperity (Simkin & Dibb, 1998, p. 414). As one of the most interesting conclusions of the study, Simkin & Dibb (1998, p. 415) highlights the inconsistency among managers concerning what constitute an attractive market. The study also show managers do not take internal factors into consideration to an as large extent as one could expect. Furthermore, Simkin & Dibb (1998, p. 411) states that managers use a wide range of criteria upon evaluating different options.

The findings of Simkin & Dibb’s (1998) are stringent with the findings of Callaghan & Morley (2002), who conducted a survey among over 250 Australian employees. In both studies, the respondents put emphasis on profitability, market size and the potential for growth (Callaghan & Morley, 2002, p. 763-764). However, in Callaghan & Morley’s study (2002) the respondents were more concerned with the expansion being in line with the general business strategy and less with satisfying customers.

In a case study of Australian firms, Brewer (2001, p. 161-167) found that the first step taken by decision making managers was to establish a country market set in their minds, consisting of countries the managers considered reasonable to establish presence in. The second and third stage in Brewer’s (2001) model concerns identifying and evaluating the markets with the highest perceived potential. The study showed the companies did not have a certain way to go about this. The markets were often identified by recommendations from allied companies, or prioritized by where the companies got inquiries from. Furthermore, Brewer found that the companies investigated only used three criteria when evaluating the markets. These were potential returns, assessed by evaluating the attractiveness and the company’s competitive position in that country. However, the parameters used by managers to evaluate the criteria were not investigated.

2.4 International retailing and IMS
The literature review up until this point has provided valuable insight in terms of international market selection. However, as the scope will be limited to retailers, it is necessary to perform some additional review of retail specific IMS traits. More specifically, it will be of aid to gain additional insight into what distinguishes and characterizes
international retailing, as well as taking part of important theories which are mentioned in association with international retailing.

Gripsrud and Benito (2005, p. 1672), suggests knowledge related to retailers’ selection of foreign markets is limited, however a few characteristics seem to be commonly agreed upon. For example, the underlying rationale for retail firms are likely to be of more proactive nature than for example manufacturers’, meaning retailers tend to seek out a new market for demand factors such as presumed attractiveness (Gripsrud & Benito, 2005, p. 1672). They further argue that in retailing, attributes of which make foreign markets attractive, such as market size, level of income, prosperity, and competition are more relevant than factors such as wage level, which tend to be of more interest in manufacturing cases and reactive IMS cases (Gripsrud & Benito, 2005, p. 1672).

Additionally, Evans et al. (2000, p. 382) argue the degree to which retail operations should be adapted to the respective location is higher than that of manufacturer operations. The authors add to this line of reasoning by suggesting that firms which adapt its retail offer do on average perform better than firms which do not (Evans et al., 2000, p. 382).

Whether or not retailers are in fact willing to adapt its retail operations are subsequently said to depend on a few factors. Highlighted factors include firms’ “structure of decision making, retail format, size and ownership, and level of international experience” (Evans et al., 2000, p. 383). In terms of decision making structure, the authors present an overall negative relationship between centralized decision making and degree of adaptation, which means, the more centralized decision making, the less adaptation (Evans et al., 2000, p. 384). The association between entry strategy and retail format is said to be speculative as no previous researcher has been able to prove that a significant relationship exists (Evans et al., 2000, p. 384). There are however strong indicators pointing towards that retail formats are of importance upon conforming entry strategies, and hence it is an area of which managers should consider (Evans et al., 2000, pp. 384-385). The size of the firm is likewise said to have an effect on the chosen foreign market strategy. Some argue large retailers are likely to perform better than smaller as such firms most commonly possess improved financial muscles facilitating superior resource allocation as well as prolonged financial endurance (Evans et al., 2000, p. 385). Furthermore, the aspect of ownership structure is said to have implications on retailers’ entry strategies. More particularly, there is an expressed difference in whether a firm is privately owned or publicly owned. Private firms are believed to experience enhanced allowance for low returns in the short run, which facilitates concentration on long term potential. On the contrary, public retailers are often strained with pressures from shareholders demanding solid results in the short term (Evans et al., 2000, p. 385).

Additional factors which suggestively will effect retailers’ selection of, as well as performance on, international markets include; international experience, management characteristics, country of origin, and experience in the foreign market (Evans et al., 2000, pp. 385-387).

On the topic of retailers’ expected performance on foreign markets of similar character to the home market compared to expected performance on dissimilar markets, there are according to Evans et al. (2000, p. 378) contrasting views. Unlike “(Johanson and Vahlne, 1977; 1990; 1992; Johanson and Wiedersheim-Paul, 1975; Nordstrom and Vahlne, 1994;
Vahlne and Wiedersheim-Paul, 1973; 1977) (all cited in Evans et al., 2000, p. 378), whom argue retailers will perform better in markets of similar character, Evans et al (2000, p. 378) suggest such claim may in many cases fall short. For example, a successful company with operations in a developed market may very well be presented with great opportunities in psychically distant emerging markets due to for example an appealing unsaturated competitive landscape. In other words, the previously claimed negative relationship between firm performance and psychic distance is according to Evans et al (2000, p. 79) not generally applicable, a statement which is supported by previous studies in which neither a negative nor a positive relationship between firm performance and psychic distance has proven significant. What seems generally accepted though, is that psychic distance as a concept deserve attention upon discussing international retailing. The concept is further broken down and explained in section 2.6.2.

In terms of theories of which have been highlighted in retailing IMS contexts, both Gripsrud and Benito (2005, p. 1672) and Huang and Stjernquist (2007, p. 614), emphasize Dunning’s eclectic paradigm as have previously served of particular relevance. The eclectic paradigm, or OLI framework, suggest that foreign market initiatives undertaken by MNEs are a result of three sets of interdependent variables (Dunning, 2000, p. 163). The first, ownership, relate to a firm’s specific competitive ownership advantages in relation to competing firms. The greater the advantage, the more likely is it the firm will establish presence (Dunning, 2000, p. 164). The second variable, location, asserts that if a firm is in need of certain endowments of which are overly difficult or expensive to mobilize, but essential for effective utilization of competitive advantages, firms will be more willing to invest and engage in FDI in a foreign country (Dunning, 2000, p. 164). The third variable, internalization, suggest that, if the benefits associated with internalizing intermediate activities are greater than those absorbed by for example outsourcing, firms are more likely to invest in the region at which this benefit can be exploited (Dunning, 2000, p. 164).

Furthermore, Gripsrud and Benito (2005, p. 1673) highlight the theory of gradual internationalization as studied by (Johanson and Vahlne, 1977; Luostarinen, 1979; Hedlund, 1994; Vermeulen and Barkema, 2002), which relate to a “gradual internationalization” process of firms. The more experienced and acquainted a firm is with internationalization, the higher the commitment and resource allocation, and the more physically, culturally and psychically distant/different ventures can be. In general, there is said to be a positive relationship between experience and large scale foreign market expansion activities (Gripsrud and Benito, 2005, p. 1673).

2.5 Criteria in IMS

No matter which approach managers embrace upon tackling the issue of IMS, the literature suggest one gather information on new potential markets either qualitatively or quantitatively (Papadopoulos et al., 1988, p. 38). Qualitative information includes gathering information from i.e. government agencies, international experts and chambers of commerce (Papadopoulos et al., 1988, p. 39). Cons with qualitative information includes the risk of bias. As it is individuals who provide the information, the method is subjective by nature. Furthermore, considering the time required to assess each market, potential candidate markets will often be limited to a handful (Papadopoulos et al., 1988, pp. 38-39). On the other hand quantitative information contains "large amount of secondary statistical data", making it possible to screen a wide range of countries, although not as much in-depth as the
qualitative information would allow for (Papadopoulos et al., 1988, p. 38). Thus, an optimal would be to combine these two types of criteria. A reasoning which is supported by Cooke (1972, p. 26).

Gaston-Breton and Martín Martín (2011, pp. 270-271) argue that in order to find relevant screening criteria, one should turn to previous literature for guidance, an approach which has been embraced in the past (i.e. Cavusgil et al., 2004). In IMS literature, there are an abundance of qualitative and quantitative criteria decision makers are recommended to use (i.e. Agarwal & Ramaswami, 1992; Terpstra & Yu, 1988; Brewer, 2001; Andersen & Buvik, 2002; Papadopoulos & Martin, 2011; Cavusgil et al., 2004). Through the literature review, the criteria of which has been perceived to be most common has been extracted. The criteria have been consolidated and incorporated into a conceptual framework, as presented in the following section.

2.6 The conceptual framework

The purpose of the framework is to illustrate and explain which variables international retailers assess when selecting new markets. As can be seen in the model, three criteria, market attractiveness, psychic distance and internal factors, are believed to represent the full assessment of foreign markets. In turn, the criteria consist of several sub criteria, which are frequently mentioned in IMS literature. The components of the conceptual framework is described in more detail below.
2.6.1 Market attractiveness

The criteria used to determine the attractiveness of a market differ widely (Simkin & Dibb, 1998, p. 408). However, Simkin & Dibb (1998, p. 408) catches its importance upon stating that "the linkage between market attractiveness and business success is widely recognized". By looking into what researchers argues define an attractive market, it can be implied Market attractiveness refers to the characteristics and attributes of the market itself. Usually, the criteria used to decide attractiveness depend on the business activity in question (Gripsrud & Benito, 2005, p. 1673). Below follows a presentation of the criteria of which is perceived to be most commonly used upon assessing the attractiveness of a market.

The most common way to decide the attractiveness is usage of performance measures such as market size (Simkin & Dibb, p. 1998, p. 410). This is supported by several researchers. For retailers, the attractiveness of a market is highly influenced by the market size (de Mooij & Hofstede, 2002, cited in Gripsrud & Benito, 2005, p. 1673). Moreover, Mitra & Golder (2002, p. 356) highlights market size as being one of four factors deciding the attractiveness of a market. This is further supported by Sternquist (1997, p. 264-265). In the case study conducted by Brewer (2001, p. 162) the level of attractiveness is by the managers decided, partly, by looking at the market’s size. The underlying metrics used to determine market size vary, but some frequently used indicators include, population size (Campland & Hopenhayn, 2005, p. 2; Dick 2007, p. 55; Cavusgil et al., 2004, p. 610), total value of sales (Wagner et al., 2006, p. 1211), and urban population (Cavusgil et al., 2004, p. 610). According to Gaston-Breton and Martín Martín (2011, p. 271) market size and market growth are seen as the most commonly used screening criteria.

Regarding market growth, Simkin & Dibb’s (1998, p. 410) argues this is also a common way to decide attractiveness, a statement which is supported by Cavusgil et al. (2004, p. 416). Furthermore, Papadopoulos & Denis (1988) presents market growth as a variable included in several different approaches to international market selection embraced in reality. Erramilli (1991, p. 480) agrees with previous presented standpoints, arguing market growth is a factor "considered to be important in assessing the potential attractiveness of a foreign market".

As is the case with market size and market growth, many researchers argues wealth is a criteria of which needs to be evaluated. De Mooij & Hofstede (2002, p. 63) argues the income level to a large extent influence the attractiveness of a market for retailers. They state GNP/capita is the most widely used variable when comparing different countries. Mitra & Golder (2002, p. 356) acknowledge this statement, arguing consumers’ purchasing power is an important feature of an attractive market. It can be stated managers do evaluate a market’s wealth, when evaluating markets in reality (Brewer, 2001, p. 162).

When entering a foreign market, the perceived risk associated with a market must be considered by managers (Kwon & Konopka, 1992, p. 60). Buckley & Casson (1998, p. 556) agrees with this, by arguing risks might diminish a firm’s interest to invest in a market. Kwon & Konopka’s (1992) and Buckley & Casson’s (1998) line of reasoning goes in line with Agarwal & Ramaswami (1992, p. 5) who argues the risk involved in the particular markets is a factor managers consider when evaluating different alternatives. Risk might be of a
political, technological, cultural or economic nature and concerns the environment of the market (Sarabia, 1996, p. 68).

*Consumer characteristics* is further believed to play a role in the international market selection, since a match between the firm´s offering and consumers´ attitudes and values are crucial for success (Cleveland et al., 2011, p. 244). Hassan & Kaynak (1994, cited in Ter Hofstede et al., 1999, p. 1) argues firms which target consumer markets whole competitiveness culminate in a deep understanding of the consumers. Ultimately, a successful establishment in a new market comes down to satisfying consumers´ needs and wants (Cleveland et al., 2011, p. 245), making it reasonable to believe decision makers investigate this in order to gain insight whether or not the firm can satisfy the consumers. Consumer characteristics is a broad term including many different variables. For example, Sarabia (1996, p. 69) highlights homogeneity as one of the main points when segmenting markets, as the needs of a heterogeneous segment might widely differ, thus leaving many consumers dissatisfied (Franke & von Hippel, 2003, p. 1199). We are of the impression it is not appropriate to define what consumer characteristics is, since it might differ what individuals interpret consumer characteristics as.

Mitra & Golder (2002, p. 356) states *infrastructure* and the *population density* affects the economical attractiveness of the market. Factors which importance is highlighted by (Cavusgil et al., 2004, p. 610) as well.


Brewer (2001, p. 163) argues, in line with Sternquist (1997, p. 264-265), Cooper (1993, cited in Simkin & Dibb, 1998, p. 407) and Abratt (1993, cited in Dibb, 1995, p. 192), *competition* is assessed when evaluating markets to enter. He states that, according to his findings, when assessing the company´s competitive position, managers look solely if they have a competitive advantage in some way contra the current actors in the market. If the company did not see any way to differentiate themselves from the competition, the market was disregarded.

### 2.6.2 Psychic distance

O´Grady and Lane (1996, p. 330) defines *psychic distance* as "a firm´s degree of uncertainty about a foreign market resulting from *cultural differences* and other *business differences* that present barriers to learning about the market and operate there". Cultural and business differences may be legal, political, language, industry or business practice differences (Evans et al., 2000, p. 378). Sethi, (1971, p. 348) also argues geographic distance may create uncertainty about a market. Hence, firms are assumed to prefer markets similar to the home market, as it reduces uncertainty (Erramilli, 1991, p. 480; Brewer 2005, p. 44).

Previous researchers heavily emphasize the role of psychic distance. According to Brewer (2001, p. 158) psychic distance "forms the center piece of much IMS research and is worthy of close examination". Erramilli (1991, p. 480) states the concept of psychic distance has
been highlighted as the "major determinant of market selection", a statement which was confirmed by Cavusgil et al. (2004, p. 616).

The importance of psychic distance is further stressed by Evans et al. (2000, p. 374) who states psychic distance is negatively related to the performance of the firm. This is especially true for retailers since they have direct contact with the consumers, making retailing sensitive to cultural differences (Vida et al., 2000, p. 37; de Mooij & Hofstede, 2002, p. 68). The reason being that "psychically close countries are easier to understand and learn about" (Nordstrom & Vahlne, 1994, cited in Evans et al., 2000). What management sees as psychically close countries can differ. Evans et al. (2000, p. 386) argues both the manager's country of origin as well as the direct experience of the management team has had in the market affects the perceived psychic distance. According to Andersen & Buvik (2002, p. 350) it is more likely that small firms and firms that are in an early stage of its internationalization process takes psychic distance into consideration upon evaluating new potential markets to a larger extent than do larger firms with international experience. Benito & Gripsrud (1992, p. 464) further discusses the increased probability for firms to start internationalization in a country in which the perceived psychic distance is low. It is the similarities between the home market and the new market which decides how efficiently a firm can transfer knowledge to the new market (Gripsrud & Benito, 2005, p. 1674).

2.6.3 Internal factors

Internal factors refers to criteria of which are internally related to the firm. Previous studies highlights the need to consider internal issues when choosing a market to enter (Callaghan & Morley, 2002; Winter; 1998; Piercy & Morgan, 1994; Freytag & Clarke, 2002). Piercy (1992, cited in Piercy & Morgan, 1994, p. 168) argues there is a correlation between organizational "supportiveness" and marketing plan effectiveness. This is supported by Wester (1979, cited in Winter; 1998, p. 9) who stresses the importance of incorporating criteria related to the firm.

Dibb (1995, p. 192) refers to Corey (1975) when arguing assessment of potential markets should be conducted having the question whether or not the company has relevant expertise in mind. This is supported by Reid (1981, cited in Vida & Fairhurst, p, 148) who found that knowledge and expertise influenced the market selection.

Abratt (1993, cited in Dibb, 1995, p. 192) highlights two criteria of which can be categorized as internal factors when evaluating different options. These are ability to reach buyers in the market, and compatibility of market with objectives/resources. Moreover, Sarabia (1996, p. 68) argues the firm needs to have an actual interest in the segment. Sarabia (1996, p. 68) also argues the firm should investigate whether or not they need to adopt their products to the market. He states, "a segment will be less attractive if the company has to adapt its commercial strategies in very short periods". Furthermore, Callaghan & Morley (2002, p. 762) argues a firm should include likelihood of being able to have a sustainable competitive advantage as an important criteria.

The criteria reputation in the market has also been included in the study. This is important, especially for retailers, as previous studies argues that consumers use a retailer's reputation
to assess the quality of their products, hence affecting the firm’s performance (Purohit & Srivastava, 2001; Dawar & Parker, 1994). To study the extent to which decision makers consider the firm’s reputation in the market is further supported by Callaghan & Morley (2002).

Simkin and Dibb (1998, p. 414) state there is a growing emphasis on, and importance of, the firm’s ability to establish beneficial *relationships* with actors such as suppliers, customers, government agencies and competitors. This is supported by Samiee & Walters (2003, p. 194) who argues marketing practitioners have been aware of the importance of relationships. As relationships play a crucial role in many firms’ international marketing strategies (Heide & Stump, 1995; Johnston et al., 1999, cited in Samiee & Walters, 2003, p. 194) it is fair to assume retailers who internationalize will consider the possibilities of establishing beneficial, sustainable relationships as part of an international market selection. An assumption confirmed by Moen et al., (2002, p. 1236) which found firm’s network relationships affects which market to enter.

As the conceptual framework has been presented and justified, a natural extension would be to assess whether each criteria is of equal importance. The "importance hierarchy" is investigated in the following section.

### 2.7 Importance hierarchy

As noted by Freytag & Clarke (2002, p. 481), the research about importance hierarchy is limited. Papadopoulos et al. (2002, p. 167) states "there is no agreement on which indicators to use and how they might be weighted to reflect their relative importance". However, there are reasons to believe an importance hierarchy do exist.

Sarabia (1996, p. 69) state, since not every criteria is equally important in the decision making process, it is important to weigh the criteria, but selecting the appropriate criteria is a hard task and a wrongful decision might imply damaging consequences for the firm (Palcic & Lalic, 2009, p. 16). This line of reasoning is supported by Andersen & Buvik (2002, p. 348), who argues the criteria used to evaluate the alternatives of a problem should be weighted, so it accurately reflects the firm’s objective. Cavusgil (2004, p. 615) also put emphasis on embracing weighting of the criteria, depending on the objective of the firm. The role of the firm’s objective in regards to importance hierarchy is also acknowledged by Papadopoulos & Denis (1988, p. 38) as well as Ayal & Zif (1979, p. 91) who argues several criteria will be "based on the multiple objectives of the firm". An example of how different criteria may yield widely different results is presented by Papadopoulos & Denis (1988, p. 41). They compare results of a country screening analysis using two different sets of variables. First, a set of product specific variables, and second, general country specific variables. The country which looked most attractive using the first approach, ended up as 14th most attractive upon embracement of the second approach, reflecting the importance of incorporating relevant criteria.

Sarabia (1996) evaluates new potential markets by dividing the criteria into stages. He argues that the first variables (thus, the most important) one should look into is the profitability, risk and how much effort it takes to access the segment. Hence, the first stage focus on looking into the characteristics of the market itself (Sarabia, 1996, p. 67). It is important to make a
thorough analysis at the first stage, as the second stage involves evaluation of the firm’s relative sustainability compared to competition. Sarabia (1996) hence implies that market attractiveness is more important than internal factors. The study conducted by Callaghan & Morley (2002) points towards the fact that this prioritizing is embraced in reality as well. However, Callaghan & Morley’s study was solely conducted in Australia and does not entail what it looks like in the rest of the world. Moreover, Sarabia’s (1996) reasoning and Callaghan & Morley’s (2002) findings goes in line with the arguments of McDonald & Dunbar (1995, cited in Simkin & Dibb, p. 408) who suggest growth rate, market size and profitability potential always should be three out of five or six criteria used upon evaluating markets, implying a favoring of market attractiveness contra psychic distance and internal factors.

On the other hand, there are researchers which emphasize other criteria as the most prominent. Koch (2001, p. 66) refers to several researchers who tends to be more interested in internal factors than market attractiveness (i.e. Cavusgil & Nevin, 1981; Goodnow & Hansz, 1972). At the same time, as mentioned in section 2.6.2, psychic distance has been highlighted as a "major determinant" of IMS decisions (Erramilli, 1991, p. 480). The differing views on what is most important confirms the subjectivity and inconsistencies argued for by previous researchers (i.e. Evans et al., 2010, p. 851; Simkin & Dibb, 1998, p. 407). A natural question to ask is if certain circumstances affects the importance hierarchy?

There are reasons to believe that firm size influence the importance hierarchy. Papadopoulos et al. (2002, p. 166) claims smaller firms often choose markets based on foreign requests. Moen (2000) and Kothari (1978, p. 364) further shed light on the firm size and its implication for the IMS. According to Kothari (1978, p. 364), a vast majority of SME:s expand into new markets without conducting any research. Moreover, Papadopoulos & Denis (1988, p. 44) argues a market entry may be the result of requests coming from abroad. They also argue smaller firms are likely to more heavily take into consideration psychic distance.

Another factor which might influence IMS and the subsequent criteria embraced when assessing new potential markets is the ownership structure. According to Agarwal & Ramaswami (1992, p. 8) the ownership of the firm affects the firm’s ability to deal with investment risks in the market, indicating a firm might look into risks more or less depending on ownership. Furthermore, Brouthers et al. (1996, p. 383) state firms with ownership advantages, such as international experience or ability to adapt the product to the market (Porter, 1980, cited in Brouthers et. al., 1996, p. 379), will be more interested in having total control when entering a new market, making it reasonable to believe they will weigh the criteria differently than firms with little ownership advantages. Musteen et al. (2009, p. 321) finds ownership structure influence the entry-mode preference, indicating the firm will look into certain criteria more than others dependent on the ownership structure.

Industry and time scope are two additional factors believed to influence the importance hierarchy. According to Geringer (2001, p. 46), there are so called critical success factors, which the firm need to deal with better than its competitors in order to be successful. These vary by industry and time (Jenster, 1987, cited in Geringer, 2001, p. 47). This indicates a more long term orientated firm will look into certain criteria to a larger extent than a firm which is short term orientated. Moreover, Hitt & Tyler (1993, cited in Hitt et al., 2000, p.
confirmed the type of industry will affect criteria embraced in reality. The idea the industry will affect the criteria is supported by Cavusgil et al. (2004, p. 615) and Papadopoulos et al. (2002, p. 170) who argues firms with different needs will attach different weighting to the criteria.
3 Methodological considerations

This chapter presents the researchers’ preconceptions, and ontological and epistemological considerations. Moreover, the research process, approach, strategy and design of the study are presented, together with a critical review of the cited sources. Lastly, the criteria which will be used to evaluate the findings of this study are presented.

3.1 Preconceptions

Being aware of the researchers’ preconceptions is of importance, as it might affect the research in a harmful way (Tufford & Newman, 2010, p. 80). In order to not mistake knowledge gathered during the research process for preconceptions, the preconceptions were documented before the start of the study, as suggested by Malterud (2001, p. 483). Malterud (2001, p. 483) suggests preconceptions might be "previous personal and professional experiences, pre study beliefs about how things are and what is to be investigated, motivation and qualifications for exploration of the field, and perspectives and theoretical foundations related to education and interests".

Although both researchers has been employed by retailers in the past, none of the researchers has been dealing with strategic decisions on a corporate level. The experience in IMS which can be noted, is the acquaintance with the topic stemming from academic experience. In other words, the researchers has no practical experience of IMS.

3.2 Ontological & Epistemological considerations

Upon conduction of research, there are usually several considerations made by the researcher of which one must be aware (Saunders et al., 2016, p. 124-125). Not only will it increase the reliability of the research philosophy, but also affect the overall conduction of the research as well as the understanding of the findings. The considerations in this study are presented below.

3.2.1 Ontological considerations

Ontology refers to how one choose to view social entities and how this affects the way the researcher sees the research objects (Bryman & Bell, 2011, p. 20 & Saunders et al., 2016, p. 127). According to Ritchie & Lewis (2003, p. 11) the questions are whether the researcher views social entities as objects that exists without acknowledging the social actors that are involved in the entity as well as if social behaviour "is governed by 'laws' that can be seen as immutable or generalizable". It is important to be aware of the ontological position, since it determines what the research will focus on (Saunders et al., 2016, p. 127). Bryman & Bell (2011, p. 20) presents two ontological positions – objectivism and constructionism.

Objectivism is in its foundation realistic, meaning it considers social entities as existing independent of social actors (Brannick & Coghlan, 2007, p. 62). According to Saunders et al. (2016, p. 128) this means that individual social actors’ interpretations and experiences of the social world are not means to change it. Moreover, Burrell & Morgan (1983, cited in Saunders et al., 2016, p. 128) claims that individuals are born into social structures, something that Bryman & Bell (2011, p. 21) agrees with upon stating that "the organization
represents a social order in that it exerts pressure on individuals to conform to the requirements of the organization". Since an objectivistic viewpoint enables the view on social entities as independent objects, it is possible to adapt methods used for natural science, when studying social science (Gelo et al., 2008, p. 269; Saunders et al., 2016, p. 128).

Constructionism, on the other hand, argues social entities are made up by individual actors and are therefore continuously revised (Bryman & Bell, 2011, p. 21-22). According to Gelo et al. (2008, p. 269) individuals are affected by their interactions with the social world. Due to the fact that social entities are under constant change, it makes sense for researchers to study different contexts such as historical, geographical or socio-cultural in depth in order to get an idea why things are happening (Saunders et al., 2016, p. 130).

In this study, a constructionist position was taken. As it is IMS that is being studied, a topic which contains decisions taken by individuals and which are routinely characterized as a subjective topic, holding a constructionist viewpoint is rational. Moreover, it makes sense to acknowledge the presence of a social factor as the respondents answer could be resulting from i.e. previous work experience with other social actors.

3.2.2 Epistemological considerations
Epistemology is a field which deals with the issue of knowledge. According to Ritchie & Lewis (2003, p. 13-14), epistemology raises the question of what can be regarded as acceptable knowledge and whether or not social science can be studied in the same way as natural science. In total, there are three epistemological positions; positivism, interpretivism and realism (Bryman & Bell, 2011, p. 15-20).

Krauss (2005, p. 760) presents positivism as a standpoint in which emphasis is placed on strict scientific methods such that data and analysis is not influenced by the researcher’s values. A positivist would argue natural science methods can be applied in social science (Finch, 1986, cited in Mohd Noor, 2008, p. 1602). Positivism is influenced by both deduction and induction, since the data is gathered in order to test hypotheses (deduction) and subsequently in order to draw generalizations (induction) (Bryman & Bell, 2011, p. 15).

Interpretivism is said to be the opposite of positivism, as it speaks in favour of diverging the way to which natural sciences and social sciences ought to be studied (Bryman & Bell, 2011, p. 16 & Saunders et al., 2016, p. 140). An interpretivist argues one cannot exclude human beliefs, values, interests etc. and just focus on the observation itself (Howe, 1988, p. 13). To draw generalized conclusions applicable on the entire mass is said to overly simplify matters. Hence, unlike positivists, interpretivists are more concerned with understanding human behaviour, rather than to explain it (Bryman & Bell, 2011, p. 16). This explains yet another fundamental difference between the two positions; interpretivists argue the researcher’s subjective values, beliefs and interpretation of data have an effect on the research process, as it focuses on complexities such as conversations, meetings and teamwork (Saunders et al., 2016, p. 142).

Regarding the concept of realism, there are two acknowledged forms; empirical and critical (Bryman & Bell, 2011, p. 17). The former, empirical, state that what we see, is an accurate picture of the world (Harper, 1984, p. 143). Hence, there is no need to alter the scientific
approach based on whether the study represents a natural science or a social science (Saunders et al., 2016, p. 138). The latter, critical, on the other hand, admits there are underlying structures not visible at first glance, which shape the social world. Critical realism argues there is "a real world out there" and are concerned with explaining what constitutes that world (Easton, 2010, p. 119-120). With this in mind, the research conducted by critical realists often takes the form of in-depth analysis (Saunders et al., 2016, p. 140).

In this study an interpretivist approach was embraced. An interpretivist approach is needed as it allows to see the respondents’ answers with respect to its social and subjective underlying meaning (Howe, 1988, p. 13), which is reasonable given the complexity and subjectivity of IMS. Moreover, since this is a qualitative study, the data is likely to vary and be more complex than quantitatively gathered data. This entails a need to take social aspect into consideration upon analyzing the data (Saunders et al., 2016, p. 568). Lastly, as the interpretation of data will be affected by the researchers’ subjectivity, in order to be able to identify similarities and dissimilarities, it makes sense to adopt an interpretivist approach since interpretivism is "explicitly subjectivist" (Saunders et al., 2016, p. 141).

3.3 Research process

Bryman & Bell (2011, p. 11) presents two different views on the relationship between theory and research of which both has implications on the way the study is conducted. These are referred to as deductive strategy and inductive strategy. Moreover, Saunders et al. (2016, p. 145) presents a third approach, called abductive strategy. Easterby-Smith et al. (2012, cited by Saunders et al., 2016, p. 148-149) argues the choice of research approach is important due to three reasons. First, it increases the chances of choosing an appropriate research design. Second, it facilitates an understanding of which research approach is more appropriate in generating sufficient findings. Third, being aware of the different alternatives, enables adaptation of the research design so to "cater for constraints".

Embracing a deductive approach will result in theories being developed from what is already known in a specific field (Dubois & Gadde, 2002, p. 559). The theories are then being tested, using empirical findings (Bryman & Bell, 2011, p. 11). Saunders et al. (2016, p. 146-147) stresses that deduction is concerned with explaining causality between concepts and variables, often in a measurable, quantitative mode, with generalization of findings as ultimate goal. As the objective of this study is not to generalize findings, a pure deductive approach was disregarded.

Inductive approach, on the other hand, seek to form theories or generalization based on empirical findings (Hyde, 2000, p. 83). Meanwhile deductive strategy is commonly used in quantitative research, inductive strategy is often applied in qualitative research (Bryman & Bell, 2011, p. 13). Common in inductive research, is the use of theory as guidance when formulating research questions (Saunders et al., 2016, p. 152).

The third approach, abductive, is according to Saunders et al. (2016, p. 145) defined as "collecting data to explore a phenomenon, identify themes and explain patterns, to generate a new or modify an existing theory which you subsequently test through additional data collection". Dubois & Gadde (2002, p. 559) states an abductive strategy can be seen as a strategy in which tendencies from both deductive strategy, as well as inductive strategy can be found. Furthermore, abduction is said to focus on development and refinement of theories,
rather than conducting research to generalize theories. According to the authors, the initial theoretical framework of which laid the investigative foundation of the research is likely to continuously be modified, due to new empirical findings and/or theoretical insights (Dubois & Gadde, 2002, p. 559). This goes in line with the views of Suddaby (2006, cited in Saunders et al., 2016, p. 148) who concludes abduction "goes back and forth" between deduction and induction.

In this thesis, an abductive research process is embraced. As the aim is to develop the conceptual framework presented in figure 2 (p. 6) based on the empirical findings, an abductive approach would allow for this. Furthermore, embracing an abductive approach yielded an opportunity to extract more from the study than would be possible if an inductive approach was applied, since it facilitates the possibility of "taking advantage not only of the systemic character of the empirical world, but also of the systemic character of theoretical models" (Dubois & Gadde, 2002, p. 556).

3.4 Research approach
In this study, we seek to answer the research questions How do Swedish international retailers select foreign markets and What are the possibilities of creating a weighted IMS model for retailers? Hence, the study is of exploratory nature (Saunders et al., 2016, p. 174). Saunders et al. (2016, p. 174-175) states "an exploratory study is particularly useful if you wish to clarify your understanding of an issue, problem or phenomenon, such as if you are unsure of its precise nature". A statement which represents this study’s angle of incidence. Additionally, the conducted research was tackled with an open mind and willingness to alter the direction of the study as we came across new findings from reviewing literature and conducting interviews. Moreover, the study does not aim at generalizing findings, but rather to establish a foundation from which additional research can be undertaken. Two investigative aspects which further point towards an inherent utilization of an exploratory research approach (Saunders et al., 2016, p. 175; Zikmund et al., 2013, p. 54).

3.5 Research strategy
Research strategy can be defined as "a general orientation to the conduct of business research" (Bryman & Bell, 2011, p. 26).

In this study, a qualitative strategy was chosen to be most appropriate, as the aim is to gain a deeper understanding of the IMS activities among Swedish retailers, and hence not place the trust of the study into statistical measures (Zikmund et al., 2013, p. 133). Zikmund et al. (2013, p. 136) also highlights qualitative strategy as most common upon conducting exploratory studies. This goes in line with our methodological viewpoints and with the opinions of Howe (1988, p. 13) and Bryman & Bell (2011, p. 386), who argue interpretivism and constructionism are distinct features in qualitative research. Moreover, Saunders et al. (2016, p. 168) states "much qualitative research use an abductive approach to theory development". Qualitative research is also characterized by the fact that data collection is not standardized and thus questions and procedures might change over the course of the research process (Saunders et al., p. 168). A fact which made sense in this study, as it allowed for adaptation of questions in cases where certain themes were not initially thought of.
Moreover, qualitative, exploratory research is particularly suitable in International Business. Doz (2011, p. 584) state "In a domain-defined field like IB where new phenomena of interest arise rapidly, qualitative exploratory research may help identify and understand new phenomena as they arise and assess the extent to which they are worthy of academic research”.

In theory, a quantitative study could have potentially satisfied the purpose of this study. However, such focus was disregarded for several reasons. Firstly, it was early on realized that gaining access to a sufficient amount of respondents would be challenging as all respondents must have decision making insights into the IMS-process in order to be found trustworthy. Secondly, a qualitative study entails a bigger chance of gaining in-depth insights than do a quantitative study. Conducting a quantitative study, which is more concerned with numerical measures in order to test hypotheses (Zikmund et al., 2013, p. 135), would have increased the risk of missing out on important contextual variables, and hence limit the ability to gain a deeper understanding (Guba & Lincoln, 1994, p. 106).

3.6 Research design
To fulfil the purpose of this paper, we considered adopting either a single case study or a multiple case study research design. As stated by Yin (2014, cited in Saunders et al., 2016, p. 184), a case study deals with putting/applying in-depth topics into real-life contexts. Adopting a case study design to answer our research questions makes sense as it enables attainment of insight into a particular phenomenon and its context, and can subsequently yield development of theories (Dubois & Gadde, 2002, p. 555). Furthermore, a case study can be applied on to both theory generation and theory testing (Bryman & Bell, 2011, p. 62), which is suitable given the embraced abductive strategy.

Yin (2014, cited in Saunders, et al., 2016, p. 186) presents two different case study strategies; single case study and multiple case study. A single case study, as the name entails, focus on one particular case (Saunders et al., 2016, p. 186). Although it would have been possible to conduct a single case study, it was disregarded as the international market selection process can vary depending on the personality, experience and beliefs of the decision maker (Alexander et al., 2007, p. 424).

Upon conducting an exploratory study, a multiple case study was assessed to be more suitable. A multiple case study enables comparison of different cases in order to find similarities and disparities (Bryman & Bell, 2011, p. 63). This research design was favored due to its presumed generation of richer insight into the analytical process of retailers’ choice of foreign markets. This goes in line with, Stake’s (1995, cited in Bryman & Bell, 2011, p. 60) argument, which holds researchers should choose the case in which they expect to learn the most.

One of the loudest arguments against case studies is its inability to generalize findings (Yin, 2014, cited in Dubois & Gadde, 2002, p. 554). As this is not the purpose of this study, such argument was not considered an issue. Furthermore, Saunders et al. (2016, p. 186) adverts that case studies are demanding for the researches as the work associated with gaining access to suitable case study settings is highly intensive by nature. This was perceived as a
comprehensive challenge prior to initiating the study. However, we judged such challenge to be manageable and well worth the effort. To aid the process of gaining access to suitable case studies, several trustworthy contacts who provided contact information and support were utilized. Maylor & Blackmon (2005, p. 246) points out conducting a multiple case study yield more superficial empirical data than a single case study. Nevertheless, conducting a multiple case study made it possible to identify similarities and subsequently draw conclusions and strengthen the findings with preceding research (Maylor & Blackmon, 2005, p. 246).

3.7 Source criticism
In this study, both primary and secondary data has been used. The primary data was collected through interviews with respondents deemed suitable in answering the research questions. The secondary data consist exclusively of scientific articles published in recognized journals, recognized course literature used at universities and material from internationally known organizations. Upon using secondary data, there are several issues one needs to be aware of.

Firstly, secondary data might have initially been gathered for a different purpose (Saunders et al. (2016, p. 316), which implies a need for precautions upon drawing conclusions based on secondary data. Saunders et al. (2016, p. 334) states it is important "to be aware of the purpose of that report and the impact that this will have on the way the data is presented". Secondly, as researchers does not possess control over the secondary data quality, it is important to evaluate all data sources and assess the quality of the data (Saunders et al., 2016, p. 334). As solely well recognized and respected literary works were used as secondary data in this thesis, the data is viewed as qualitative and reliable.

3.8 Evaluation
To evaluate the findings of this study, two primary criteria as presented by Guba and Lincoln (1985, cited in Bryman & Bell, 2011, p. 395) were used. Although, many others models of which may be undertaken to evaluate qualitative research exist, the one suggested by Guba and Lincoln (1985) was applied as it is confirmed to be conceptually well developed and has been embraced by many qualitative researchers in the past (Krefting, 1991, p. 215). The two criteria include trustworthiness and authenticity, which are presented in more detail below.

Trustworthiness consist of four criteria; credibility, transferability, dependability and confirmability (Bryman & Bell, 2011, p. 395). Credibility refers to "how confident the researcher is with the truth of the findings based on the research design, informants, and context" (Krefting, 1991, p. 215). To establish credibility in qualitative research, the researcher should firstly ensure the research is accomplished in good manner, and secondly, submit the findings to the participants to ensure they were understood properly (Bryman & Bell, 2011, p. 396). If participants recognize the findings as presented by the authors, the study would be deemed credible (Krefting, 1991, p. 216).

Transferability refers to the extent to which findings can be transferred to other groups or contexts (Miles & Huberman, 1994, p. 279). However, as the aim of qualitative research often is not to generalize, Lincoln and Guba (1985, cited in Krefting, 1991, p. 216) argues
transferability is an issue for those who aims at transferring the findings to another context. It is not an issue for the original researcher. However, the original researcher should present a detailed account of the context, so other researchers can accurately assess the possibilities of transferring the findings (Bryman & Bell, 2011, p. 398). Post doing this, the researcher has efficiently dealt with the issue of transferability (Lincoln and Guba, cited in Krefting, 1991, p. 216).

Dependability is linked to the credibility criteria dealt with in quantitative research, which tackles the issue of findings being replicable if the study was imitated using the same procedures and tools in the same context (Golafshani, 2003, p. 601; Krefting, 1991, p. 216). To fulfill the criterion of dependability, each research step should be verified (Golafshani, 2003, p. 601). This can be accomplished by having an external peer who can act as auditor, and ensure the research is conducted properly throughout all phases of the research (Bryman & Bell, 2011, p. 398). Though, as pointed out by Bryman & Bell (2011, p. 398) such a task can be highly demanding for the auditor, which is said to be a main reason for why auditing is not embraced to a larger extent in reality. Furthermore, Field & Morse (1985, cited in Krefting, 1991, p. 216) argues variability is sought after in qualitative research, due to the uniqueness of the contexts.

Lastly, to achieve trustworthiness, researchers should establish confirmability, which refers to not letting bias influence the research. Fulfillment of this criteria shall clarify that the researcher has not allowed personal values to influence the findings and that conclusions has been drawn in good faith (Bryman & Bell, 2011, p. 398; Sandelowski, 1986, cited in Krefting, 1991, p. 216).

To fulfill the criterion of authenticity, five sub criteria ought to be considered, namely fairness, ontological authenticity, educative authenticity, catalytic authenticity and tactical authenticity (Bryman & Bell, 2011, p. 398-399). Fairness includes presenting and account for contrasting viewpoints of members in the concurrent study setting (Guba & Lincoln, 2001, p. 7). Ontological and educative authenticity questions the extent to which the research has contributed to knowledge sharing (Morse et al., 2002, p. 20). Ontological authenticity refers to whether individuals (including the evaluator) has become more informed and refined thanks to the research (Guba & Lincoln, 2001, p. 7). Educative authenticity refers to the degree to which individuals’ understanding of other individuals’ mindset has improved as a result of the research (Guba & Lincoln, 2001, p. 7). Catalytic and tactical authenticity refers to which extent the research has stimulated social action (Morse et al., 2002, p. 20). Catalytic authenticity refers to whether the research stimulates individuals to take action and change certain circumstances (Guba & Lincoln, 2001, p. 7). Tactical authenticity deals with the question whether or not the research has empowered individuals to take the action proposed by the research (Guba & Lincoln, 2001, p. 7). According to Manning (1997, p. 94), failing to fulfill these criteria leads to questioning the quality of the research.

The evaluation of the research is presented in section 8.1.

4 Practical methodology
This chapter aims at giving an insight into how the study was practically conducted. The sampling technique, a description of the participants and an explanation of the planning and
execution of the interviews are given. Moreover, a review of the presentation of data and analysis is provided. Lastly, the process of gaining access to participants is presented, followed by a discussion concerning how ethical issues were addressed.

4.1 Sampling
This section contains information on how the sample was selected, approached and interviewed.

4.1.1 Procedure
As the purpose of this study is not to draw generalizations, a non-probability sampling technique was embraced (Zikmund et al., 2013, p. 395). As the study aims at exploring international firms within the retail industry, the sampling can be described as purposive sampling, also known as judgmental sampling, since the sample was selected based on the authors’ opinion of the sample units characteristics (Zikmund et al., 2013, p. 396; Saunders et al., 2016, p. 301). A purposive sampling, which is commonly used in case study research, was regarded most effective as it entailed an opportunity to choose participants of which the authors expect be of relevant help upon finding answers to the research questions (Saunders et al., 2016, p. 301). Another factor contributing to the usage of purposive sampling include the constraint of time (Saunders et al., 2016, p. 301).

The study was conducted in Sweden. The majority of interviews took place at the respective firm’s headquarter in Stockholm, and the remainder were conducted via telephone.

4.1.2 Participants
Bryman & Bell (2011, p. 489) highlights the issue of clarity upon presenting how interviewees were selected. Therefore, this is presented in detail below.

As this study concerns Swedish retailers, people with experience from IMS decision making within international Swedish retailers represented the target interviewees. This study does not aim at concluding objective facts, hence the interviewees were chosen to “generate data which give an authentic insight into people’s experiences” (Silverman, 1993, cited in Crouch & McKenzie, 2006, p. 485). To find relevant interviewees, Retriever Business data base was used to screen and identify prospective companies. The interviewees were chosen with the aim of finding respondents with contrasting backgrounds in terms of key characteristics such as experience and industry, which is in line with the recommendations of Bryman & Bell (2011, p. 442). Moreover, the suitability of the participants was assessed using Morse et al.’s (1991, cited in Whiting, 2008, p. 35) three attributes of a good informant, namely "knowledgeable about the topic, able to reflect and provide detailed experiential information about the area under investigation and willing to talk". The sample consisted partly of people currently working with questions related to IMS in retailing companies and partly of people working as consultants but with broad experience of IMS within retailing. When possible, the authors chose to use personal contacts at companies of interesting nature. It is not unusual for researchers to utilize contacts to gain access to respondents with study specific relevant characteristics (Zikmund et al., 2013, p. 396).
To assure the interviewees were approached in a beneficial way, the requests for the interviews were structured as proposed by Healy & Rawlinson (1993, cited in Bryman & Bell, 2011, p. 473). Hence, the first step was to initiate contact via telephone, the second to follow up with an introductory letter and finally an additional telephone call to deal with any questions or concerns of which may have arisen. During the contact with participants, the theme and purpose of the interview were clearly communicated, accompanied with information about the interviewers, expected duration, and what the data would be used for (Flick et al., 2004, p. 212). This to ensure a willingness to participate.

As proposed by Saunders et al. (2016, p. 295), the interviews were conducted until data saturation was reached, that is until point where "the additional data collected provide little, if any, new information or new themes". The authors realized data saturation had been reached after the completion of seven interviews. This goes in line with the argument of Eisenhardt (1989, cited in Easton, 2010, p. 118) who argues "while there is no ideal number of cases, a number between 4 and 10 cases will usually work out well". The participants held various positions, but all had deep insight into the IMS processes at the respective firm. The interviews ranged from 29 minutes to 1 h and 12 minutes. Information about the participants and the interviews are presented in table 1 below.

<table>
<thead>
<tr>
<th>Type of firm</th>
<th>Title</th>
<th>Time</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Strategy consultant</td>
<td>Chairman</td>
<td>1 h 12 min 15 sec</td>
</tr>
<tr>
<td>R2</td>
<td>Strategy consultant</td>
<td>Director of Strategy</td>
<td>57 min 2 sec</td>
</tr>
<tr>
<td>R3</td>
<td>Retailer</td>
<td>Head of Investor Relations</td>
<td>49 min 43 sec</td>
</tr>
<tr>
<td>R4</td>
<td>Strategy consultant</td>
<td>Business Analyst</td>
<td>47 min 7 sec</td>
</tr>
<tr>
<td>R5</td>
<td>Retailer</td>
<td>Global Sales Director</td>
<td>52 min 57 sec</td>
</tr>
<tr>
<td>R6</td>
<td>Strategy consultant</td>
<td>Co-founder</td>
<td>45 min 32 sec</td>
</tr>
<tr>
<td>R7</td>
<td>Retailer</td>
<td>Head of Expansion</td>
<td>29 min 51 sec</td>
</tr>
</tbody>
</table>

Table 1. Information about participants and interviews.

4.2 Interviews
According to Bryman & Bell (2011, p. 465) the two most common types of interviews embraced in qualitative research is unstructured interviews and semi-structured interviews. As described by Bryman & Bell (2011, p. 467) the unstructured interview is more like a conversation than an actual interview. The researcher knows what topic he/she wants to investigate, but has no predetermined set of questions (Saunders et al., 2016, p. 391). On the other hand, when conducting a semi-structured interview, the researcher has a set of predetermined questions but encourage the interviewee to answer in his own words (Bryman & Bell, p. 467). In this study, a semi-structured interview approach was chosen. This approach is described more in detail below.
4.2.1 Semi-structured interview approach

The choice to embrace a semi-structured interview was based on the researchers’ willingness to gain insight into the qualitative reasoning of decision makers. Conducting a qualitative interview provide the means to go "off topic" (Bryman & Bell, 2011, pp. 466-467). In this study, this was assumed to facilitate for potential discovery of IMS criteria which had not been highlighted in previous research. This is supported by Dearnley (2005, p. 22) who argues semi-structured interviews allows for "new concepts to emerge", a statement which connects well to the choice of embracing an abductive strategy. Moreover, Barriball and While (1994, p. 330) argues a semi-structured interview is an effective tool for exploration of complex issues, which aligns well with the purposes of this thesis. It further facilitates an opportunity to ask respondents to elaborate responses (Barriball & While, 1994, p. 330). As Bryman & Bell (2011, p. 466) points out, "In qualitative interviewing, there is much greater interest in the interviewee’s point of view". Embracing an un-structured interview approach would have exposed a risk of floating too far off the subject. Since the study deals with criteria and their relative importance, it was crucial this was captured in the interview.

Added to this, Saunders et al., (2016, p. 394) brings up three circumstances in which semi-structured interviews are advantageous, namely; where there are a large number of questions to be answered, where the questions are either complex or open ended, or where the order and logic of questioning may need to be varied. The nature of this study contains all three elements. Moreover, since the data is analyzed qualitatively, it makes sense to conduct a semi-structured interview (Saunders et al., 2016, p. 392).

Zikmund et al., (2013, p. 151) argues the advantages with a semi-structured interview includes the ability to talk about more specific topics and that responses are "usually easier to interpret than other qualitative approaches". Hence, the choice of conducting semi-structured interviews. Next follows a review of the preparation for the interviews.

4.2.2 Preparation of interviews

Barriball and While (1994, p. 333) argues the skills of the interviewer is key for completion of a successful interview. Hence, much time was put into preparation and construction of questions. In order to properly prepare, the decision was made to follow the key measures pointed out by Saunders et al. (2016, p. 401).

First, it is important to be knowledgeable about the topic. This will not only establish a sense of credibility, but entail accurate assessment of the responses and facilitate for appropriate follow-up questions when necessary (Saunders et al., 2016, p. 401). In addition to a comprehensive literature review, research on the respective interviewee as well as their companies was carried out.

Second, Saunders et al., (2016, p. 401) raises the issue of potential cultural misunderstandings. All interviewees but one were Swedish, working for Swedish companies, and hence in those cases no extra research of cultural background and differences was deemed necessary. On the contrary, in preparation for the interview with the non-Swedish participant, some research of differences between Swedish culture and the culture of the respondent was conducted.
Third, the location of the interview is important (Saunders et al., 2016, p. 401). Upon deciding the location, emphasis was placed on finding a location in which the interviewees would be comfortable and the risk of being disturbed minimized (Saunders et al., 2016, p. 403). Hence, as suggested by Clarke (2006, cited in Whiting, 2008, p. 36), it was decided to conduct the interviews in a place at which the respective respondent would feel convenient. The interviews which were conducted face to face, all took place at the participants’ offices. Furthermore, the interviewees were provided with a list of interview themes, in order to be able to prepare. Saunders et al. (2016, p. 402) and Bryman & Bell (2011, p. 473) argues this strengthens the validity and the reliability of the interview.

Additionally in order to account for ethical concerns, it was ensured all data would be coded and handled anonymously. Further, all interviewees were informed about the purpose of the research (Bryman & Bell, 2011, p. 476). A more detailed review of the ethical considerations are presented in section 4.4.2

4.2.3 Construction of questions

In order to make the interviewees feel comfortable, the questions asked should be properly planned (Treece & Treece, 1986, cited in Whiting, 2008, p. 37). Hence, focus was directed towards creating good questions, as "good use of interview questions will maintain interaction and lead to the generation of knowledge" (Whiting, 2008, p. 37).

The questions were constructed so to facilitate for a natural discussion rather than short answers. The conceptual framework was used as foundation. This approach is supported by Saunders et al. (2016, p. 402) who states interview themes can be decided based on previous literature, the theoretical framework, the researcher’s experience, discussions with others who has experience in the subject and common sense.

Saunders et al. (2016, p. 402) argues the interview should start with "a set of themes" reflecting the variables in the study. This in order to establish a sense of direction and purpose. The interview themes can then serve as base for the interview guide. The interview guide was developed with a focus on asking questions in a logical order, and in a language of which was assumed clear and comprehensible. Factors of which are stressed by Saunders et al. (2016, p. 403).

The questions were formulated such that the risk of bias would be minimized. This was achieved by avoiding leading questions, long questions and complex theoretical concepts (Saunders et al., 2016, p. 407-409). Further, in order to avoid bias and encourage the interviewees to reflect about the topic, open questions were used (Whiting, 2008, p. 37). Also, ambiguous terms were avoided, in order to reduce the risk of misunderstandings (Bryman & Bell, 2011, p. 255).

In table 2 below, the interview themes are presented, accompanied by examples of questions and theoretical connection. As suggested by Bryman & Bell (2011, p. 479), the questions consisted of a mix of open and probing questions.
<table>
<thead>
<tr>
<th>Interview theme</th>
<th>Question example</th>
<th>Examples of theoretical connection</th>
</tr>
</thead>
<tbody>
<tr>
<td>The initial screening stage</td>
<td>&quot;How is the initial screening stage conducted when deciding to enter a new market?&quot;</td>
<td>Cavusgil et al.´s (2004) urge for an initial screening process.</td>
</tr>
<tr>
<td>What makes a market</td>
<td>&quot;What criteria or parameters do you use when evaluating a market´s attractiveness?&quot;</td>
<td>Simkin &amp; Dibb (1998) suggests the criteria used to determine the attractiveness of a market differ widely.</td>
</tr>
<tr>
<td>attractive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal factors role</td>
<td>&quot;Does the internal factors of the firm i.e. internal expertise, competencies, resources etc. influence the choice of foreign market to enter?&quot;</td>
<td>Callaghan &amp; Morley (2002), Freytag &amp; Clarke (2002) highlights the need to consider internal factors when choosing a market to enter.</td>
</tr>
<tr>
<td>Criterias´ relative</td>
<td>&quot;Is there any of the criteria you have previously mentioned you consider more important than the others?&quot;</td>
<td>Papadopoulos et al. (2002) argues there is no agreement on the relative importance among criteria.</td>
</tr>
<tr>
<td>importance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted IMS models for</td>
<td>&quot;Do you think it is possible to create a weighted model for the retail industry?&quot;</td>
<td>Simkin &amp; Dibb´s (1998) suggests lack of guidance for marketing practitioners.</td>
</tr>
<tr>
<td>retailers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Interview themes and their theoretical connection.

4.2.4 Pre-testing

The need for pre-testing the proposed data collection method is highlighted in previous literature. Presser & Blair (1994, p. 73) emphasize that pre-testing is an "indispensable stage" in the development of data collection method. Furthermore, Collins (2003, p. 231) states respondents often misinterpret questions without realizing it. Respondents may further sometimes answer a question without understanding it, in an act of trying to be polite. All of which are factors which signify the need for pre-testing (Collins, 2003, p. 231).

The pre-testing was in part carried out to ensure appropriate terminology, and to test whether it could be assumed that respondents would understand the questions, but also, on behalf of the researchers, the pretesting facilitated good preparation and practice. Additionally, pre-testing made it possible to adapt the wording in the questions accordingly with the responses of the test objects.

The pre-testing of the semi-structured interview was conducted one week before the first “real” interview. The test object is a decision maker at a firm with operations globally who has insight into the firm’s expansion strategies. The decision maker work in a firm active in an industry outside retailing, making it possible to pre-test the interview questions without risking a sample unit.
As a result of the pre-test, several questions were slightly modified, mainly such that the questions were shortened and made a bit more specific. It was apparent a few questions were too long, resulting in confusion of the test object. The terminology used was confirmed appropriate.

4.2.5 Conducting the interviews

The face to face interviews took place in Stockholm during a time period of three days. The telephone interviews were conducted during a time period of one week. All interviews were completed within a time period of two weeks. The interviews were held in Swedish with the Swedish participants and in English with the participant from another country.

Effort was placed into the opening of the interview, a crucial stage in terms of gaining the interviewee’s confidence (Saunders et al., 2016, p. 405). The interviewee often has questions about how the information given will be used (Saunders et al., 2016, p. 405-406). Therefore, the first part of the interview focused on restating how the data would be used as well as reassuring that their involvement would be handled with complete anonymity. Also, before initiating the intended discussion, some "small talk" was conducted, asking respondents to briefly introduce themselves and the company they represent. This in order to promote credibility and make the respondent feel comfortable (Whiting, 2008, p. 37). Moreover, both authors were present at the interviews, which according to Bechhofer et al., (1984, cited in Bryman & Bell, 2011, p. 474) is accompanied by a number of advantages. First, one interviewer can focus solely on taking notes of details, meanwhile the other focuses on the development of the interview. Second, to make the interviewee feel more comfortable, the two interviewers can engage in a discussion between themselves to for a moment redirect focus from the respondent.

The interviews were both audio-recorded by tape and manually recorded on paper. Audio-recording ensures "an accurate account of the conversations and avoid losing data since not everything can be written down during interview" (Mohd Noor, 2008, p. 1604). Notes do not only work as a back-up if the audio-recording would be defected, taking notes also signal an interest to the interviewee as well as it helps to keep in mind potential questions one wants to bring up at a later stage (Saunders et al., 2016, p. 411). Furthermore, taking notes may aid the interviewer to develop their interview skills (Whiting, 2008, p. 37). Neutral responses to the interviewees’ answers were embraced, in order to make sure opinions did not influence the interviewee (Saunders et al., 2016, p. 410).

Post interviews, a detailed record was compiled in order to enable optimal analysis of the data (Saunders et al., 2016, p. 412). Recording the interview allows for a more in-depth examination of the responses and can "counter accusations that an analysis might have been influenced by a researcher’s values or biases" (Bryman & Bell, 2016, p. 481).

As recommended by Bryman & Bell (2011, p. 479), each interview ended with offering the interviewees the opportunity to add anything they felt suitable as well as comment on the procedure.
4.3 Data processing
In this section, the methods embraced for presentation and analysis of data are discussed.

4.3.1 Data presentation
According to Nylén (2005, p. 13) presentation of the gathered data is "crucial for the credibility of the research, since this is the only link between the analysis and the problem the researcher investigates". Hence, plenty of time and effort were put into presenting the data in a beneficial manner.

The empirical study was presented using the narrative method. This implies that the individuals are the objects of which are being studied. Further, in the narrative method all kind of talks, such spontaneous discussions and talks initiated by the researcher, could serve of interest (Nylén, 2005, p. 49). What is being analyzed, is the individuals´ perception, which can be different from what in fact is true (Nylén, 2005, p. 49). What should be stated about the narrative method, is that there is no “one size fits all” in terms of presenting the empirical study, nor for the analysis of the data, leaving it up to the researcher to embrace what is found most appropriate (Nylén (2005, p. 50).

There are several guidelines and ideas for how to present qualitative data which has been deemed suitable for the purpose of this study. Nylén (2005, p. 13) argues one common criteria for a credible data presentation is "richly detailed descriptions". The researcher is encouraged to present the empirical material to an as large extent as possible, as this will increase the reader´s insight into the research process (Johansson Lindfors, 1993, Lincoln & Guba, 1985, Olsen, 2003, cited in Nylén, 2005, p. 13-14). However, the text should not be too detailed, as this would entail a risk of the reader neglecting reading it (Nylén, 2005, p. 16). Moreover, Richardson (2003, p. 501, cited in Nylén, p. 15) highlights the need of making the text appeal to the reader, since the empirical study must be read as a whole to grasp the meaning of it. Statements which brings light on the complexity of presenting qualitative data. When presenting the data, the aim has been to find a balance between details and making it easy to read.

4.3.2 Data analysis
As the quality of qualitative research is much concerned with the ability to withdraw and explore meanings, finding a suitable tool to analyze the data was emphasized (Saunders et al., 2016, p. 568).

The conceptual framework laid the foundation for the analysis. The abductive approach allowed for recognition and incorporation of important themes and relationships which could have been missed or overlooked in the early stages of the study. The gathered data was categorized and coded, as recommended by Saunders et al. (2016, pp. 571-572), followed by a thematic analysis. The definitions used for thematic analysis varies (Bryman & Bell, 2011, p. 572). In this study Saunders et al.’s (2016, p. 579) description is embraced. They suggest, thematic analysis "involves a researcher coding her or his qualitative data to identify themes or patterns for further analysis, related to his or her research question" (Saunders et al., 2016, p. 579). Saunders et al. (2016, p. 587) states thematic analysis is suitable when
moving between deduction and induction, making it suitable in this study due to its abductive nature. An additional advantage of conducting a thematic analysis involves the researcher’s energy being spent on the analysis and not making sure it is compatible with strict rules related to other analytical approaches (Saunders et al., 2016, p. 580).

The analysis can be divided into three simultaneously executed stages; data reduction, data display and conclusion drawing (Miles & Huberman, 1994, p. 10-11). First, the post interview immediate objective was to become familiar with the data to see similarities and draw conclusions upon analyzing other interviews (Saunders et al., 2016, p. 580). This was accomplished by transcribing the interviews in text, reading through the initial transcript and reading through it again in more depth, as suggested by Bryman & Bell (2011, p. 586). Consequently, pieces of information which were found interesting and potentially useful in later interviews were coded so to facilitate for combination of reoccurring phenomenon (Miles & Huberman, 1994, p. 56). After each interview, previous data was revised and re-coded with the new data, enabling identification of relationships and common themes (Saunders et al., 2016, p. 580). This also helped to discover dissimilarities in the respondents’ answers (Miles & Huberman, 1994, p. 56).

Second, as proposed by Miles & Huberman (1994, p. 11) the aim was to display data in an organized way. Miles & Huberman (1994, p. 302) argues qualitative data can be presented in two ways, either through text or through data displays such as matrices. When presented in text, the text should be detailed and at the same time present themes and syntheses. However, Miles & Huberman (1994, p. 91) argues that "extended, unreduced text alone is a weak and cumbersome form of display". Furthermore, Calás & Smirchich (1997a, cited in Nylén, 2005, p. 14) argues research which do not seek to generalize, rather seek to emphasize diversity and contradictions and therefore the empirical material should seek to catch these inconsistencies. Hence, the data has been presented with the aim of providing detailed renditions of the interviews. As Calás & Smirchich (1997a, cited in Nylén, 2005, p. 14) and Czarniawska (1998, p. 73, cited in Nylén, 2005, p. 51) request, the renditions seek to catch both inconsistencies and consistencies. The interviews are presented isolated from each other in order for the reader to be aware of the concurrent context. If the interviews would have been combined into one uniform story, there would be a risk of less detailed descriptions of the interviews. This approach is supported by Czarniawska (1998, p. 73, cited in Nylén, 2005, p. 51) who states "the narrative method does not always need to result in one uniform story". As it is the substantial content that is of interest and subject of analysis, the empirical findings consist of summaries created by the researchers, combined with direct quotes, as suggested by Nylén (2005, p. 51).

Third, when all interviews had been conducted, the coded sets were grouped into themes, which later became subject of analysis and subsequently the conclusion (Saunders et al., 2016, p. 585). By analyzing these themes using the conceptual framework and finding support in previous literature, several concepts were developed.
4.4 Access gain and ethical considerations

According to Saunders et al. (2016, p. 220) access and ethics is crucial for achieving success within research. Hence, the access gain and ethical considerations in regard are discussed in the two following sections.

4.4.1 Access gain

In this study, access was gained to seven firms; three retailers and four strategy consultancy firms. More specifically, access was gained through interviews, a means of access referred to as traditional access (Saunders et al., 2016, p. 220). As highlighted by Saunders et al. (2016, p. 220) there might be issues related to respondents willingness to engage in voluntary interviews, due to scarcity of time, resources and/or interest. To gain access to people with insight and experience of IMS, personal contacts were utilized. This allowed for time saving as gaining access to highly qualified respondents who are usually not participating in studies of this kind can be difficult. It also helped to deal with the issue of us being external researchers with no relation to the companies in question (Saunders et al., 2016, p. 225). The choice to use contacts to gain access was taken after Buchanan et al. (2013, cited in Saunders et al., 2016, p. 231) and Johnson’s (1975, cited in Saunders et al., 2016, p. 231) claim that one are most likely to gain access through the help of contacts.

Moreover, to identify the need for studies on IMS and to develop the conceptual framework, scientific articles were gathered through databases provided by Umeå University.

4.4.2 Ethical considerations

There are several ethical issues of which shall be addressed in business research (Zikmund et al., 2013, p. 88). According to Zikmund et al., (2013, p. 88) ethical orientations among researchers tend to widely vary. In this study, the goal has been to conduct an as ethically correct study as possible. Consequently, four areas concerning ethics in business research has been taken into account, including harm to participants, lack of informed consent, invasion of privacy and the issue of deception (Bryman & Bell, 2011, p. 128).

Firstly, in order to make sure no potential harm come to the participants, they were clearly informed about their right to deny answering any question and stop the interview at any time. As they could be harmed if they were to reveal company secrets, they were assured the questions did not intend to identify company secrets, nor would their answers be used for any other purpose than for this study. The respondents were informed the interviews would be coded. Furthermore though, the respondents were given notice of the possibility that occurrences of hypothetical associations to the firm could be made, given the description of the respondents (Bryman & Bell, 2011, p. 136).

Secondly, to deal with the issue lack of informed consent and diminish the risk of surprising interviewees based on the nature of questions, effort was put into informing participants about the purpose of the study and what kinds of questions to expect (Zikmund et al., 2013, p. 91). In addition to thoroughly explaining the objective of the study and subsequent purpose of the interview over phone, an interview guide containing the questions which were to be asked was sent out to the interviewees a few days prior to the interview,
Thirdly, in order to not *invade on respondents’ privacy*, no contact with the respondents was initiated outside their professional email or telephone number (Bryman & Bell, p. 136). Furthermore, respondents were only contacted during normal working hours, which meant we only reached out on weekdays (Monday-Friday) between 9am to 5pm.

Lastly, honesty and objectivity was embraced throughout the study in order to not *deceive* readers. That is, presenting research as something it is not (Bryman & Bell, 2011, p. 136). Results as well as potential errors were presented in an unpolished fashion, and consequently there has been no conscious intention to misguide the reader (Zikmund et al., 2013, p. 98). The findings has been reported in full, without regards to if it would alter the expected outcomes (Saunders et al., 2016, p. 244).

### 4.5 Criticism and issues

Several criticism points and issues in relation to this study are present. These are presented below.

Two types of biases were identified as potentially being present in the study; extremity bias and interviewer bias. According to Zikmund et al., (2013, p. 193), extremity bias refer to the when respondents only answer by using extremes. In this study, this would be the case when being asked to rate the criteria according to their relative importance. Interviewer bias relate to occurrences in which the interviewer influence the respondents’ answers, making it untruthful (Zikmund et al., 2013, p. 193). Although, no such bias was intentionally planted, one must be aware of its potential presence.

As many of the interviews were gathered within a short time period, the issue of not being able to analyze those properly were present (Saunders et al., 2016, p. 571). However, due to limited time in Stockholm and the preference of conducting face to face interviews, other realistic alternative were limited. This was dealt with by transcribing and analyzing the interviews in the evening.

Furthermore, there was a need to clarify some of the questions during the interviews, i.e. giving examples of what internal factors and market attractiveness could consist of in terms of indicators. This was deemed necessary in order to maintain the trust of the respondents, but might be seen as leading.

A negative aspect with the data presentation method embraced is highlighted by Nylén (2005, p. 65). She argues summaries constructed by the researcher is not as trustworthy as displaying the interviews in full. However, the interviews has been reproduced as detailed as possible in order to make it trustworthy.

Choosing coding as part of the analysis entails criticism. Critics argue coding brings the risk of losing the context of what is said (Bryman & Bell, 2011, p. 588). Moreover, Coffey and Atkinson (1996, cited in Bryman & Bell, p. 588) argues coding "results in a fragmentation of data, so that the narrative flow of what people say is lost". Nevertheless, in this study, the coding has served to identify themes. In order to not lose context the interviews are presented one by one, rather than in one mass. The themes identified by the coding is then presented in the analysis section.
Lastly, there are issues related to the qualitative strategy and abductive process embraced in this study. One of the most common criticism to qualitative strategy is the influence of the researcher’s subjectivity throughout the research process, in terms of statement of research questions, data analysis etc. (Diefenbach, 2008, p. 877). Also, the wide range of different methods one can use to analyze data gathered qualitatively has, according to critics, made sure qualitative research is "not based on precise methods" (Whittemore et al., 2001, cited in Diefenbach, 2008, p. 878). The abductive approach is risky as the researcher has to "live with the fear that no useful data patterns and theory will emerge" (Saunders et al., 2016, p. 149).
5 Empirical findings

This chapter contains the empirical findings derived from the interviews. The findings have been divided into what was said in each interview, in order to not lose context. Before the presentation of the findings from each interview, a description is given about the respondent. The chapter ends with a summary of the empirical findings.

5.1 Respondent 1 (R1)
R1 has a broad experience from a wide range of industries. He is an entrepreneur and has been running clothing firms, kiosks and restaurants. For five years, R1 served as a director at the Swedish department of one of the world’s biggest firms. Roughly 10 years ago, R1 started his own consulting firm, after serving as a consultant for another firm.

The cornerstone in R1’s work is to predict the society of the future and how to capitalize on this. To do this, R1 use a "very structured" model to predict how values are going to change over time. The foundation of R1’s philosophy is a strict long-term view upon evaluating a problem. R1 argues this makes his firm different from their competitors. They are not interested in the current situation itself, only how this will affect the situation in the future. When asked why this is the case, R1 answers that the development pace in today’s society is too rapid. In the past it was feasible to solely take the current situation into consideration. However, today this way of thinking and analyzing has become greatly outdated. Furthermore, he argues that even the customer research method of asking consumers what they want is in many cases the wrong way to go. Often the consumers themselves do not know what they “actually” want. R1 exemplifies by stating that if Henry Ford would have asked his customers what they wanted, they would have responded "quicker horses". He offers a similar example concerning the launch of the iPhone in 2007, implying the consumers did not know they wanted an iPhone a few years before its creation.

Concerning the variables used to assess markets, R1 states that the variables used may vary depending on the time scope and the underlying reason for why the firm is expanding. Usually though, R1 uses the same variables upon evaluating a market, but is altering the respective weight of each variable depending on the type of product, mission, or timeframe. More specifically, R1 uses a simple multiple regression analysis which aims at predicting the society of the future. The variables used to assess this include, cultural preconditions, the values of the older population as well as the young population, the economic development, the technological development and the political leadership which can "disturb, but not stop, the development in the society". Added to this is an error-term, representing the factors of which are not possible to foresee. When asked about the perceived size of this error term, R1 says it does not make up a large part of the total explanation.

Throughout the interview, R1 stresses the importance of understanding each market in-depth. Some firms have used R1’s model to evaluate and enter new markets, but have not understood the market of which they enter, and subsequently face difficult challenges. Understanding the market and the values and characteristics of the consumers is according to R1 "absolutely crucial".

Regarding what constitute an attractive market, R1 argues it depends on the firm. R1 states that market size might be important, as well as the market growth, but the main question is whether or not there is a demand for the product.
When asked if he considers internal factors being an important cornerstone in market selection R1 states it is crucial for succeeding and that this is true to a larger extent to smaller firms. When asked if a firm might enter a market if it is attractive but competence regarding that market is lacking he states "no I would not say that". R1 moves on stating that internal factors is "alpha and omega".

When looking at the conceptual framework, R1 states that it looks well-structured and would be "very relevant" as a checklist, but that it is not the solution to where a firm should expand next. R1 cannot say that one variable is more important than the other, because it is "different from case to case". Moreover, R1 once again stresses the importance of knowing the market and consumer in it and argues that one important aspect is not included in the model – so called "soft factors". As an example, he states brand strength is not included in the variable. Furthermore, R1 stresses the importance of having the motivation and the willingness throughout the whole organization upon making decisions of this “caliber”. R1 returns to the topic of driving force and motivation in the organization as crucial many times during the interview.

R1 argues it is extremely hard to generally weigh variables relative to one another and that each is important to a certain extent. Similarities is drawn to a chain, which R1 states is "not stronger than its weakest link". However, R1 view psychic distance as being less important compared to market attractiveness and internal factors, with the argument that psychic distance is something "you can buy your way out from". Having stated this, R1 thinks it is wrong to create a weighted model for retailers and that he would be very surprised if other participants did not agree. However, R1 highlights finding structured, measurement tools to deal with the problem is "very important". It would be more feasible if the case would be narrower, including a smaller segment, a certain firm size etc., R1 says. A warning is issued about trying to find a "silver bullet" before R1 states "gut-feeling" has an important role in the decision making process.

5.2 Respondent 2 (R2)

After graduating from one of the most prominent Swedish universities as an economist, R2 has gathered an immerse background as a consultant, having served for over 15 years. Many projects R2 has been involved in has been related to retailers and how they can develop its business. Sometimes, expanding into new markets becomes the most viable option. R2 consider himself as "experienced" in the topic of IMS.

R2 employs a model consisting of three criteria consisting of several sub criteria when assessing new potential markets. Firstly, R2 evaluates if there is a demand for the product in the market. This is done by looking at the wealth, which is by R2 defined as the consumers’ purchasing power, and market size. Market size is defined as the number of people a firm can reach. Secondly, R2 looks into the competitive situation in the market. More specifically, he looks at the price level in the market and if the competitors seem to be good at what they are doing. Perhaps there is a possibility to outsmart and outperform the current competition. Thirdly, R2 investigates what similarities there are between home market and the new potential market, in terms of consumer behavior, preferences and culture.
R2 stresses the importance of conducting proper research before entering a new market. Several practical examples of firms which has entered a new market but failed due to a lack of insight. For example, one retailer which expanded into a neighboring country had a low-cost strategy and retained such positioning upon entering the new market. The problem, however was that the consumers’ purchasing power was not as strong as in the home market, and hence there were competitors of which were not positioned as low price, but yet could match the expanding firm in prices. The firm in question had clearly missed taking into consideration wealth differences between countries. Moreover, R2 stresses the importance of adapting to a new market. R2 argues one cannot think "just because the brand sells in Norway we can do the same thing in Sweden". R2 argues a retailer might think "Of course we can enter Sweden, it is the same culture as Norway, a Nordic market etc.", but it is not that simple.

Throughout the interview, R2 returns to the importance of consumer preferences in terms of product designs and how they consume – if they buy in big malls, specialized stores versus big supermarkets etc. Design differences is said to be "very important" as consumers’ in one market may have completely different preferences than do consumers in another market.

R2 argues both cultural proximity and geographical proximity as well as business proximity have an effect on the selection of new markets. These three aspects is seen as going "hand in hand" since they affect each other. R2 states decision makers are more comfortable with expanding to markets of geographic proximity. Moreover, R2 states countries with a very different culture and ways of conducting business sometimes are disregarded early in the IMS process, even though it might be conveniently located in geographical terms, exemplifying with Russia.

R2 also mentions that there are examples of firms which are active in distant markets with very few similarities. To exemplify, R2 mentions a retailer who has stores in Norway, Sweden and Japan. The reason this is the case, according to R2, might be that opportunists actively approach the firm and demand the product.

Regarding internal factors role in the IMS, R2 states that its impact is rather small but might depend on the size of the firm. R2 states "in most of case at which I have been involved, internal factors has not been taken into consideration, but smaller firms probably look into the internal competencies meanwhile bigger firms rather build the way to the market", implying they will acquire the necessary competence and resources if needed. Moreover, R2 thinks personal preferences among decision makers affects IMS but that owners of firms want to leave it out of the equation.

The firm size also affects which timeframe the firm has in mind upon evaluating new potential markets. R2 argues the bigger the management team, all the more rationale the decision making process will be, meanwhile a smaller firm tend to make more short-sighted decisions. A reason to this might be lack of capital. Smaller firms also might take relationships and contacts into consideration when deciding where to expand next.

Regarding the conceptual framework, R2 agrees that plenty of factors affect market attractiveness. However, R2 thinks the competition aspect is given too little attention. R2 agrees on the criteria included in the model, but would rather divide the categories into
demand, competition and similarities. Furthermore, R2 argues one cannot see everything from a general perspective, as certain factors and criteria become more or less important depending on the type industry the retailer operate in. "There is no, one size fits all" and "it has to be adjusted to the situation". R2 states he has never used exactly the same framework in the cases he has been involved in. Some variables return, but it is never the exact same. However, R2 argue market attractiveness is most important in relation to psychic distance and internal factors. Psychic distance is seen as less important than market attractiveness but more important than internal factors. However, R2 once again stresses that it ultimately depends on the industry and the characteristics of the firm. To be successful, one must be very situational and take common sense and personal understanding into consideration.

5.3 Respondent 3 (R3)
R3 has a degree in Business Administration from a Swedish top university and has been active in the retail sector for the majority of his professional life. Having experience from two of the largest Swedish retailers, R3 has gained extensive IMS competencies and insights. Except having served in the expansion departments, R2 has also served as regional head and head of logistics at a global level. Today, R3 has a very comprehensive role in a family-owned retailer, in which he has clear insight into all departments of the firm.

R3 highlights long-term orientation as being the foundation of the firm’s expansion strategy. The current situation in the market, such as if there is a recession or not, is not seen as a problem, as the decision to enter is a long-term investment. Instead, a recession are sometimes seen as positive since it would simplify attraction of knowledgeable staff as well as the obtaining attractive store locations. R3 compare the firm’s market entry strategy to a stock, stating that it is not like they entering because they think the market will go up and then sell, but rather that they have no exit strategy what so ever. The goal is to be present in the market forever. R3 brings up the pros of having a long-term owners, who are not concerned with results in the upcoming interim report, but rather focus on the firm’s performance in 30-40 years. R3 suggests this line of reasoning and goal setting entail "another perspective on things and on the decisions you make".

R3 emphasize the need of adapting to the local market, mentioning management, language, marketing strategies, price levels and product designs as factors of which are considered and analyzed when adapting to a market. He states "one size doesn't fit all".

Moreover, R3 states the firm in the beginning of their expansion "naturally" went to a neighboring country. The reason why R3 saw it as a natural choice was due to similarities in culture, languages and the physical vicinity. He sees it as a "safe choice". It is seen as a rational choice because it is "easy to follow up, understand the culture etc." However, R3 highlights the fact that the firm had big problems in the beginning of the expansion in the neighboring country and that it took years before they turned the business profitable. R3 argues decision makers underestimate market differences, especially when it comes to competition and management culture. R3 brings up companies from USA upon exemplifying the difficulties of expanding without willingness to adapt. R3 argues American companies often believe they can enter a new market, doing the same thing they have done back in the USA, but it does not work, due to cultural differences, other type of people,
differing preferences and languages. "Every market has its challenges", R3 says, meaning that it is not possible to be 100 % prepared to enter a new market no matter how much research you do:

"You can get a long way by reading course literature and scientific articles but then you have to swim by yourself. You can do your homework, read about the culture, meet people and things like that but you can never get all the answers before you are in the market".

Regarding criteria used when assessing the market attractiveness, the firm use several criteria. There are "many parameters" the firm take into consideration, but R3 mentions criteria such as population, potential turnover, the competition, laws and regulations and ease of doing business index as criteria of which the firm look at. Risk is another parameter of which is deemed important. However, what is highly prioritized at R3’s firm is the “marginal effect”. Upon asked whether marginal effect is what decide ranking and priority, R3 answers: "Yes it is often like that". R3 says it is a lot of work behind an entry into a new market and if not the potential is perceived as big enough, the market is disregarded. However, R3 thinks it relates to where in the overall expansion phase the firm is. Firms which are early in their expansion phase are believed to rely more in internal factors, which might lead them to enter a market with less potential, due to for example nationalities of managers. R3’s firm, though, is mainly concerned with the marginal effect, as they are in a late stage of their expansion phase and are expanding in order to reach growth. The firm is also "confident that the business idea works globally". In the beginning of the firm’s expansion, they took geographical and cultural proximity into more consideration, R3 says.

When asked to comment on the conceptual framework, R3 thinks the relevancy of all the criteria in the model depends on where a firm is in the expansion phase. If the firm is early in the expansion phase, the importance of looking into all the criteria increases. R3 further suggests, "depending on which expansion phase you are in, you will weight them (the criteria) differently". R3 says that many Swedish firms are still early in their expansion phase and thus some criteria, which for his firm are of little relevance, may be very important.

Throughout the interview, R3 repeats that one should not be "too constrained by theories and books". R3 believes you can explain things and recognize processes, using models but that it does not explain it all. He highlights there is "much coincidence" when taking a decision. For example, it so happens that an attractive store location becomes available in a monitored area, and so the window of opportunity is now, and consequently a market expansion decision has been made. A happening which has occurred and triggered a market entry for the firm in the past. R3 further highlight that sometimes the time to market is more important than waiting for the perfect moment.

5.4 Respondent 4 (R4)

R4 has an engineering background from a prestigious Swedish university. Currently, R4 works as strategy consultant towards retailing and has consequently had an important part in conforming strategies related to IMS within retailing. In terms of experience, R4 is more junior than the other respondents but have in a relatively short timeframe built an impressive and relevant resume.
When assessing new potential markets, R4 use a matrix consisting of two main areas – “market attractiveness” and “ability to capture”. R4 states some kind of matrix similar to this has been embraced in all the cases she has worked with. Firstly, the market attractiveness is evaluated by looking at criteria such as market growth, profitability, market size and the potential in the market. Secondly the internal capabilities are evaluated in order to assess the possibility of attaining a big market share. When deciding the ability to capture, R4 looks at the internal capabilities. She looks at which markets the firm is currently operating in and if it is possible to determine any synergies with the new potential market. R4 also says that certain competence in the marketing department is a factor taken into account.

R4 further mention some other criteria of which "might" be used upon assessing markets. The competitive situation and the demand in the market are factors of which are looked up, and grouped in under market attractiveness. When asked why R4 use the word "might" she answers they use different criteria from case to case. This is also the case when asked what makes one market qualify as more attractive in comparison to another. It is different from case to case. The different criteria is weighted, depending on what the client see as important. According to R4, the weighting often has to do with the goal of the market expansion:

"It can for example, depending on the situation, be that the client finds, for instance, market growth as more important. Then you weight that criteria a little bit heavier, but I would not say that it is any criteria of which in general is always more important. It is rather dependent upon the objective of the expansion – do the firm want to grow or do the firm want to increase the profitability or do they want to increase the consumer awareness or what is the objective?"

According to R4 it is important to consider that the market selection fit with the organization. The firm’s strategies and goals affects the weighting of the criteria because "it definitely affect which market the firm will prefer”. Cultural proximity is regarded as something that might be important. R4 see this as an aspect of market attractiveness. However, she has not experienced any case where the cultural aspects and synergies has been investigated more in-depth. Geographical proximity is not seen as something that affect the market selection. Rather, R4 argues, it is the cost of going into a market that is looked into. Implied here, is that the cost increase if the new market is located far away geographically.

R4 states there are more resources allocated to assessing the market attractiveness in comparison to internal capabilities. This might differ depending on the size of the company. R4 believes "a big company does not view themselves as constrained by its internal capabilities".

When having a look at the conceptual framework, R4 states that it seems like “all the pieces are in place”, but it is a question of how one decides to group them. R4 moves on by saying, once again, that it is very unusual to use the exact same model two times because “the projects often vary too much”. However, she states this model is a "very good" framework to start with. R4 highlights that she is missing the profitability criteria, as assessed by taking revenues minus costs, but other than that, R4 concludes that the discussion about her way to structure the problem and the conceptual framework is very similar, but with different words and different grouping of the different criteria.
Regarding long versus short sightedness and its implication on the choice of criteria, R4 says she has been working with both kind of firms, R4 says it sometimes depends on the ownership structure in the firm, stating that family owned enterprises seem to be more long-term orientated. Moreover, this is one of the variables that might affect the weighting of the criteria, as R4 says the weighting is different depending on what goals the firm have.

R4 thinks it is possible to create a weighted model for retailers in regards to international market selection. However, R4 repeat herself, arguing "it depends on situation and goals" and that it need to be clarified before. R4 states that models might be applied on a very broad level in order to guide and give tips about which factors to look into, "something that give you a feeling about what to do, but it will never tell you exactly what to do".

5.5 Respondent 5 (R5)
R5 has a civil engineering degree and has a solid background working with market expansion. He has been working as a consultant within the retailing industry, executing projects for many of the biggest Swedish retailers. Today, R5 works as head of sales globally for a retailer active in markets worldwide and with a turnover of over 500 million SEK worldwide.

As far as R5’s experience goes, most of the new markets his firm has entered has been a result of people contacting the firm trying to get them into the market. As the firm works a lot with local partners, relationships in the new potential market is considered "extremely important". R5 explains it is important the local partners are found trustworthy and that they have a clear idea about how they want to work with the firm. This due to the fact the firm unconditionally is thinking in a long term perspective. At one point R5 says the firm looks into the profitability potential. When asked how they measure that, R5 returns to the importance of relationships, saying it is about "meeting and finding the right partner which can give a good explanation for our estimated level of profitability". It is apparent that a local partner is of high relevance to R5:

"I think the key is to find a good local partner who is awesome at what they do in order to be successful".

R5 also look at proximities when assessing new markets. By expanding to neighboring countries, there are "operational benefits" that can be withdrawn. R5 is interested in the potential synergies. Cultural proximities is also considered relevant, as it is "easier to enter markets with similar cultures". The same goes for business proximities, as "it is more likely to focus on similar markets, rather than those far away".

R5 also brings up the location of the store as highly important. R5 explains that the firm currently monitors a couple of different markets in order to be ready if something interesting comes up. When talking about store location, R5 explains the store location is related to the objective of the store. A store which has an objective to “sell, sell, sell” compared to a store which objective is to strengthen the brand and positioning in the market needs two different types of location and hence different kinds of analysis.
R5 repeat himself many times during the interview, stressing the "gut feeling" as an important factor in the market selection. R5 states "gut-feeling combined with numbers and you'll be fine". At another time during the interview R5 states "It is more gut-feeling in the end than numbers". Moreover, R5 argues there is no one that does anything completely rationally in a company, but that a bit of rationality is important in order to be able to "disregard the worst scum". Furthermore, there is an element of coincidence. As an example, R5 brings up his firm's expansion into an Asian country. The reason to this was, according to R5: "A chance came up and we took it".

When asked to which extent internal factors influence the IMS, R5 says it might influence a lot. As an example, he explains when the firm was about to launch a new line of products, a market became especially interesting because the CEO had been living in that country. In relation to the market attractiveness, R5 says that the market attractiveness generally is more important, but if a manager has a fondness for a particular market it might influence heavily. In relation to similarities between home market and new potential market, R5 say internal factors weighs a bit heavier. However, it is different from case to case, R5 says.

R5 also touches upon the size of the company, where it is in the expansion phase and the goal of the expansion and how that influence the IMS. R5 argues it is more common to conduct research and follow strategies when expanding in big companies compared to smaller companies. Since the firm is present at many markets around the world, the firm is reasoning in style with "if we have succeeded in XX markets, why wouldn't we succeed in the next market"? Moreover, R5 thinks it might be "cultural sensitivities" that explains how companies expand. R5 also explains he thinks there would be "another line of reasoning" regarding the IMS if the company would not have had owners thinking long-term.

When asked to give his opinion about the conceptual framework, R5 argues it is not possible to apply any weighted model, even though he agrees the factors included in the model is relevant. Regarding what is more important, R5 explains it is dependent on "industry, what kind of company you are, what products are being sold and what markets you are currently in". R5 is meaning that 70% of an IMS is rationality, meanwhile 30% is "gut-feeling". "It is different from case to case", he says. R5 argues one important aspect in the model is missing. That is, the gut-feeling.

5.6 Respondent 6 (R6)
R6 is the only respondent not from Sweden. He moved to Sweden to pursue a master degree in Business Administration and is today running his own consultancy firm since a couple of years back. The firm helps clients with expansion strategies, including IMS. R6 works mostly with SME:s with a lack of insight in international markets. They do not only conduct research, it also establish the client's business abroad.

R6 states the foundation of his way to conduct market analysis is the internal characteristics of the firm R6 is working with. The internal factors is the most important thing and decides what type of markets R6 will evaluate. R6 tries to match a market with the client based on its characteristics.
They evaluate markets using certain criteria. The criteria used is different from case to case. They have a basic “template” with a “core” that is used in all the cases, but the template is adjusted to every client since “businesses differ a lot”. The criteria is decided when having evaluated the internal resources and capabilities and is dependent on many things, such as which industry the firm operates in, what competence is in the firm and the size of the firm, what they are offering, what their objectives are. R6 states the criteria used might depend on ownership. If it is a family business or different owners can have big implications for the criteria chosen, according to R6. It is not possible to generalize, it is on a case to case basis, R6 says. “It differs a lot”.

There are two main criteria R6 looks into when assessing market attractiveness – supply and demand. He states there is an interplay among those two variables – “even if there is big demand in the market, the competition may be way too fierce, and therefore it might make sense to go into a market where there is less demand but less competition as well”. If looking further away outside EU – they look at regulations and the culture as well. Culture they do look into if it is an unknown market within EU as well. The further away the market is located it becomes more important to look into regulations and culture, R6 says.

Cultural differences and business proximities is taken into consideration a lot, as R6 claims “some companies goes along with certain cultures very well meanwhile other don’t”. “Local culture affects businesses a lot”, R6 says.

R6 says most of the clients views the market expansion as a long-term investment, but states that “the criteria would be different if it would have been a short-sighted client because it would have been a completely other distribution”. When asking what differs in terms of criteria, R6 emphasize the need of being able to establish beneficial partnerships when entering a market long-term. “After-sales service, customer support... Creating value for the customer become more important if you are in the market long-term”.

5.7 Respondent 7 (R7)

R7 has been working with market expansion in "many, many years" and has an educational background as engineer.

R7 states when working on an overall level to identify new markets, they try to find countries that match with the firm’s concept. R7 say they use "tons of macro-economic factors such as buying power, population, unemployment rate, competition, inflation...". He also highlights factors such as laws, tax regulations as factors which influence the choice of market. Furthermore, R7 states the firm might have several locations monitored for years, but does not enter due to the perception of not having access to an attractive location in that market.

What constitutes an attractive market is according to R7 first and foremost the number of visitors and if there is parking lots. It is "very important" according to R7. R7 says the firm put emphasis on if there is bigger stores close by which draw people to the area. When looking at competition R7 says it is best to be either alone or together with many competitors. In between those extremes are not interesting.
Regarding internal factors, R7 argues there is no subjective perception by the managers influencing the choice of markets. "It is solely an objective assessment", R7 states. However, the managers decide what is important, R7 says.

Furthermore, R7 brings light on cultural differences and its implications for market entry. It can differ a lot regarding consumer preferences and characteristics even if it is a neighboring country, R7 argues. R7 says they take religion and laws in potential new markets into consideration, in order to assess how well these factors goes in line with the values of the firm. Regarding geographical proximity, R7 says the further away you are from the home market, the more control you will lose, hence it is important to expand into countries located close to the home market.

Concerning monitoring of the locations, the firm has established relationships in the markets with local property owners and brokers in order to be ready to act if an attractive location become available.

R7 further discuss the ownership structure as a variable influencing the market entry. "It is a big and central question whether to open or not in a foreign market and that decision is taken by the board which assess if the opening is in line with their goals".

When asked if R7 agrees with the conceptual framework he considers all criteria being important. Especially, he highlights market size, consumer characteristics and competition as "crucial" factors. Moreover he state it is "very important" employees has a positive attitude towards the market and a sincere interest in entering that market. R7 argues the market attractiveness is superior to internal factors and psychic distance.

5.8 Summary of the empirical findings
In table 3 below, a summary of the empirical findings is given.

<table>
<thead>
<tr>
<th>Themes</th>
<th>Highlighted by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporating criteria into the IMS analytical procedure is inherently important</td>
<td>R1, R2, R3, R4, R5, R6, R7</td>
</tr>
<tr>
<td>Market attractiveness is the most important factor influencing the IMS decision</td>
<td>R2, R3, R4, R5, R7</td>
</tr>
<tr>
<td>Internal factors are the most important factors influencing the IMS decision</td>
<td>R1, R6</td>
</tr>
<tr>
<td>Factors related to psychic distance are the most important factors influencing the IMS decision</td>
<td></td>
</tr>
<tr>
<td>The size of the firm has an effect on the criteria considered more important</td>
<td>R1, R2, R3, R4</td>
</tr>
<tr>
<td>The objective of the firm has an effect on the criteria considered more important</td>
<td>R3, R4, R5, R6</td>
</tr>
<tr>
<td>The industry in which the firm operates has an effect on the criteria considered more important</td>
<td>R1, R5, R6</td>
</tr>
</tbody>
</table>
Ownership structure has an effect on the criteria considered more important | R2, R3, R4, R5, R6, R7
---|---
Practically applicable weighted IMS models covering all kinds of retailers are unfeasible | R1, R2, R3, R4, R5, R6
Creating weighted IMS models for retailers could be feasible if the scope of the study aim at covering firms of similar size, objective, industry, and ownership structure | R1, R4
Gut-feeling and coincidence play an important role in IMS decision making | R1, R2, R3, R4, R5, R6, R7

*Table 3. Summary of the empirical findings.*
6 Analysis

In order to answer the research questions, the analysis consist of three main elements. First, which criteria Swedish international retailers use. Second, which criteria are considered important and what affects the importance hierarchy. Third, the possibilities of creating a weighted IMS model for retailers. Thanks to the thematic analysis, several concepts has been developed, which are presented in the following sections.

6.1 Criteria for market selection

Just as supported by previous literature, the usage of criteria in order to assess foreign markets is an important part of retailers’ IMS decision making process. As a matter of fact, all respondents did to some degree highlight various criteria of which are commonly used and both clear similarities and some disparities could be extracted from the respective respondents’ answers. The types of criteria used by the individuals in our study are highlighted, compared, and contrasted below.

Both R2 and R4 argues the criteria used varies from case to case. R1 on the other hand is more likely to use similar criteria from case to case but do instead choose to alter the weights. Having this said, there were some criteria and variables of which were routinely highlighted. Market attractiveness, for instance, was emphasized by all respondents. However, what constitute market attractiveness in the respective respondent’s point of view, did somewhat differ. Both R1 and R2 highlights the estimated demand for the product as an important determinant of market attractiveness. R1, suggests that demand in its turn can be assessed by looking at market size and market growth, whereas R2 shed light on wealth, market size and consumer purchasing power. The aspects of market size and market growth seem to be especially common for market attractiveness evaluation as those were also explicitly mentioned by R4. This goes in line with Gaston-Breton and Martín Martín´s (2011, p. 271) suggestion of market size and market growth as the most common criteria. It is inferred that there may be additional criteria, which ought to be used upon assessing the attractiveness but such criteria are often more case specific. R3, who likewise bring up market attractiveness as an important determinant of IMS instead put emphasis on population, potential turnover, competition, laws and regulations and ease of doing business. The perceived relevance of market attractiveness do not come as a surprise since the concept in previous literature, has been frequently highlighted. One example include Simkin & Dibb (1998, p. 408) who suggest “the linkage between market attractiveness and business success is widely recognized”, a statement which according to our findings seems to be agreed upon by the Swedish international retailers in the study.

Other criteria and variables of which were highlighted by the respondents, include internal factors. There are however disparities in terms of the kind of internal factors ought to influence the IMS decision. R4 and R6 include internal factors such as internal resources and capabilities into the evaluation of new markets. R4 highlight inclusion of such metrics in order to assess a firm’s ability to capture market share. Whereas for R6, evaluation of resources and capabilities is said to be a good first step in the IMS process. R5 likewise acknowledges internal factors as being relevant, but rather argue that experience and subjective opinions of decision makers tend to largely influence IMS decisions. The statement is concretized as R5 states that not long ago, the main reason for why the firm established presence in a new market was because their new CEO had solid experience from
working in that particular country. In contrast, R7 argued, there is no subjective perception influencing the choice of markets, “it is solely an objective assessment”. Paradoxically though, R7 suggests in a subsequent part of the interview that it is “very important” employees has a positive attitude towards the market and a sincere interest in entering that market. The two contradictory statements may seem odd but go along the line of previous studies arguing that remaining objective may be optimal but its feasibility fairly limited (e.g. Evans et al., 2010, p. 381; Papadopoulos & Martín Martín, 2011, p. 134).

Additional criteria of which were commonly mentioned are related to differences between the home-market and proposed foreign market. In the literature review, such differences are referred to as psychic distance. R2 argue the aspects of cultural proximity, geographical proximity and business proximity go hand in hand and all affect the selection of new markets. Geographical distance is often a key influencer as the choice of expanding to neighboring countries are more comfortable. R5 adds to this line of argumentation by suggesting there are operational benefits associated with expanding to neighboring countries and in countries of similar culture. Furthermore, R3 acknowledge the importance of psychic distance. However, rather than excluding a market based on psychic distance, R3 promotes the need to adopt retail formats and strategies to fit the markets. A line of reasoning which find support in Evans et al. (2000, p. 382) who state firms which adapt its retail offer do on average perform better than firms which do not.

6.2 Importance hierarchy

There can be seen some consistency concerning which criteria the respondents consider to be more important in relation to each other. R2, R3, R4, R5 and R7 all highlighted market attractiveness as being the criteria of which ought to weigh the heaviest, in relation to internal factors and psychic distance. On the contrary, R1 and R6 considered internal factors to be of the highest importance. This goes in line with scholars’ disagreements regarding what should be seen as most important when evaluating new markets, as Sarabia (1996) and McDonald & Dunbar (1995, cited in Simkin & Dibb, p. 408) argues one should emphasize the characteristics of the market itself as the most important meanwhile for instance Cavusgil & Nevin (1981, cited in Koch, 2001, p. 66) and Goodnow & Hansz (1972, cited in Koch, 2001, p. 66) argues the internal factors are most important. However, the respondents does not point out psychic distance as more prominent in the IMS process, contradicting the statement psychic distance is a "major determinant" of IMS decisions (Erramilli, 1991, p. 480). A fact which supports the claimed irrationality and subjectivity of managers (Brewer, 2001, p. 156; Evans et al., 2010, p. 381). Nevertheless, as already stated, many respondents acknowledge the influence of psychic distance in the IMS process.

When conducting the interviews, it was obvious the firm characteristics influence the importance hierarchy. It has been possible to withdraw four factors which influence the importance hierarchy. These are presented below.
6.2.1 Firm size
R1 argues internal factors are most important, but to a larger extent for smaller firms, indicating firm size might influence the importance hierarchy. This is further fueled by R2’s line of reasoning upon stating that larger firms "build the way to the market" meanwhile smaller firms look into internal competencies. R4 also argues the firm size matter, since "a big company does not view itself as constrained by its internal capabilities". R3, in turn, argues the expansion phase will affect the weighting, with firms at an early stage of expansion will rely more on internal factors. As it is reasonable to believe expansion phase has to do with firm size, four of the respondents imply firm size affect the weighting of criteria.

As many of the respondents bring up firm size as a variable that influence the importance hierarchy, the arguments presented by Papadopoulos et al. (2002, p. 166), Moen (2000), Kothari (1978, p. 364), Evans et al. (2000, p. 385) and Papadopoulos & Denis (1988, p. 44), which holds firm size influence the IMS, might hold in reality. Hence, it can be suggested:

Smaller retailers emphasize internal factors to a larger extent than bigger retailers.

6.2.2 Firm objective
Several respondents reveal a link between the firm's objective with IMS and the weighting of the criteria. R4 does this most clearly, stating the weighting is "dependent on the objective of the expansion". R5 also touches upon this, when stating that the ideal location of a store is dependent on what the objective of the store is. It is reasonable to assume that if a store has as objective to make a profit, the criteria used when evaluating markets will be different compared to if the objective is to strengthen the brand. R3 explains his firm evaluates new potential markets having the potential marginal effect in mind, further strengthening the idea of that the objective of the IMS affects the weighting. R6 also claims the firm’s objective influences the criteria.

Support of the claim of the objective affecting the importance hierarchy can be found in the literature (Cavusgil et al., 2004, p. 615; Andersen & Buvik, 2002, p. 348; Papadopoulos & Denis, 1988, p. 38; Ayal & Zif, 1979, p. 91). As a result, it can be suggested:

Type of objective of the retailer affects the importance hierarchy.

6.2.3 Retail industry
What seem to be evident, is the fact the type of industry the retailer is operating in affects which criteria a firm looks into and to what extent these are considered important. R1 states the type of product affect the weighting. R2, R5 and R6 argues in line with R1, as they state certain factors are more or less important depending on the industry the firm operates in.

The previous arguments, which acknowledge the effect of the industry is supported by researchers (Jenster, 1987, cited in Geringer, 2001, p. 47; Hitt & Tyler (1993, cited in Hitt et al., 2000, p. 457; Papadopoulos et al., 2002, p. 170.) This leads to the following suggestion:
The retailer’s industry affects the importance hierarchy.

6.2.4 Ownership
Based on the empirical study, it is apparent ownership structure might influence the importance hierarchy. R3 discusses the fact that the firm is family-owned makes it possible to have long-term goals without any external owners putting pressure on quick results. A claim R6 brought up as well. R4 is reasoning in line with R3 and R6, as R4 argues the ownership structure has implications for how long term orientated the firm is, subsequently affects the weighting of criteria. This is further supported by the practices of R1, who weighs criteria depending on time scope, as well as the reasoning by R5, who suggests there would be "another line of reasoning" regarding the IMS process if the owners would not have been long term orientated. R2 states ownership structure and time scope has a role in the weighting process. R7 also highlights ownership structure as something which influence a market entry.

The ownership structure and its implication for the IMS can be gathered from the literature, as Agarwal & Ramaswami (1992, p. 8), Brouthers et al. (1996, p. 379) and Musteen et al. (2009, p. 321) all brings up ownership as a factor influencing strategies related to international expansion. Furthermore, Evans et al.´s (2000, p. 385) argument that private firms seem to focus on long term potential rather than quick results is supported by the respondents. The time scope’s role in the criteria embraced is also confirmed by Jenster (1987, cited in Geringer, 2001, p. 47). Hence, it can be suggested:

Privately owned retailers emphasize long term criteria to a larger extent than publicly owned retailers.

6.2.5 "Gut-feeling"/coincidence
Another factor which is apparent, is the lack of a “gut-feeling”/coincidence variable in previous IMS-models. By viewing the empirical findings, almost all respondents acknowledge the fact there is an element of coincidence or "gut-feeling" to a certain degree. R1 incorporates an error term in his model, which can be recognized as coincidence, as well as arguing one need to consider the “gut-feeling”. R2 suggest there might be opportunists approaching firms and thereby make them expand into a new market. A phenomenon confirmed by R5, asserting his firm has expanded into new markets after being approached by opportunists. This can also be considered as coincidence. Furthermore, R5 is the respondent who stresses the importance of "gut-feeling" mostly, summarized in the statement "it is more gut-feeling in the end than numbers". Moreover, R2 argues common sense and personal understandings are not to be taken lightly. Common sense and personal understandings are concepts which, according to us, can be connected to "gut-feeling", as does the statement of R4, who said looking into certain factors might give "a feeling about what to do". We incorporate that statement as acknowledging the existence and role of the "gut-feeling". R3 also brings up the concept of coincidence, stating there is "much coincidence", exemplifying by stating an attractive location might become available, hence trigger a move into a new market.
The concept of a "gut-feeling"/coincidence (GFC) variable finds support in literature. Evans et al. (2010, p. 381) and Alexander et al. (2007, p. 424) argues decision makers are influenced by their subjective attitude when dealing with expansionary decisions. A fact which is confirmed by R7, stating "the managers decide what is important". Papadopoulos and Martin (2011, p. 134), in turn, states subjectivity subsequently leads to irrationality. A position decision makers seem to hold based on the respondents´ answers. Even though researchers acknowledge the fact decision makers act irrational (Brewer, 2001, p. 156) and are affected by their own subjectivity, little regard is taken to this in models and framework developed to describe and give guidance about IMS (i.e. Cavusgil et al., 2004; Simkin & Dibb; 1998; Callaghan & Morley, 2002), a line of reasoning which is supported by Alexander et al. (2007, p. 424), who states "the notion of rational, or even scientific, selection is one that underpins research on market selection". Hence, our suggestion is that the GFC variable might be incorporated into models and frameworks explaining the IMS:

Previous literature lacks an important factor – the gut-feeling/coincidence (GFC)

6.4 Development of conceptual framework

In terms of possibilities to construct models which can be used and applied on all types of retailers, such initiatives appear unfeasible. When respondents were asked about their attitude towards such models, they were uniformly skeptical. Retail as a sector is too broad and hence standardizing procedures for all is not considered feasible. Or as put by both R2 and R3, there is no “one size fits all”. R5 argues it is not possible to create a weighted model. As stated in the previous section, there are simply too many case specific factors determining which criteria are more important than others, such as firm size, objective of the IMS, the industry, the ownership and time scope, as highlighted by R6, thus, questioning the relevance of normative IMS models such as Cavusgil et al. (2004) and Bijmolt et al. (2011). As R1 states, there is no "silver bullet". However, both R1 and R4 argues there is a possibility to create a weighted IMS model for retailers, but that limitations in terms of situation and characteristics of the firm need to be clarified. Hence, if the scope of the study had only involved firms of similar size, ownership structure, industry, and objectives, perhaps a weighted model could have been developed based on the respondents answers.

The findings disagree with Brewer (2001, p. 156) who claim there is a "considerable gap between normative models and practice", since firms embrace criteria suggested in IMS literature, indicating IMS models are applicable in practice. However, it is apparent previous research has missed out on one important variable when explaining IMS in practice, which might be explained by the claimed subjectivity of managers (Evans et al., 2010, p. 381).

Based on the empirical findings and complementary analysis we have altered and developed the conceptual model as illustrated in figure 4 below. First, although the majority of the sub-criteria included in the previous model were mentioned, either directly or indirectly, during the interviews, not all of them were clearly highlighted. This indicates that all sub criteria may not be of relevance for all kinds of retailers. Furthermore, it came of notice that the respective respondent place subjective measure into what shall make up the respective sub criteria. For example, the metrics of which determine market size vary in a similar fashion as do the differentials between what firms argue is inherent in the criteria of market
attractiveness, psychic distance, and internal factors. Hence, adding the extra layer of sub criteria is perceived to overcomplicate matters and not add clarification and value.

Second, since all respondents highlighted GFC as being a factor which heavily influence the IMS decision making, it was added to the model. The criteria of market attractiveness, psychic distance, and internal factors are continually part of the model as they were all clearly emphasized throughout the empirical study. As is implicit, we have additionally decided to refer to the elements within the first layer as “factors” influencing the IMS decision making process, instead of “criteria”. The reason being that the added factor of GFC is not considered a criteria of which can be proactively assessed, but rather a factor which inevitably will influence IMS.

Third, based on our findings related to the importance hierarchy among the factors of which influence the choice of foreign markets, we added a middle layer called “critical determinators”. The critical determinators aims at explaining what influences the importance hierarchy among market attractiveness, psychic distance, and internal factors between firms.

Figure 4. Developed conceptual framework.
7 Conclusion and discussion

This chapter starts with a review of the purpose and research questions in this study. The main conclusions of this study are also presented. The conclusions are then connected back to the purpose and research questions in order to conclude whether or not the study has fulfilled its purpose and answered the research questions. The chapter finishes with a discussion concerning academic and managerial implications, together with suggestions for future studies.

7.1 Conclusion

The purpose of this study was twofold. The first purpose was to explore which criteria Swedish retailers use upon making international market selection decisions and to investigate the relative importance among these criteria. The second purpose was to assess the possibilities of creating a weighted IMS model for retailers, which can be used as guidance for marketing practitioners. Hence, the study intended to answer the research questions *How do Swedish international retailers select foreign markets* and *What are the possibilities for creating a weighted IMS model for retailers?* Within the first research questions, two elements were present, namely which criteria Swedish international retailing firms use upon assessing new potential markets and which criteria they consider more important in relation to other criteria, and why. The research questions were answered through conduction of interviews with retailers and strategists with experience in retailing IMS. The respondents were well acquainted with the subject of IMS, facilitating confidence in that the answers were realistic and a solid reflection of reality.

Based on the analysis, four main conclusions could be derived. These are presented in table 3 below and discussed in the following text.

<table>
<thead>
<tr>
<th>Conclusions</th>
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<tbody>
<tr>
<td>1. Retailers seem to use criteria recommended in the literature, but which criteria they use differ</td>
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<tr>
<td>2. The importance hierarchy depends on characteristics of the firm</td>
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<tr>
<td>3. The gut-feeling/coincidence factor is neglected in IMS literature</td>
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<tr>
<td>4. The possibilities to create a weighted IMS model for retailers are limited</td>
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</table>

*Table 4. Conclusions.*

Regarding the first research question, we can conclude all of the respondents in the study do take into consideration criteria when assessing foreign markets. The criteria they use conforms to criteria which in previous literature has been highlighted. Obvious though, is that the criteria used differ from case to case. On a high level, we can hence conclude previous IMS literature of which do exist does a good job in reflecting retail practitioners choice of criteria used to assess foreign markets. However, although we are able to extract overall similarities between the literatures we have taken part of and the practitioners which we have interviewed, we do not find any one study which solely manages to cover all criteria highlighted by the respondents.

Even though both decision makers in retailing firms and strategists working as consultants towards retailers were interviewed, we can conclude the importance hierarchy among the criteria depends on several characteristics of the firm; smaller retailers seem to put more emphasis on internal factors in comparison to bigger retailers and whether it is a privately
owned retailer or a publicly owned retailer seem to affect to which extent long term criteria are emphasized. Moreover, one can conclude the objective of the IMS and the retailer’s industry affects the weighting of criteria.

Although the respondents highlights the fact the importance hierarchy differ on a case to case basis, most view criteria related to the market itself as most important, indicating there is a preference among retailers for market attractiveness when conducting IMS.

Perhaps our most interesting finding and conclusion relate to the seemingly huge impact of coincidence/gut feeling in the decisions related to IMS. In previous research, plenty of authors has indeed placed emphasis on the aspect of irrationality and subjectivity associated with IMS decisions. But is that the same thing as relying on gut feeling? In our view, irrationality relate to an act which ignores further investigation and is not made under complete intent. During the interviews with the respondents, it was uniformly acknowledged that the gut-feeling/coincidence consciously play an important part in the selection of markets. Arguably, the gut feeling of managers who are used to make these kinds of decisions will be based on some experience. It seems as if the gut feeling is part of the strategy. Furthermore, it is apparent that not all aspects of the IMS process can be proactively accounted and controlled for. As the findings entails, although firms cannot proactively anticipate everything, being reactive when sudden threats or opportunities appear is crucial. It is arguably important for firms to facilitate for such responsiveness by being equipped with the necessary tools upon encountering such uncontrollable situations.

In the effort of answering the second research question, namely what the possibilities of creating a weighted IMS model for retailers are, we can conclude it seems unfeasible. The main counterarguments towards construction of such model is its lack of taking into account the case specific aspects associated with each firm and situation. Here the respondents mainly highlighted variations in objectives, ownership structure, firm size and industry. However as pointed out by some of the respondents, some kind of weighted IMS model ought feasible if the above mentioned parameters are adjusted for. In other words, if the scope of the model was limited and not aimed to cover such a broad category of firms.

Regarding the research questions, they were answered by gathering data, analyzing these and subsequently arriving at four conclusions. However, it should once again be emphasized these findings does not aim at generalization. Nevertheless, by gathering data from retailing IMS practitioners, we have explored how Swedish retailers choose foreign markets and assessed the possibilities of creating a weighted IMS model for retailers. That stated, it can be concluded the two purposes of this study is fulfilled. Firstly, we have explored which criteria Swedish retailers use upon making international market selection decisions and investigated the relative importance among these criteria. Secondly, we have assessed the possibilities of creating a weighted IMS model for retailers, which can be used as guidance for marketing practitioners.

7.2 Academic implications
In terms of academic implications of this study, we believe we have additionally broadened the research scope of IMS. By conducting an exploratory study involving Swedish
international retailers, an area which has not been covered prior to this study, researchers will be able to compare and contrast their findings to ours. Additionally, we believe we have laid a groundwork for future studies within the field of international retailing IMS decisions. The scope of our study was quite broad and inclusive and we consequently had to abstain from too much detail. Many topics, such as psychic distance, could isolated serve as a sole topic of a thesis. The choice to have a broader scope was made under complete intent. As we found previous research on retailing to be limited, we felt there was a need to first understand the bigger picture and the general views by practitioners in terms of the criteria they use and the processes they engage in. This in turn could then resolute in other scholars engaging in covering potential gaps.

7.3 Managerial implications
In terms of the implications for managers, it is our hope that managers within the retailing industry will take part of the findings in this study and incorporate into their decision making process. For example, the finding which suggest that managers ought to incorporate coincidence and gut feeling may provide a sense of ease for those who have limited resources. Additionally, managers will be able to just like us extract the importance hierarchy among criteria, which potentially could aid in allocating investigative resources. An area which previous research has argued a lack of. Furthermore, we hope that subsequent studies will be able to in a more quantitative manner investigate how a general model could look like. It is our belief that such a model which support managers in deciding how to allocate investigative resources based on how successful retailers reason would be welcomed by practitioners. As referred to abundantly throughout this study, the amount of information and potential angles of investigation are huge and, for some, overwhelming.

7.4 Future research
With respect to recommendations of future research, there is one area which struck as a natural extension to our research. Such study could be angled towards investigating the feasibility of constructing a general IMS model limited to firms carrying similar characteristics in terms of size, ownership structure, firm objectives and industry. Such a study could beneficiary use our conceptual framework as base and go two rounds with the respondents. In the first interview round, respondents would simply be asked to provide all the metrics used upon assessing new markets so to make sure all factors are inherent in the model. In the second round, the respondents would then be asked to weigh the respective criteria with respect to each other. For example by using a hierarchic measurement tool i.e. analytic hierarchy process. Any finding from such a study would be interesting, as the quantitative approach would reveal more clear lines in terms of similarities and dissimilarities.

A second interesting approach would be to further investigate the relationship between academic IMS and practical IMS. What similarities/disparities are most obvious? Such a study could for example be conducted in a similar fashion as this study, but different in that interview questions would be more focused towards discussing the perceived contributions of academic research.
A third study of interest could be to compare and contrast IMS decision making on Swedish international retailers and Swedish international manufacturers. Are the importance hierarchy among criteria and the analytical procedures similar? If not, how are they different?

Finally, by performing an in depth case study on a firm which routinely enter new markets, a researcher could analyze the performance of the firm in the different markets, and subsequently investigate what IMS strategies has characterized the successful entries and vice versa. Overall, we believe the area of international market selection lacks descriptive studies which explain how successful global players go about their IMS decision making process. How much of the success can be explained by the IMS analysis, and how much are simply explained by coincidence?
8 Evaluation and societal implications

In this chapter an evaluation of the research findings is conducted. Furthermore, societal implications of the study is presented.

8.1 Evaluation

The evaluation of the research conducted in this study is based on the criteria presented by Guba and Lincoln (1985, cited in Bryman & Bell, 2011, p. 395), explained in detail in section 3.8. The findings are evaluated in accordance to the below criteria.

In order to fulfill the criterion of credibility, the transcripts of the interviews were sent out to the interviewees when finished in order to confirm the understanding of what had been said during the interview, as proposed by Bryman & Bell (2011, p. 396). Moreover, as the participants were highly acquainted with the topic and the research was conducted in a good manner, we can with confidence state that findings seem credible.

In terms of transferability, we do not consider it to be relevant as the aim is not to generalize findings. However, an as detailed account for the context as possible has been presented, in order to give other researchers the opportunity to assess the relevance in transferring the findings. With that in mind, we do believe it is possible to test the findings on a larger population.

The criteria of dependability has not been fulfilled, as we were not able to find an external peer who could audit the research process. However, two actions were taken to decrease the negative impact of not having an auditor. Firstly, the research process has been supervised by an acknowledged researcher. Secondly, the participants as well as the research methodology has been described in detail, to make it possible for future researchers to investigate whether or not the findings are replicable. With that in mind, although the criteria was not fulfilled, we have done what we can to reach an acceptable level of dependability.

To fulfill the criteria of confirmability, we have throughout the research process focused on not letting personal values and beliefs influence the research. However, it should be noted, the element of subjectivity in qualitative research is hard to remove. Even if this is what we believe, one cannot conclude that other researchers would have arrived at the same conclusions. Nevertheless, by asking neutral questions during the interviews and not trying to lead the respondents in a certain direction, we argue we have fulfilled the criteria to the best of our ability.

In terms of authenticity, we argue it has been satisfied. By taking into account both retailers’ and strategists’ viewpoints and presenting the respondents different viewpoints, it can be concluded the issue of fairness has been managed. In terms of ontological and educative authenticity, we are confident in arguing individuals have become both more acquainted with the topic of IMS and that the study has enhanced an understanding of other individuals’ mindset in relation to IMS, as we have shed light on retailers’ IMS processes, a topic of which is expressively unsaturated in previous IMS research. We also argue we have fulfilled the criteria of catalytic and tactical authenticity, as the research might trigger changes in how marketing practitioners conduct IMS processes upon gaining insight in how successful retailers embrace the challenging topic of IMS.
Summarized, we argue we have fulfilled the criteria of *credibility, confirmability* and *authenticity*, and to a certain degree the criteria of *transferability* and *dependability*.

### 8.2 Societal implications

Upon approaching international marketing management decision makers and asking for their undivided attention, reactions were initially quite skeptical. That corporate strategies can be sensitive information of which is meant to be kept internally did not come as a surprise. Hence in order to gain access “behind the curtains” it was important that we could clearly inform respondents about our ethical guidance and convince no harm would ever come to the participants. The ethical considerations are outlined in more detail in section 4.4.2. We are happy with our procedures and it is our hope that the respondents, with our meeting in mind, will in the future be even more open towards supporting academics in their research.
Reference list


