UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

Master Degree Project in International Business and Trade

Radical Networks

A case study on the value of social network and social capital in an international event firm

Henric Atterfors and Jonas Östlund

ABSTRACT

The social dimension is the essence of the event industry, not only for the participants but also as a managerial aspect. The value of social networks and social capital has shown to be a key resource for large parts of the internationalizing event firms' operations on all levels, ranging from top management to local executors. Previous research has identified a gap in the event management literature regarding the managerial use of social capital and networks, and the literature on international event management is weak when it comes to smaller events. To address this current gap in the literature this study aims at making a theoretical contribution through an exploratory study on how an event firm utilizes social connections and networks as well as the social capital embedded within these. This research is conducted through a case study of a young internationalizing firm in the young "fun-run" industry, which has stretched out across the globe during the past two years. The result of our research has been an initial indication of how, and what types of, social networks and social capital are valuable at different levels within the international event industry. A general conclusion made in the paper is that social networks and social capital is highly important at all levels within the internationalizing event firm, however in what way differs between the levels. One of the major differences between the use of networks, found in this case study, is that stronger ties are more important at the international event firm's lower hierarchical levels than at the top levels where weak ties show greater importance.

Key words: Event Management, Social Capital, Social Networks, Born Globals, Internationalization, fun-run industry, Color Me Rad

ACKNOWLEDGEMENTS

For the completion of this research paper we owe our gratitude to several persons and institutions.

First of all we would like to thank Ramsin Yakob, our supervisor, for his continuous support and guidance throughout the research process. His opinions were highly useful and helped us to stay on track. To our financial supporter, Elof Hansson, we also owe our gratitude as its grant facilitated a deeper understanding of the subject at hand, which otherwise would have been unreachable.

We are greatly grateful for the cooperation of Color Me Rad, our case company, without which this research would not have been possible. Color Me Rad provided us with access to both its whole organization and its partner firms, which enhanced our research further than initially thought possible. The bridging contact between us and Color Me Rad, Ms. Johanna Tilly, also deserves our appreciation, as we would not have found the company without her. Furthermore, we owe our appreciation to all the franchisees and related people who let us conduct interviews with them and set aside their valuable time to help us.

Lastly, we want to mention our fellow students who have read our thesis and contributed with useful opinions. This appreciation especially goes out to Henrik Chan, Lars Agebro, Elin Wisenius and Jarno Kujanpää who participated in our seminar group along the course of the project as well as Steffen Reimann, Yi Kwan Yvonne Ip and Siriprapha Chumchai who provided valuable inputs as opponents during the final seminar.

ABBREVIATIONS

CEO	Chief Executive Officer
CMR	Color Me Rad
DJ	Disc Jockey
HQ	Headquarter
MC	Master of Ceremonies
MNC	Multinational Corporation

TABLE OF CONTENT

LIST OF FIGURES AND TABLES

1. INTRODUCTION

In this chapter we will present the background and a problem discussion that lead us to our research question and purpose. We will include a description of the firm and the industry to illustrate the empirical context and our delimitations to mark the boundaries of the research conducted. The chapter ends with a thesis outline.

1.1. Background

The globalization trend is evident in most industries but an industry that has seen rapid internationalization over the last decades is the event industry (Allen et al., 2011). The event industry is wide-ranging and the events vary in type from cultural celebrations and religious festivities to sporting events and festivals, and they also differ in size from very small that takes place in the local community to mega events such as the Olympics and World Fairs (Getz, 2012). The most visible transformation is seen in the large mega-events, also referred to as hallmark events, such as the Olympics, FIFA World Cup, and World Fairs that attract participants and audiences from all over the world. This globalization trend is also apparent in other types of sporting events such as professional leagues in team sports and other big sports such as cycling and Formula 1. These larger sports and events are going abroad to increase their recognition and attract new fans to the sport, such as Tour de France staging the first part of the race in another country or the big European football clubs playing exhibition games in Asia (Kitchin, 2012).

Because these larger sports and sporting events reach out to such a vast amount of people, multinational corporations (MNCs) regard these events as opportunities to display their products and services in new markets (Groves et al., 2003). For example, the large events are promoted by global media that help MNCs and the regions to promote their products or to boast tourism where the pursuit for television rights and increased marketing are examples of this. Indeed, the globalization is catalyzed by these organizations' (MNCs and sport organizations) international search for growth as the competitive pressure has increased and they are now seeking access to, what can best be referred to as, a hidden demand in other parts of the world, created over the years through the success of their respective brands as well as the enhanced visibility from media and marketing (Kitchin, 2012). Another driver in the internationalization of events is the technological advances in areas such as transportation and the rise of internet, which have

increased awareness and made travel much more convenient (Beech and Chadwick, 2013). In addition, a sociocultural change with higher disposable incomes and reduction in working hours in some countries has made it possible for people to watch and take part in sporting events.

Also, in the research about globalization of the event industry there has been a clear dominance over the last decades of these types of large events that incorporate several nationalities as both participants and observers (e.g. Emery, 2010; Ferdinand and Shaw, 2012; Groves et al., 2003; Ratten, 2011). Lately, however, the emergence of globalization of smaller, more narrowly focused sporting events has become apparent (Masterman and Wood, 2006). People today require customized and fun ways to meet new people and they want their days to be exceptional. The social gathering becomes more important than the event itself and factors like the improved technology, e.g. social media and mobile phones that make it possible to show the activities you take part in and inspire people to do the same as well as give feedback to event organizers about your experiences, has propelled this development (Yeoman, 2013). The increased affluence in many parts of the world has further contributed to the trend where people have the possibility to access sophisticated events and create situations where they can expand their social capital and pursue unique events that will enrich their experience. The same trend is visible in other event areas such as musical taste and entertainment choices where the target markets have become much more fragmented (Masterman and Wood, 2006). The shift from larger events to smaller events can also be explained by the increased levels of anxiety, as for example, in relation to big football games and where the enhanced possibilities to follow these events through innovations in media coverage such as better image quality and on-demand services. In addition, many people have switched focus from material possessions as status to accomplishments and wider interests, which in turn have become the new demonstration of your social capital (Yeoman, 2013).

1.2. Problem discussion

The globalization trend, both concerning large and small events, has an impact on several levels as the event industry consists of multiple stakeholders that play a role in the hosting of an event. The event is usually arranged by an event organization that either is in the form of an event-specific group, e.g. a group that comes together for a certain period of time or a unit that is a part of a large firm, or an event management firm that operates on a contract-basis (Allen et al.,

2011). Other significant parties involved in organizing events are the suppliers, venue management firms that help with e.g. marketing and staff, governments and local regulation bodies that are involved in the events as they oversee security and conduct (especially in respect to outdoor events in public areas), and media (Shonk and Bravo, 2010). As a result of the many involved parties as well as the globalization trend, a firm's network is important in order to find the right partner to work with when establishing an event in a foreign market, and this is especially true for smaller firms which have less resources than the larger firms. Hence, the smaller firm's social networks is of significance and this is a part of what Knight and Cavusgil (2004) refer to as knowledge-based resources, which is often used by smaller firms, and especially born globals, as their competitive advantage and as substitute for the large financial and human resources that the large companies possess. A born global is defined by Oviatt & McDougall (1994) as "a business organization that from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries". The internationalization process puts great strain on even the large firms' vast resources, such as human and financial resources, which are often unavailable to smaller firms and born globals. To compensate for this lack of resources born globals and other small firms can leverage its social capital and knowledge-based resources to gain access to other resources and thus compensate for its smaller size (Oviatt and McDougall, 1994; Autio et al, 2000; Knight and Cavusgil, 2004).

The increasing internationalization of the event industry puts pressure on firms to use local knowledge and resources when hosting an event abroad. Hence, both the local event firm's capabilities as well as its relations with other parties (e.g. suppliers, venue management firms and governmental bodies) are important aspects to consider. These relations can support an event organization in numerous areas such as industry development, organization, managing volunteers and much more (Prebensen, 2012). The importance and value of knowledge about the local community and connections there are highly different depending on the industry but the essence of the event industry is to be a part of the social society, and thus local/contextual knowledge and networks are imperative for successful events. In addition, the event industry demands a high degree of interorganizational collaboration in order to mobilize the fundamental resources for event creation (Ziakas and Costa, 2010). Getz (2012) further stress that the values events portray are increasing in importance as the customers' demands of self-fulfilling events reflecting their

belief and personality are becoming more important, thus an effective event company needs to be skilled in obtaining this information and knowledge about its customers. With the limited resources of a born global this process can be difficult to conduct in a foreign market.

The current event management literature in general is weak concerning smaller event firms that execute events in several international markets, and even less in the born global context and the major focus has been given to larger events (e.g. Emery, 2010; Ferdinand and Shaw, 2012; Groves et al., 2003; Ratten, 2011). The integration of social connections and networks in the management processes of events have been poorly integrated in the event management research as well. This poor integration is discussed by Getz (2010) who points out that the application of social capital in research of the event industry has so far almost only been applied for the understanding of social capital creation for the participants and the local community. He also concludes that there is a gap in the literature concerning the application of social capital by the organizations staging the events or festivals in stating: "Network analysis holds considerable potential for examining festivals within their policy, stakeholder and market environments" (21). An earlier statement was made by Getz (2007) about the event industry as a whole: "This entire area of organizational structure and coordination (both internal and external) has largely been untouched by event researchers" (265). This statement is later, partly, followed up by Mair and Whitford (2013) who state that one of the five most important topics under event research that needs to be addressed is the operations and management of events. Ziakas (2014) partly address the issue of interorganizational social capital in the event industry when he discuss the importance of event portfolios on a local level, he also shows that there is a clear lack of research concerning the use of social capital on an interorganizational level.

As social connections and networks are vital resources for a born global, especially within the event industry, it is imperative to understand how an international event firm utilizes its networks, connections, and social capital to secure necessary information and resources at the organization's different levels. By understanding the value and impact of this resource for the event firms' performance and how it is utilized at different levels of a born global event firm we will gain a deeper understanding of the event industry. To address this, the goal of this paper is to identify how these aspects are managed at different levels within an internationalizing born global event firm. Through this research we aim to increase the field's understanding of how

networks, connections, and social capital are utilized and provide a deeper insight in a firm of this type. This aim has led us to state the following research question:

How are social connections/networks utilized, and what is their value, at different levels within an internationalizing born-global in the event industry?

1.3. Research purpose

The purpose of our thesis is to investigate how social connections and networks are utilized in the management process of events on an international scale. This investigation will further be focused on identifying the differences in how, and for what, social capital is utilized at different hierarchical levels within the internationalizing born global event firm.

1.4. Empirical context

The empirical context for our research is staged around the international, US based, event firm Color Me Rad (CMR) which is active in the "fun-run" industry. The fun-run industry is an atypical industry that has sprung from a boom of themed races in the US and Canada that have been everything from ugly sweater runs and zombie runs to color runs and light show runs. As the name implies, these runs are all about having fun with your friends, as compared to traditional running events that have a focus on the competitive aspect. Due to the more relaxed style of these events, amenities like entertainment after the race and cool apparel and accessories are a vital part. The color runs, which CMR is a part of, are loosely based on the Hindu festival of Colors, which is known as the Holi festival.

CMR was founded in 2012 and was built from another company called Dirty Dash that the owners had started a few years earlier. The races that the company organizes are operated both corporately and through franchising with the aim to expand faster and capture market shares. In the franchisor/franchisee relationship, CMR provides the franchisees with training, marketing materials, systems and branding integration, and the franchisees operate the events and pay a royalty fee to the HQ. In 2012 and 2013, the company had a total of 155 races and 900,000 participants. The race is five kilometers and includes four to five color stations with different colors where volunteers help cover the participants in color. From every race, a part of the profit is donated to a local charity in the community. The size of the amount donated to the charity depends on the event and the involvement of the charity.

Already in 2013, the company had its first events abroad, Korea and Taiwan, and thus it is considered a born global. The company has now executed events in several countries and is constantly expanding to new exciting markets across the globe. As of now, the company is present in around ten countries and is in the planning stage in a few more. On the international fun-run scene there are two well-established companies with a global reach and those are CMR and "The Color Run", both with US origin.

In this thesis, we have included the HQ and three of the four franchisees. The chosen franchisees are Mr. Shane Crandall who operates in Scandinavia, France, Korea and Japan, Mr. Dustin Butcher who is in Mexico and Mr. Rob Caponga who owns the rights for Australia. As a result, we have decided to do a multiple case study.

1.5. Delimitations

For this research we have limited the scope through only looking at the international event industry, which we define as event firms that execute events in more than one market. With the empirical context that we have chosen to base our research on we will further limit the research to the "fun-run" industry as explained above. The industry as such can be subject to a wide range of different topics but we have limited our research to only review how social connections and networks are utilized at different levels within an internationalizing born global event company. Further, our research will be limited to one young internationalizing company and the study will not include other similar firms or other well-established international event companies.

1.6. Thesis outline

Theoretical Framework

In this chapter we provide a comprehensive framework of previous research conducted on born globals, social networks, and social capital, which will later be used to explain and interpret the empirical data. Through a thorough review of related research the reader will be familiarized with the topic at hand and better be able to relate to the following chapters.

Methodological Framework

In this chapter we present how our case study is constructed and the methods we have used, and why, in the different stages of the research process. Through an understanding of the methods used the reader will be better able to follow the following chapters.

Empirical Findings

This chapter presents the collected empirical data for our research. Here, the case company and its work will be explained through the lens of social connections, networks and capital at all its different levels.

Analysis

This chapter covers an analysis of the empirical findings in relation to the theoretical framework where the topics of social network ties, network position, the value of social capital, risks, and the importance of social media will be discussed in detail.

Concluding Discussion

In this chapter the main findings will be presented and discussed as the research question is answered. The chapter also includes the contributions of the thesis, suggestions for future research and a discussion around the limitations of the study.

| Introduction | Theoretical Framework | Methodological Framework | Empirical Findings | Analysis | Concluding Discussion |

FIGURE 1.1. THESIS OUTLINE

2. THEORETICAL FRAMEWORK

In this chapter we provide a comprehensive framework of previous research conducted on born globals, social networks, and social capital, which will later be used to explain and interpret the empirical data. Through a thorough review of related research the reader will be familiarized with the topic at hand and better be able to relate to the following chapters.

2.1. Born global theory

A born global is defined by Oviatt and McDougall (1994) as "a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries". This entails that the venture has a clear focus on internationalization from its founding; it does not necessarily need to have assets abroad and can work internationally through, for example, joint ventures. As the born global firm is a highly discussed subject there are several different ways of defining a born global. For example, the American authors Knight and Cavusgil (1996) defined the born global as a firm that has 25 percent of its production as exports within three years of its foundation and this definition was crafted from the a base of American firms which operate in the world's largest market. A couple of Finnish authors, Luostarinen and Gabrielsson (2004), found this definition to be too general for firms from smaller economies, as the degree of export is commonly higher in these economies, and thus advocated for increasing the export aspect to 50 percent. We believe, as also discussed by Gabrielsson et al. (2008), that it is difficult to create one clear numeric definition of the born global as their point of origin can differentiate significantly, and therefore we advocate for a leaner approach towards the definition, such as the one provided by Oviatt and McDougall (1994) or as discussed by Gabrielsson et al. (2008) which similarly focus more on the firms' capabilities and global vision from inception.

The literature on born globals aims at enhancing and modifying the traditional internationalization theories, which origin from models such as the Uppsala model by Johanson & Vahlne (1977). The traditional models stated that a firm should first establish itself domestically and then, successively, move out on the international stage. The born global theory contest this by stating that a firm can be founded with an international focus from the start and from this gain several advantages compared to the large MNCs in the internationalization process. Autio et al (2000) discuss the advantages that smaller firms, which internationalize

early, have compared to those that do it at a later stage. When internationalizing, firms need to discover new practices and attain new information while disregarding certain old practices and knowledge derived from the domestic market. As firms age, the practices and type of knowledge within an organization becomes increasingly static, making it increasingly difficult to adapt to new markets. This fact provides younger firms with a clear learning and adaption advantage in new markets compared to older firms (Autio et al, 2000). The importance of engaging in internationalization at an early stage is stressed by for example Moen and Servais (2002) who show that those firms that do not engage in their internationalization process early on have severe difficulties to do so later on, as the focus then becomes increasingly domestic instead of international. Due to new research and the development of internationalization strategies utilized by different firms, the old models such as the Uppsala model by Johanson and Vahlne (1977) have been updated by themselves in their 2009 paper "The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership" which better relates to, for example, the born global phenomenon. In the updated version, Johanson and Vahlne direct the process more towards a network position and how this deepens as increasing efforts are put on the specific market/markets. Freeman and Cavusgil (2007) also discuss the phenomenon that born global firms does not follow a clear cut structure for the market selection in their internationalization process but rather choose markets based on perceived or recognized opportunities, which closely relates to the network aspect addressed by Johanson and Vahlne (2009).

The main issue for born global firms in comparison to larger, well-established, firms is the lack of financial, human and tangible resources to help in the internationalization and new market entry process (Knight and Cavusgil, 2004). To compensate for the lack of these resources the born globals, and other internationalizing SMEs (small-to-medium enterprises), work with an entrepreneurial mindset and strong networks to acquire and secure resources and market knowledge (Oviatt & McDougall, 1994; Autio et al, 2000; Knight & Cavusgil, 2004). This means that the establishment of external social capital (concept elaborated in next section) for a born global will have a clear impact on its future performance and development. For the use of social capital, Freeman et al (2010) argue that born global firms utilize both preexisting relationships and newly developed relationships. The newly developed relationships, which can

be both personal and interfirm, are argued to be a product of the born global managers' advanced relationship-building capabilities, which they use proactively to secure the resources necessary in new marketplaces. These new relationships do not have the same trust and reliability as the preexisting ones but through the managers' strong relationship-building skills trust and reliability are quickly founded in the relationship.

2.2. Social network theory

Social network theory is a wide concept that encompasses many different aspects. In general, it examines the ties between social parties (e.g. organizations and people) and two concepts are central: the structure of the network, which refers to how these actors are connected, and the content, i.e. what is being exchanged (Kilduff and Tsai, 2003). A contemporary and broad definition is from Zhou, Wu and Luo (2007: 674) who define social networks as a "web of personal connections and relationships for the purpose of securing favors in personal and/or organizational action". These personal connections or ties can be of different levels and Granovetter (1973) makes a distinction between strong and weak ties. Strong ties are those relationships that require larger time commitments and consequently lead to a deeper embeddedness. The concept of embeddedness initially stems from Karl Polanyi and he explains in "The Great Transformation" (1944) how the economy has become embedded in society, i.e. the development of the modern society is interrelated with the market economy. In terms of business and in relation to social network theory, Uzzi (1997) states that embeddedness is a concept that means that economic action and economic relations are grounded in social networks, and Halinen and Törnroos (1998) point out that embeddedness also can explain change and development in business networks, i.e. more formal networks that firms are embedded in. Looking specifically at social networks, these types of networks have several characteristics such as trust, personal ties, increased knowledge transfer and overall economic opportunities that are difficult to achieve outside embedded networks. The level of embeddedness of a network is seen in the density of embedded ties, i.e. how many close relations the firm has (Uzzi, 1997). Brass et al. (2004) further discuss the factors for engaging in networks with other firms and what aspects that facilitate cooperation. For example, firms aim to acquire resources, increase knowledge and reduce uncertainty, and being trustworthy will improve these chances. Moreover, similar firms in terms of status and power are more likely to cooperate, and aspects like regulation, history and

culture also play a role. Indeed, the positive aspect of strong ties is their inclination to be trusting, both in terms benevolent and competence-based trust, which in turn makes the firms develop common ways of communicating and increase the usefulness of each other's knowledge (Levin and Cross, 2004).

One of the consequences of an increased cooperation that comes from embeddedness in networks is imitation that can lead to knowledge spillovers. However, the increased cooperation also put constraints on the level of new knowledge and thus is not only positive (Brass et al., 2004). For example, Uzzi (1997) discusses the concept of overembeddedness, which means that fewer opportunities will be available for the firm due to its strong links to a few other organizations. Strong ties that evolve through deep embeddedness will lead to conformity and therefore the knowledge in both firms will be similar while on the other hand the weaker ties require less commitment and as a result it is possible to be involved in more relationships in this type of connection (Granovetter, 1973). If strong ties could be pictured as the connection one has with close friends, weak ties represents the relationship with acquaintances. Acquaintances, both on an interpersonal and interorganizational level, tend to be involved in other networks and therefore give access to a wider world. This wider access also means that the individual and the firm can find new information more easily, information that does not exist within the strong ties with close friends or tightly connected firms (Granovetter, 2005). Levin and Cross (2004) include the level of trust in respect to weak ties, and are able to show that weak ties that are perceived as trustworthy will have a greater contribution of knowledge than trusted strong ties. The answer lies in the structural ability of weak ties that Granovetter (1973, 2005) discusses, which in reality means that the firm or the individual both can access reliable information and new information, compared to a trusted strong tie that generally only will contribute with reliability and not anything novel. However, weak ties are not the only way to access new information. Jack (2005) found the use of friends' friends to be common for entrepreneurs. In other words, some of the strong ties an individual or firm is connected to may have access to other networks with novel information, either through strong or weak ties. This finding illustrates that a strong tie's strong tie may give access to people or firms outside networks because all individuals and firms may know someone on the outside.
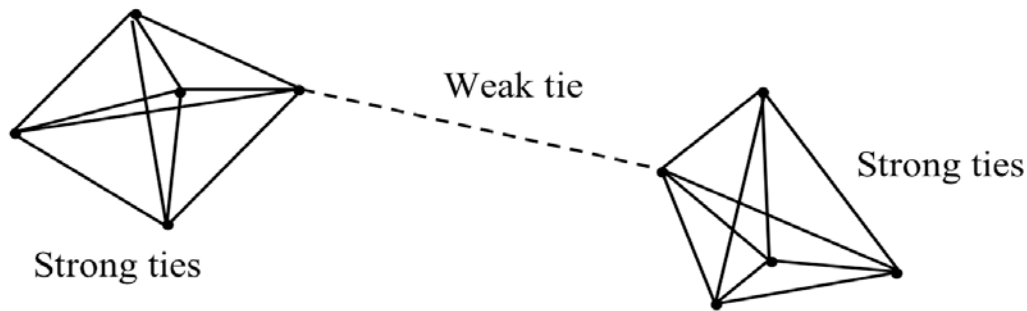
FIGURE 2.1. STRONG AND WEAK TIES (GRANOVETTER, 1973) **ELABORATED BY THE AUTHORS**

As mentioned above, the tie content is a significant part in the social network theory. Balkundi and Harrison (2006) differentiate between instrumental and expressive ties where the former represents ties that are more work-related and hence include job-specific information and knowledge. The latter represents friendship and the exchange is more related to social aspects. The findings illustrate that expressive ties are more important for team viability than instrumental ties and in terms of team performance they were shown to have the same impact. In relation to organizing an event abroad in cooperation with local event firms, this implies that an event company would favor expressive ties and should thus focus on establishing friendships with their partners rather than keeping it on a professional level. In addition, Mehra et al. (2006) stress that friendship ties also can be used to access job-specific information.

When applying the value of social networks to the internationalization process of entrepreneurial firms, Oviatt and McDougall (2005) explain how entrepreneurial firms can achieve great speed in their internationalization process through their networks and this is supported by Coviello (2006) who further points out that both strong and weak ties have been identified in this process. The entrepreneur's networks help to identify opportunities, gain vital knowledge, establish credibility and gain trust. They also state that the speed of the internationalization is due to "the strength of network ties, [...] the size of the network; and [...] overall density of the network" (544). Zhou et al. (2007) continue on this line and emphasize the access that social networks can provide the entrepreneur with, such as access to key decision makers, in target firms or facilitating institutions. Ellis (2011) puts social networks in relation to business networks and illustrates the advantages of the former in the context of international entrepreneurs. Social

networks are seen as more useful mainly because opportunities are identified by individuals rather than firms and that social networks span over areas where the firm is not involved in business networks, making new markets into potential opportunities.

Generally, in the event industry and the fun-run genre in particular, the use of weak ties implies that an organization can access information that is new, e.g. information about rules that apply for using city streets or insight on consumer preferences in terms of amenities on site. Looking at strong ties consisting of a high level of trust, these can be used to assign tasks to a local event company to do some of the work on site that the international firm is not able to perform. The discussion of strong and weak ties can also be related to place in network, which will have an impact on the possibilities to achieve higher outcomes, and this will be elaborated upon in the next section.

2.2.1. Network position

Concerning place in a network, Tsai and Ghoshal (1998) stress the advantage of a central position, which will improve the possibility for knowledge and resource exchange. Building on Granovetter's theory about the importance of weak ties, Burt (1997) uses the metaphor of structural holes to explain the significance of having a place in a social network with connections to other networks. Usually the structure is dense with many strong ties and thus the information is rather homogeneous and seen as redundant, but outside these clusters exist other network clusters with new and dissimilar knowledge and information, and firms in those clusters are referred to as non-redundant. The term structural holes is used to explain the gap between these clusters and the aim is to find a non-redundant partner in order to access the new information.

The position a firm holds in a foreign market network tends to deepen as the firm increases its internationalization and international presence since, according to Chetty and Agndal (2007), the firm in this stage realizes the value of social capital and its own network position. The realization of social capital's value often results in a deeper integration of it in the business strategy. The firm starts to address social capital and evaluate which connections generate value and should be developed and which do not and should be terminated. For a firm to maintain and increase the value of its social capital and strong network position these aspects need to be constantly evaluated because connections that previously were beneficial can become liabilities.

On a personal level, there are several ways an actor can have a high network centrality. A person can have direct access to many people, access to popular actors, or relatively close access to a large amount of people (Kilduff and Tsai, 2003). The first situation means that a person's own network is quite extensive and this is referred to as high indegree centrality. The second type of centrality means that an individual has access to people with high indegree centrality and hence access to popular people and this centrality is called eigenvector centrality. The last type is referred to a person who has access to many people, either through direct ties or through friends' friends, and this is referred to as closeness centrality. A person's network position becomes important for an international event company as it can determine the number of markets it can reach through its social networks. The firm's position as well is of significance in reaching new knowledge and resources. In addition, the theory not only implies that a central position gives the firm more openings to new markets but also a better chance to increase the value of its social capital, a concept that will be introduced below.

2.2.2. Social capital

If social networks can be seen as the ties between social parties, social capital can be seen as the value of these ties. The concept of social capital is constantly emerging and can be defined in a number of ways depending on the discipline. A useful definition to explain social capital comes from Adler and Kwon (2002) who have made a comprehensive study of all definitions: "Social capital is the goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from the information, influence and solidarity it makes available to the actor" (23). In other words, social capital exists in the relations among individuals and facilitate productive activity, but are much less tangible than physical capital and even less tangible than human capital. In order to explain how it works in practice, Coleman (1988) uses the terms obligations and expectations that parties have on each other. If you do something for another you expect him to think of it as an obligation to redo the favor in the future. This in turn means that the higher level of outstanding obligations one has the more social capital, which one can utilize.

Tsai and Ghoshal (1998) divide social capital into three dimensions; the structural which refers to the ties and the interaction with other individuals, the relational which is about the trust and trustworthiness of those relationships and the cognitive which refers to the attributes and shared

code between the individuals. By linking these dimensions, the authors are able to show that e.g. interaction leads to trustworthiness and that an organization where the individuals have a shared understanding with their own firm is seen as trustworthy. Interaction leads to trust because the constant engagement makes people develop common point of views and eventually this trust makes them more inclined to share information with one another.

It is important to note that social capital exists both externally and internally (Adler and Kwon, 2002). Externally, as mainly described above, social capital is derived from the social networks that individuals and firms are part of and acts as a resource for the organization. Internally, social capital is used to link the group together and reach collective goals. Ehin (2004) e.g. stresses that social capital is needed for the firm to function properly. Employees must be able to get along and create personal ties with each other which in turn lead to trusting relationships where support networks provide information and influential connections are used to develop the business. In short, the more social capital a firm is able to generate the higher outcomes are possible without the use of additional resources. These views can also be linked to a view that external and internal social capital should be regarded as interrelated as relations e.g. can be external to the individual and external to the firm, and moreover both internal and external relations may affect an organization and where these are not mutually exclusive (Adler and Kwon, 2002).

An aspect of social capital that is different from e.g. physical capital is its appropriability and convertibility (Adler and Kwon, 2002). This means that e.g. a network of friendship ties can be used for other purposes, such as business information. Coleman (1988) explains how individuals can rely on information from their social relations rather than spending time on researching the subject to stay updated within the latest developments. This type of access to information in turn facilitates action. In addition, social capital can be converted into other forms of capital where for instance a strong network position can be converted into an economic advantage (Bourdieu, 1985)

Chetty and Agndal (2007) divide social capital into three categories: efficacy, serendipity, and liability. These are three aspects of social capital that affect an organization's actions in different ways. Efficacy is when the social capital is consciously utilized by the organization to, for example, execute a strategy or secure information and resources. Serendipity is when social

capital generates positive value without the organization actively seeking it, for example through social interactions, and opportunities previously unimaginable by the organization are realized. The liability aspect of social capital represents the negative aspects of social capital such as opportunistic behavior, lack of commitment, overembeddedness etc. The efficacy aspect of social capital might be more efficient with strong ties, however the serendipity aspect of social capital mainly occurs through weak ties, which show the importance of establishing a well-diversified network, which is addressed by many others authors as well (Granovetter, 1973; Levin and Cross, 2004; Burt, 1997).

The establishment of valuable social capital for new entrepreneurial ventures, under which born globals are included, is slightly different from that of a large, well established, MNC. De Carolis et al. (2009) argue that social capital is important for these firms but that social capital in itself is insufficient. They argue that for social capital to be valuable for the entrepreneurial firm it needs to be connected to the right type of person/persons, who can create value from the networks he/she is connected to. They further argue that it is important that the person is connected to the right type of networks as networks and groups often shape a member's individual values and can thus have an impact on the firm's progress. Knight and Cavusgil (2004) state that the application of knowledge-based resources is the prime advantage for smaller internationalizing firms and hence it is vital to enhance this advantage when possible. Bosma et al. (2002) show that investment in human and social capital significantly affects survival, profits and generated employment for entrepreneurial firms, thus with higher social capital comes higher performance. Social capital impact on performance is related to several aspects of which De Carolis et al. (2009) emphasize resources such as access to capital, employees, supplier etc.

In addition, social capital can be derived from organizations involved in formal networks, such as business networks, or more formal collaborations like strategic alliances and joint ventures. In these networks, an individual in one firm can create personal relationships with individuals in the other firms and then make use of these relations to acquire knowledge and resources (Inkpen and Tsang, 2005). Hence, an individual's social network within a formal network is valuable for the competitiveness of the firm and can give rise to social capital.

In regards to an internationalizing event firm, social capital can be used in several ways to increase the chances of putting on successful events. The theory indicates that it is possible to e.g. use friendship networks to access information about markets or consumers, and that internal ties will enhance the firm's capabilities. Formal networks could also increase social capital through relations with other event firms or contracts with local actors. In respect to born-globals in the event industry, the connection to the right people can be especially important as an event is held during a limited time and permissions, such as using roads that block traffic, may be easier to get. Moreover, there are a few examples in the event industry in general about the importance of social capital and they are explained below.

2.2.3. Social networks and social capital in the event industry

In respect to events, interorganizational ties are important due to the complex nature of hosting events (Shonk and Bravo, 2010). Firms need to develop organizational support and commitment in order to create trust and reduce the risks of opportunistic behavior among their partner firms. The aim is thus to reach a level where there is a disincentive for the partner firm to look elsewhere for cooperation. The level of support and commitment is determined by factors such as trust, resources, structure, prior ties, reputation and legitimacy. Trust resides both on an interorganizational and interpersonal level, and will reduce risks and improve tacit knowledge sharing. In terms of resources, organization members use their interpersonal ties to acquire these as well as capabilities within areas such as legal authority, funding, support services and general experience. Regarding structure, a central position in the network is beneficial because it gives better access to information about partners. Pieters, Knoben and Pouwels (2012) moreover argue that a higher number of ties is positively correlated with commercial performance. A central network position will also lead to a strong reputation, which is used to build goodwill and image that could be a foundation for a competitive advantage. The ties are also used to gain information at an early stage, which would have been delayed without the ties. Lastly, building legitimacy through adapting to rules, norms and cultural values will enhance the level of commitment and support due to the relatability that exists between firms. Mackellar (2006), for example, showed that social capital between event organizations increased access to knowledge and information, improved entrepreneurial activity, increased cooperation, resource sharing, and innovation. The strong development of social capital in his study also showed a clear increase of resource

sharing. This integration in the local event community is explained by Ziakas (2014) as a strong facilitator for efficiency in most aspects of the organization of an event as it can provide the firm with several advantageous relationships.

Sporting events use formal networks to create value and this can be especially important for smaller events (Prebensen, 2012). The use of these networks makes it easier to promote the sport and attract publicity needed to create a profitable brand. These firms can also benefit from knowledge such as how to organize the event in a specific location or how to motivate volunteers. However, in relation to knowledge it is vital to create a win-win situation so that one part does not feel that it is losing, and hence all stakeholders in a network should be part of discussions.

In general, the research on this topic is, surprisingly, rather slim and Getz (2010; 2007) expresses the need for this topic to be thoroughly researched. Currently there are very few articles that address the topic and those that exist, such as Ziakas (2014), do not address the issue explicitly but do conclude that the value of network ties and social capital have a clear impact on the organization and performance of the events. In Ziakas (2014) it becomes clear that the literature on social capital for managerial purposes in the event industry is slim as he basically only refers to his earlier study, Ziakas and Costa (2010), and the general social network and social capital literature. In respect to social capital in internationalizing born-globals in the event industry the theory is virtually non-existent and this thesis aims at contributing to the theory.

3. METHODOLOGICAL FRAMEWORK

In this chapter we present how our case study is constructed and the methods we have used, and why, in the different stages of the research process. Through an understanding of the methods used the reader will be better able to follow the following chapters.

3.1. Research approach

In this thesis our purpose is to explain how social connections and networks are utilized within different levels at an international event firm and its event partners to secure information about local preferences as well as to get access to suppliers and sponsors. As we are interested in the respondents' view of their approach to social capital, through their connections and networks, and their own perceptions of how they use it, we have chosen a qualitative approach since it primarily emphasizes words and subjective views rather than quantification of data and numbers (Bryman and Bell, 2007). Thus, the qualitative approach makes it possible to analyze the findings in a pragmatic, interpretative manner, which we find advantageous in this research (Marshall and Rossman, 2006). Further, in qualitative research, people can express their opinions much freer and deeper than they can in e.g. questionnaires (Yin, 2011), and this is an aspect that will contribute to an in depth understanding of CMR's work with social connections and networks. As stated by Getz (2010), the issue of how social capital is utilized by the event industry's actors is an unexplored area and a qualitative study is advantageous when little previous research exists.

Our study is conducted using an inductive approach as we have focused our analysis on discovering patterns and themes in the data instead of analyzing it from an initially stated analytical framework (Marshall and Rossman, 2006). For our analysis of how an event firm utilizes social networks at different levels, discovering patterns on how this is utilized felt more relevant than trying to fit it into an existing analytical framework. The reasoning behind the usage of an inductive approach is that in social science, an explanation of a phenomenon that is not based on observation and experience can often be considered useless, thus it is better to go from data to theory than the other way around, which we have done as we have aimed to make a theoretical contribution (Gill and Johnson, 2002). However, the process was not completely inductive as we went back and forth between data and theory, reflecting around the collected

material (Bryman and Bell, 2007). In reality this meant that we initially stated a part of the theory and then worked out the theory after consideration to the empirical findings.

3.2. Research design

3.2.1. Case study

For this paper we have utilized a case study approach, a research strategy that is efficient to use for the understanding of the dynamics within a single setting (Eisenhardt, 1989; Eisenhardt and Graebner, 2007). The case study approach is preferred as we researched a contemporary phenomenon in its real life context over which we, as researchers, have very little influence (Yin, 2003). According to Eisenhardt (1989) the case study approach is especially good when little is known about a phenomenon, as is the case for our research, and Chetty (1996) further elaborates that case studies are useful for "how" and "why" questions which is particularly useful when researching an unexplored field. This is coherent with Yin's (2003) view that through the case study approach the researchers "retain the holistic and meaningful characteristics of real-life events, such as [...] organizational and managerial processes, [...] international relations..." (3). As the research topic in this paper is a hard-to-grasp issue the case study design was the best suited as it makes room for complexity and diversity (Eriksson and Kovalainen, 2004).

As our purpose is to get insights to a relatively unexplored area, we have chosen to do an exploratory case study. The exploratory case study is used to investigate phenomenon that have not been studied before or where very few studies exist, and the aim is to look for patterns (Collis and Hussey 2009; Marshall and Rossman, 2006). Thus, the objective is to gain insights in the subject that can contribute with guidance for future research, rather than conclusive evidence that states what direction to take (Zikmund et al., 2013). The reason why a smaller number of cases is preferred is because it gives a possibility to investigate these cases deeper and increase the width in the analysis compared to a large sample selection that would have to work with a thinner set of empirical data and therefore a more determined definition, which is not suitable for an exploratory study (Gerring, 2007).

A case study is further beneficial for other uses such as to motivate a research question, give inspiration for new ideas and to illustrate a concept (Siggelkow, 2007). In our case, we believe the lack of theory in this particular area is a motivation for our research question and as the

theory is deficient, the case study serves well as an inspiration for future research. In addition, our study illustrates what social connections are and how they are used and this concretization might facilitate further research.

3.2.2. Case study design

The case study was conducted in an intensive way where focus lies on interpretation and understanding of a particular case (Stoecker, 1991). Hence, the aim was to "understand and explore the case from 'the inside' and develop understanding from the perspectives of the people involved in the case" (Eriksson and Kovalainen, 2004: 119).

One of the first steps in the process of designing a case study is to decide whether to use a single- or multiple-case design. Yin (2003) asserts that, when possible, a multiple-case study design is always preferable since it provides the study with an increased analytical strength and generalizability. As we had multiple cases to our disposal and the resources, such as time and capital, to handle this amount of data and extensive research, we chose to conduct a multiple-case study. This multiple-case study will further be an embedded case study as we focused our investigation on specific parts and persons within the organization and not just the organization as a whole (Yin 2003). A multiple-case study improves theory building, and even though we do not aim at constructing a theory, comparisons are relevant for contributions to an emerging theory (Bryman and Bell, 2007).

When conducting a multiple-case study, Yin (2003) states that a "replication" logic should be followed, meaning that the goal with each case is to replicate the same research in a new setting. The aim of replication is to strengthen the cases either through similar results or contrasting results that have been predicted before the investigation through the understanding of theoretical or practical implications for that case. In order to carry out a proper replicative multiple-case study the research needs a strong theoretical foundation, which is generated in the theoretical framework, which was constructed through continuous interplay with the empirical data collection. This theoretical foundation should state what is likely to be found from the multiple-case study. In our case, this meant that the individual cases were analyzed against the same theoretical framework before the cross-case analysis was conducted, ensuring a strong

replication. Thus the research process was initiated with the creation of a theoretical framework as a facilitator for the case selection and design of data collection protocol (Yin, 2003).

As previously discussed, a challenge in this type of case study is to relate the empirical findings with theoretical concepts, and to overcome this challenge we formed the theory in relation to the data collection process and the empirical findings this yielded. By jointly conducting data collection and analysis we gained a head start with the analysis and it allowed us to be more flexible with the data collection, since a continuous evaluation of the data situation and potential conclusion will enhance the research process (Eisenhardt, 1989).

3.2.3. Case selection

Eisenhardt (1989) points out that in the case selection process it is important to choose cases that are relevant to the research, hence a case should be chosen based on relevant theory and not randomly, and this increases the chances for the research to replicate or expand the emergent theory. The chosen company, CMR, is an internationalizing born-global in the event industry that has already executed events in several countries. These events are spread out on four different continents, North America, Asia, Australia, and Europe. The type of firm and industry clearly fit our criterions and the geographic spread makes a multiple-case study favorable to conduct where we can make comparisons and further strengthen our findings that will contribute to future research.

Another reason why CMR fits the study well is because of its structure. The events are based on a franchise model where franchisees are appointed to be responsible for a number of events. These franchisees earn the right to put on events in a particular country and in this process of organizing events they generally contact local event planners to help them with the event. The structure means that we were able to investigate our research question from a number of different levels such as the HQ, the franchisees and the local event firm, which add depth to the study.

Our case selection is a combination of Gerring's (2007) diverse and deviant techniques where the former is related to the diversity of levels (i.e. HQ, franchisees and local event companies/local race directors), which makes it possible for us to achieve a high variance and consequently a higher representativeness. The latter is connected to the different countries we have chosen which could be seen as very different in many aspects (language, culture, income etc.) and hence

represents a deviance. This further enhances the representativeness and is useful when conducting an exploratory research as it provides information about many different places. In addition it is worth noting that the choice of cases to some extent has been done in accordance with what Patton (2002) calls convenience selection where those cases easiest to access have been included. For example, during the time of our research events were taking place in Mexico and Australia, and the planning process for Korea was proceeding. Hence, people working in these locations or with these events were updated on the proceedings and could supply us with a rich description of their experiences and thoughts.

3.3. Data collection

3.3.1. Primary data

The primary data were obtained through interviews as this provided us with a deeper understanding of how social networks and social capital are utilized by different persons in different situations, and as stated by Yin (2003: 92): "interviews are an essential source of case study information". Observation was also used as primary data in one of the events as we had the opportunity to be in the location at the time of the event.

3.3.1.1. Designing interviews

When choosing the interview method, consideration was taken into account whether to use a structured or a qualitative approach. However, because a structured approach tends to rely too much on a manuscript and is thus more suitable for a quantitative approach such as surveys, and a qualitative approach without a manuscript would have lacked the needed focus, we decided to choose an interview method in between where the interview was more of a discussion (Yin, 2011). Yin (2003) describes this semi-structured approach as a focused interview and we used a pre-made questionnaire as a base but we were also flexible with follow-up questions and in what order to do the questions that facilitated the discussion. The interview method led to a deeper level in the responses as the respondents were able to continue on in certain areas and hence these focused interviews provided us with more information.

3.3.1.2. Choosing respondents

The interviewees were partly chosen by the company's CEO and partly by the franchisees that were responsible for the respective countries. The CEO presented us with the names of the

franchisee responsible for Scandinavia, France, Korea and Japan, the franchisee responsible for Mexico and the franchisee responsible for Australia. The franchisees in their turn introduced us to the local event planners in these countries. The chosen interviewees (see Table 3.1.) all have vital roles in the respective organizations and are moreover particularly involved in the studied events, which make them suitable for our research.

Company	Respondents	Interview method	Date	Place
CMR Red	Dustin Butcher *Franchisee owner*	Face-to-face	March 16, 2014	Guadalajara, Mexico
CMR Blue	Shane Crandall *Franchisee owner*	Skype	March 27, 2014	Gothenburg, Sweden
CMR Yellow	Rob Caponga *Franchisee owner*	Skype	May 16, 2014	Gothenburg, Sweden
CMR HQ	Scott Crandall *CEO*	E-mail	May 5, 2014	N/A
Creativos	Roberto Palacios *CEO*	Face-to-face	March 16, 2014	Guadalajara, Mexico
CMR Korea	Sarah Oh *Race Director*	Skype	April 3, 2014	Gothenburg, Sweden
CMR Japan	Johanna Tilly *Point person*	Skype	May 5, 2014	Gothenburg, Sweden

TABLE 3.1. LIST OF RESPONDENTS

3.3.1.3. Interview process

Some of the interviews were conducted face-to-face in Guadalajara, Mexico where one of the events took place at the time of the interview, and some of the interviews were conducted over Skype due to geographical constraints. The interviews were conducted by both authors where one was leading the discussion and the other one came with inputs when needed. During the interviews, we took notes and also recorded the interviews in order to be able to reproduce the respondents' words and opinions in the most accurate way. The interviews lasted between 35 and 55 minutes depending on the amount of information that the respondent had as well as other factors such as how many countries the franchisee was responsible for. In addition to the

interviews over Skype, we used e-mail correspondence with the CEO as some of these questions were more related to the structure of the firm and historical data about the company, and written explanations served better to illustrate these aspects.

After the Skype interviews were conducted, follow-up questions were sent by e-mail to receive clarification of unclear answers or to add valuable information that was missing in the interview. In addition, as the research progressed, these follow-up questions also made it possible for us to cover issues that had been neglected in the interviews but considered important for our research later on.

3.3.1.4. Observation

Since we had the possibility to attend the event in Mexico, we could observe several parts of the process and in that way enhance our understanding when conducting the interviews later and visualize the respondents' answers. We were able to observe the registration the day before, the construction of the event venue in the morning before the event and then also attend the actual event. The observations we were able to do was not limited to an understanding of the event as we also could see the interaction between the franchisee and the local event company as well as the interplay between the local event company and the suppliers and sponsors.

3.4. Data analysis

The collected empirical material was first reduced to a more manageable size where irrelevant information was left outside the study. In order to be able to know what would be considered irrelevant, we spent a considerable amount of time reflecting over the findings in relation to our research question and theory, both during the interviews and the transcription of them as well as during the writing process of the empirical findings chapter. This process also gave us the possibility to organize the data and immerse deeper into the findings.

With the purpose of the study in mind, the empirical findings were initially analyzed by conducting a within-case analysis, meaning that the data was analyzed successively on a case-to-case basis (Eisenhardt, 1989). A within-case analysis makes it easier for the reader to follow the way conclusions are drawn since every case is being analyzed individually and separately. In the within-case analysis, we used an approach of generating categories and themes in order to form our analysis (Marshall and Rossman, 2006). During this process, we identified the following

categories from the empirical findings in reflection to the theory: social network ties, network position, the value of social capital, risks, and social media. This process is also in line with the strategy of relying on theoretical propositions (Yin, 2003) as these categories are related to the research question and the theory. In addition, this strategy helped us exclude irrelevant data when we compared it to our theoretical orientation.

After the within-case analyses were conducted, the cases were compared to each other and in this phase differences and similarities were identified (Eriksson and Kovalainen, 2004). The identified categories and themes were put in relation to each other and patterns of relationships were discovered (as well as deviations from the pattern). This process of identifying relationships is further encouraged by Wolcott (1994) who argues that these observations will enhance one's understanding beyond the subject. Throughout the analysis phase, the findings were interpreted in order to make us able to grasp the meaning of the respondents' answers and consequently the analyzed categories. As the subject of especially social capital is ambiguous, interpretation was necessary in making sense of all the collected empirical findings and Spiggle (1994) states that interpretation is important to understand the perspectives of those studied. During the whole process, our analytical focus was on all the different levels within the organization as it made it possible for us to answer our research question and draw general conclusions.

In order to make sure that the analysis was of high quality, we followed Yin's (2003) four principles. These involved paying attention to all evidence and not only those we were looking for or those that supported our assumptions; addressing rival interpretations, i.e. we made sure to follow up on alternative interpretations of the findings; a focus on the most significant aspect of the case study which was the posed research question; and using our prior knowledge in the case study which in reality meant that we had our earlier studies and skills when assessing the case.

3.5. Reliability and validity

The focus when increasing the reliability of a study is to ensure that the results are repeatable, thus it concerns whether or not the findings are trustworthy and replicable. However, under phenomenological paradigms such as qualitative case studies the importance of reliability is often played down since the case only represents one setting in which several conditions change over time (Collis and Hussey, 2003). The critical aspect in ensuring a high reliability of our

findings is to be consistent in our analysis and structure it in a proper way so that the conclusions and how these were reached are clearly explained and easy to follow, i.e. a focus on transparency and replication (Gibbert et al., 2008).

The fact that we are two authors producing this paper is advantageous as it enhances creative potential, widens the knowledge base, enriches insights, increases the confidence of the findings, and increases the observational capacity and information gathering capacity on the field (Eisenhardt, 1989). In qualitative research the understanding of what is observed and said in interviews are subject to interpretation, due to this the reliability increases with more observers and interviewers as these agree upon the interpretation (Bryman & Bell, 2003).

The question of validity concerns the conclusions' integrity, which means that the conclusions should be well connected to and valid from the research conducted. This further implies that we need to show that we are observing what we have stated as the aim to observe in this thesis. To achieve this, we conducted within-case and a cross-case analysis to ensure that the process of drawing conclusions is easy to follow and understandable within the thesis. Internal validity refers to the relationships between variables and results, and here emphasis lies on how the reasoning is defended (Gibbert et al., 2008). During the process, we worked closely and on a deep level with the subject over a long period of time, hence, the internal validity should be seen as high since we had the possibility to go back and forth between theory and findings and provide causal arguments. We also triangulated our findings in the case of Mexico where observation of the event (both during the construction of the event area and the actual event) in addition to interviews increased our understanding, making the internal validity stronger (Eriksson and Kovalainen, 2004). According to Gerring (2007), the strength of qualitative case studies compared to quantitative studies is its high internal validity.

The external validity of qualitative research is often fairly low as the research is deep within one setting in a particular context and at a specific point in time, and it is therefore difficult to generalize the findings and make them applicable to other settings (Yin, 2003). However, our research covers a phenomenon that is faced within the whole industry, thus the findings of our research will provide an indication of how the studied subject works within the industry as a whole. As for now, our findings may not be applied to the industry as a whole but our research

will provide an initial understanding of this phenomenon for the industry. This could further be utilized as a point of reference or comparison for future studies (Bryman & Bell, 2003). In addition, the theory of social networks and social capital is well established and well accepted by the academic society and thus future research within the field will, most likely, be based on the same theoretical foundation which means the study will be replicated and possibly achieve a higher external validity in the future (Yin, 2003).

It is furthermore important to understand the difference between analytical generalization and statistical generalization (i.e. generalization based on interpretation compared to generalization based on statistical data) (Yin, 2003). According to Eisenhardt (1989), four to ten observations serve as a good basis for analytical generalization and a starting point for theory development, or in our case, theory contribution.

3.6. Ethical considerations

The ethical aspects that need to be considered in research come from the ambition to establish a proper balance between the thirst for knowledge and the integrity of the research objects. According to Vetenskapsrådet (2011) it is important to not let knowledge creation take the overhand and that a win/loss calculation must be considered when the research negatively affects the objects/units of research or other indirectly affected by the research. For our research there are a number of ethical aspects to consider during the research process. First of all, the respondents need to be aware of their part in the research and what the purpose of the study is (Vetenskapsrådet, 2002). As we have conducted a case study with interviews, the behavior towards respondents is highly relevant. According to Vetenskapsrådet (2011), the interview process requires the interviewers to consider shielding the identity of the respondents to that extent they require to be anonymous. If they choose to disclose information, it is important to have their approval when including information that may be sensitive (Vetenskapsrådet, 2002). Further, during interviews, it is important to always ask for consent when recording the respondents' answers. In our case, the researched company has given us its consent to fully disclose their names and partners of collaboration and hence we have chosen to use that information, as it will greatly enhance the contribution of the study. Nonetheless, before we publish our study, we will once again send a copy of the paper to the company and give it the

opportunity to find sensitive information that it might want to conceal, in accordance with Vetenskapsrådet's (2002) ethical principles.

For the observation process, Vetenskapsrådet (2011) state that it is clearly advantageous, from an ethical standpoint, to conduct the observation with the consent of the unit being observed rather than a concealed observation where consent is asked for after the observation, as concealed observations faces several ethical issues. To avoid the ethical issues posed by concealed observations we have conducted our observations with the consent of the units and persons being observed, these have also known the purpose of our study and what aspects that would be researched and analyzed.

To publish the study is considered to be an obligation for the researchers as it otherwise would not contribute to the field and thus the publication of research has been enlightened as a fundamental aspect of academic research (Vetenskapsrådet, 2011). In the publication of the study, consideration needs to be taken concerning a few issues (Vetenskapsrådet, 2011). First, the study should be published, as the purpose is to enlighten and make it possible for others to elaborate on the findings. In addition, withdrawing a study only because the findings were not as expected or anticipated will have implications for future research (i.e. the "truth" about something should not be hidden just because one would want the opposite to be true). Second, during the publication the financial supporters of the study must be highlighted. For example, a company supporting a study may have reasons to make the research suit its agenda. We did not receive any funds from the case company and because of that we did not have any incentives to skew our results. We did receive a scholarship from Elof Hansson to do field research but as the firm is not involved with our case company in any way the grant has not affected our study.

3.7. Research quality

An important aspect in achieving a high quality in the research is to emphasize what Edmondson and McManus (2007) label methodological fit, i.e. "the internal consistency among elements of a research projects" (1155). As our research can be described as nascent in the field, the authors suggest that the research question should be an open ended inquiry conducted through a qualitative study using interviews where the goal is to identify patterns and then analyzed through a thematic approach. The findings should then be a suggestion for theory or as they put it

"an invitation for further work on the issue" (1160). This framework fits our study extremely well and should serve as a confirmation that our research is of high quality. These suggestions for how to conduct research in a new area have further been described by Eisenhardt (1989) and Yin (2003) above.

Conversely, there are limitations that need to be considered. Triangulation is a method that is used to strengthen internal validity (Yin, 2003) and since we only had to possibility to visit one of the events, we were only able to triangulate our findings with observation, in addition to interviews, in Mexico. The events are conducted in a similar way in all locations but it is still worth noting that some useful insights may have been neglected as we were not able to observe aspects like the participants' experience or how smooth the construction of the event area was, which could have increased our understanding, especially about the success of the event or the organizer's social connections as they engaged with their sponsors and suppliers.

Vetenskapsrådet (2011) emphasizes that a critical view is taken in order to identify potential bias or other forms of incorrect views stated by the respondents. These aspects have clearly been considered in our research through case comparisons and follow-up questions and hence we believe that we have been able to reduce these problems. In addition, the authors assert that it is necessary to do a thorough work with the method and theory as this makes it possible for other researchers to control the results and judge the quality. Since we have chosen some of the most cited works in the field and well-known concepts, the quality of our study is strengthened.

The case study approach has seen some critique such as lack of generalizability, a biased case selection and weak empirical contribution (Gerring, 2007; Flyvbjerg, 2006). However, our study aims at contributing to theory using a specific case in an unexplored area rather than to present a generalized finding. This aspect is also a reason why we believe that the empirical contribution will be of value as the characteristics of the case is so unique, and this is further emphasized by Siggelkow (2007) who states that: "it is often desirable to choose a particular organization precisely because it is very special in the sense of allowing one to gain certain insights that other organizations would not be able to provide" (20). The aspect of a biased case selection is challenged by Flyvbjerg (2006) who argues that quantitative methods also involve subjectivity in e.g. choosing categories and variables in questionnaires and due to the large selection these

mistakes are often difficult to detect. When conducting a case study, the researcher comes much closer to the subject and should therefore be better suited to spot potential bias. Thus, we believe our choice of using a case study should enhance the research quality.

4. EMPIRICAL FINDINGS

This chapter presents the collected empirical data for our research. Here, the case company and its work will be explained through the lens of social connections, networks and capital at all the different levels of the company.

4.1. Franchise owner – Scott Crandall

Mr. Scott Crandall is one of the three founding partners of CMR and as an owner of CMR he will represent the top management and HQ in this study. For the international operations, Mr. Scott Crandall and HQ work towards facilitating commu-nication between the franchisees and to coach them where it is necessary. Mr. Scott Crandall has previous experience from international operations as he
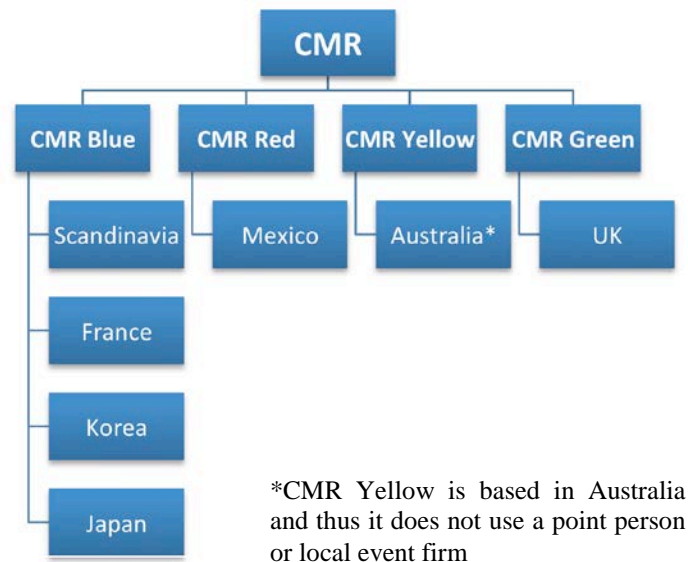
*CMR Yellow is based in Australia and thus it does not use a point person or local event firm

FIGURE 4.1. ORGANIZATIONAL CHART

has worked for Bain and Company, a consultancy firm, in USA, UK, and India. He has also traveled extensively during his leisure time and has volunteered in Peru for two years. For CMR's international operations there are currently four different franchisees of which one has a global reach and the other three currently only comprise one foreign market each.

How the franchisees were located

CMR has not actively recruited the international franchisees; it has instead been approached by potential franchisees that have wanted to bring the CMR concept to new markets. For CMR the franchisees have come through their contacts, word-of-mouth, or from the existing domestic franchisees' contacts. When CMR assesses a potential franchisee it looks at the financial strength, it is important that CMR knows that the franchisee have the capital to successfully put on races and be able to take a loss for the first couple of events. It also takes into account the franchisee's understanding of the brand and searches for a proven ability of managing events and

the marketing for these. Due to these operational requirements the majority of the international franchisees have been involved in domestic operations before venturing out on the international scene.

Franchisee CMR Red - Dustin Butcher

CMR Red is one of the most recent international franchisees, but was a domestic franchisee before stretching out internationally. Mr. Butcher did not have a direct connection with any of the founding partners but his sister already worked within the firm and together they decided to start a new franchisee. After having executed a couple of races domestically CMR Red saw potential in Mexico and approached the owners with the idea, which gave CMR Red the franchise rights for Mexico. Internationally, CMR Red is only present in Mexico at the moment.

Franchisee CMR Blue - Shane Crandall

CMR Blue was the first international franchisee and thus executed the first international venture for CMR. The persons running CMR Blue were previous college friends of the founding partners at CMR and in addition one of the partners for the franchisee was the brother of Mr. Scott Crandall. This is a franchisee that has grown from a domestic franchisee to an international franchisee; hence, it was not recruited specifically for international operations. Today, CMR Blue is present in Scandinavia, France, Japan, and Korea on the international scene.

Franchisee CMR Yellow - Rob Caponga

CMR Yellow was not a domestic franchisee before it became an international franchisee with its operations in Australia. However, CMR Yellow has been involved with CMR as a domestic vendor before approaching as a potential international franchisee. CMR Yellow is currently only present in Australia but also owns the rights for New Zealand.

Franchisee CMR Green - Tim Knapp

CMR Green was, just like CMR Yellow, not a domestic franchisee before it established its international franchise in the UK. The two persons that own CMR Green does not have any previous experience from CMR but are old college friends with the founding partners, so they had a previous relationship but not through CMR. CMR Green is currently only present in the UK.

To provide the franchisees with all the necessary skills to successfully execute an event, CMR HQ puts the international franchisees through the same training as it does with its domestic franchisees. This training is conducted at CMR HQ in Utah and lasts for about two days. After this training they attend 2-3 races where they learn all the practical skills needed, such as logistics planning, and gain a deeper understanding on what is required to pull the event off.

To continue the training and to facilitate communication between the franchisees, CMR has two monthly meetings involving all international franchisees: one specifically for marketing aspects and one more comprehensive meeting. During these meetings best practices are shared, new concepts discussed, and new knowledge gained in different markets shared. These meetings are the base from which CMR, as a franchiser, keeps up to date on what is happening at the international franchisees. However, communication is regarded as a part of the daily work at HQ, and with three out of four franchisees located in Utah this interaction becomes natural. Mr. Scott Crandall explains it in the following words: "We are in touch with them [the franchisees] almost on a daily basis as we see it as a collaborative relationship". In addition to this CMR HQ has stated that it is available to the franchisees for a meeting within 24 hours of a request. CMR HQ is in close contact with the franchisees but it is not actively involved in the operations of the international franchisees, the only thing it does is to pass along contact information to the international franchisees.

For Mr. Scott Crandall it is important that the franchisees prove themselves capable in order for him to trust them. The franchisees that are good in their communication, able to plan their events properly, good with marketing, in time with payments, and have an ability to generate new ideas and innovations are considered to be a very good franchisee. On the other hand, not all franchisees are considered to be good as some just do not put in the effort needed to pull off a successful event, as they just want to earn quick and easy money.

CMR is connected in the industry through several personal contacts but not through any structured professional networks. The industry network it is connected to is a highly informal network but meets a couple of times a year and discusses industry trends and what the different persons see in their operations etc.

4.2. Franchisee CMR Red – Dustin Butcher

The franchisee with responsibility for Mexico is Mr. Dustin Butcher and he became part of CMR a few years ago through the collaboration with his sister. She had been working for many years within the event industry as an organizer of half-time shows in ball games and was first approach by another franchisee in CMR to be its race director, and after working as a race director for a while she decided to approach CMR as a new potential franchisee together with her brother Mr. Butcher. Mr. Butcher has a background from marketing and has been working for international companies before as responsible for advertising in the Japanese market for an American backpacking company and also as responsible for translating the advertising to fit the American market for a French climbing company. During the last two years, CMR Red has been putting on a number of events all over the US.

CMR Red decided in early 2013 that they wanted to do events in Mexico and in March 2014 the first event took place in Guadalajara. Because CMR Red did not have any connections in the country, it reached out to a number of companies and individuals, mainly through social media and the brand's Facebook page. Through the Facebook page CMR Red was approached by a Mexican event company called Creativos that was aware of the latest industry trends and had a person specifically looking for these types of events. The companies eventually partnered in July 2013 after some time of discussions that went back and forth in order to find out whether or not it would be a good fit for both companies. The reasons why CMR Red eventually chose to go with Creativos were mainly the company's experience and social connections that would help CMR Red put on successful events in Mexico. For example, one of the latest events that Creativos had been involved in was a big dirt bike competition where Red Bull was a major sponsor and since CMR itself often partners with Red Bull in its US events it realized that these guys were capable in putting on big events with the scale CMR wants. CMR Red was also in contact with a smaller firm initially but it only had experience with smaller events and did not have the same necessary connections.

The companies do weekly video calls on Mondays and have a lot of e-mail contact where CMR Red can make sure that Creativos follow the schedule and has control over the venue, the registration and similar. Early on during the partnership, Creativos top people were invited to CMR Red's race in Wilmington in October 2013 in order to demonstrate to Creativos what an

event is and to show the organization leading up a race. Conversely, Mr. Butcher and his partners have either been, or will go, to all cities in Mexico where the events will take place to find and look at the venues and meet people that are responsible in any way for the event. The chosen cities were a result of the collaboration between the partners where CMR Red had its initial list but where Creativos stepped in and altered the list due to its knowledge about the cities, such as which of them it would be too dangerous to host an event. Creativos was further able to include other cities that were deemed too small by CMR Red but according to Creativos had a large population of the targeted demography. The plan is to visit all the events and successively give more and more responsibility to Creativos in the organization and preparation of the event as it learns how it is done.

As mentioned above, an important part of the advertising is through Facebook and other social media, and here CMR had an advantage in the case of Mexico. The person responsible for advertising on social media in CMR is fluent in Spanish and was hence able to communicate with the target group initially before Creativos could take over. Marketing is mainly standardized but as the language is different in Mexico and many do not speak English, some parts are done locally and for this cooperation the language connection between the marketing person in the US and the marketing woman in Mexico initially facilitated operations until all the work was taken over by the Mexican woman.

4.2.1. Mexico – Creativos

Creativos is a Mexican event company that has more than six years of experience producing sports events and is based in Guadalajara, Mexico. The CEO is Mr. Roberto Palacios and he is one of the founders of Creativos and has been involved in the firm ever since. As mentioned above, Creativos has a vast array of connections that are valuable for CMR Red. When discussing the events with Mr. Butcher and Mr. Palacios, it became clear that Creativos was in charge of recruiting sponsors, helping CMR Red with local rules and preferences, volunteers, and contacts in other cities where Creativos will not be the primary organizer.

In the case of the Guadalajara race, the first in Mexico, a number of other firms were involved such as six sponsors and around twelve suppliers. All the sponsors were recruited by Creativos through the company's connections and Mr. Palacios emphasized that he had known, and the

firm had collaborated with, the sponsors for a minimum of two years. These relationships were important to Creativos as he felt safe that the sponsors would be able to respond quickly to changes and deliver what they promised as new firms would have fewer incentives to go the extra mile if needed.

The upcoming event in Veracruz is of interest, as it will be organized differently than the event in Guadalajara. In Veracruz, the Central American and Caribbean Games will take place later this year and these games are referred to, by Mr. Palacios, as the Latin American Olympics. Because of this event, a governmental branch in the city wanted to use the CMR event as a promoter and will as a result help organizing the event. In this case, Creativos will not be responsible for the recruitment of sponsors, volunteers or similar stakeholders, as the local government will handle this. However, Creativos helped CMR Red get in contact with the local government in the first place and acted as a bridge between the actors. It also went together with CMR Red to Veracruz for inspection of the venue that also gave them a chance to introduce Mr. Butcher and his partners to the responsible people in the city.

In Guadalajara, the visible sponsors in the event area that also acted as suppliers of drinks and bars to the event were Electrolyt, Granvita, and Red Bull. As described above, Red Bull is a commonly used sponsor for CMR's events in the US and Canada but the Mexican branch of Red Bull has also been working together with Creativos a number of times where some of these events have been of the larger scale such as the dirt bike competition. Electrolyt is a company that produces sport drinks with electrolytes and is quite popular in Mexico according to Mr. Palacios. In addition, Mazda could perhaps be described as the most prominent sponsor in the event as it provided CMR Red with facilities for registration the day before where sales of additional products and preparation of gift bags also took place. In the US, the primary automotive sponsor is usually Smart but due to Creativos connections with Mazda as well as the company's own desire to take part, it became the primary sponsor. As well as hosting the registration, the company also engaged in the event and used one of its cars as the pace car that later parked in the finish area (then covered in color). In the finish area, there was a stage with both a DJ (Disc Jockey) and an MC (Master of Ceremonies) that before and after the race entertained the participants. The person responsible in the stage and sound company was a personal friend to Mr. Palacios and they had been working together before.

The volunteers were from Imagina, which is a charity organization that is present in all of Mexico. The volunteers helped out with registration, sales, color bombing and assembly of all the material such as inflatable signs, flags, tents and barricades. Overall, the event worked well according to both Mr. Butcher and Mr. Palacios, pointing at the reactions on social media as well as their own experiences.

4.3. Franchisee CMR Blue – Shane Crandall

CMR Blue is the largest international franchisee of Color Me Rad and it was the first to bring CMR's concept abroad. CMR Blue owns the rights for six races in the US and seven in Canada, and on the international scene it owns the franchise rights to Korea, Taiwan, Japan, France, Belgium, Spain, Italy and Scandinavia. However, CMR Blue has not executed events in all of these markets to this date.

CMR is currently the second largest race series in the world, after "The Color Run", and has an immense exposure on Facebook. This exposure on Facebook constantly pulls CMR further onto the international scene as it is contacted by new firms from across the globe on a regular basis concerning potential partnerships, supplier relationships etc. Concerning competition on an international level there is pretty much only "The Color Run". Mr. Shane Crandall states that CMR Blue works on becoming the "premier brand" in every market that CMR Blue enters and it works hard to avoid becoming the "store brand". In his view, the first mover advantage in the fun-run industry is extremely important and is often what decides if the firm becomes the premier brand or the store brand. This fact has steered CMR's internationalization process as Mr. Shane Crandall does not want to come second to "The Color Run" in any city, and as a result this has excluded some countries in total and in other countries it has meant that Mr. Shane Crandall redirects focus towards other locations. In those markets where CMR executed its event first, such as Korea, the competitors have had severe difficulties of executing successful events. The main resource that these firms compete with, and what provides them with international reach, is followers of their Facebook pages. Large amount of followers on Facebook is a strong resource in this industry as it provides reach and exposure to both potential collaborative partners and to the potential customers.

To find suitable partner firms in foreign markets, CMR Blue has combined different methods and has adapted its methods to the resources available for the different markets. The strategy that CMR Blue follows today is to always enter a new market with a local event firm as a partner or collaborator. The reason for always partnering with local firms is that these have the experience of arranging events in that market and from this also the contacts to make it happen much faster and more efficient than if conducted from the US.

For the internationalization, Mr. Shane Crandall has made extensive use of his various networks to reap various advantages, especially the Mormon network (he is from the state of Utah in the US which has a big Mormon population). The Mormons go on missions, himself included, that cover large parts of the world, and many of them end up in Brigham Young University in Provo, Utah. This has created a vast network there with connections spreading across the globe. This Mormon network is something that has been "very very valuable" to Mr. Shane Crandall. He has also conducted an internship at the US embassy in Madrid, Spain and has traveled extensively on his spare time as well, which have made him comfortable to operate internationally.

Mr. Shane Crandall's prime tools for communication are Skype and e-mail. The traveling to the different countries is kept to a minimum and if he can solve something through other methods than to physically be there he will. An example of this is the course lay-out that needs to be approved by him; instead of going to the location he has improvised and solved it through having a local person making a video of the course and through looking at Google maps. This way has not solved the issue each time but those times it has it has saved him both capital and time. However, for the races he always attends to show how it is executed and to steer the event in the right direction. For the first event in Korea, Mr. Shane Crandall spent the whole month in Korea before the event just to ensure that everything was done correctly and met his standards.

The coordination of all the different countries that CMR Blue is in charge of has been directed through the franchisee and there has been a very low level of communication of any kind between the individual countries. There is only one aspect where the different units communicate with low involvement of CMR Blue and that is to sell and buy excess inventory. In Asia there have been some small efforts to initiate communication and cooperation between the different countries. Taiwan was initially planned to become the regional HQ for CMR (or CMR Blue in

reality) however this thought quickly went down the drain as the relationship with the Taiwanese firm did not work out as planned and has even reached the point where CMR Blue now considers terminating the partnership. The communication has instead been from Korea, which has tried to support Japan with cultural adaptation tips, overall coaching, and also tried to aid Taiwan with sponsors but unsuccessfully. However, this increased emphasis on Korea does not mean that it plans a regional HQ there.

4.3.1. Case: Korea

Korea was CMR's first international venture outside its home market in North America (USA and Canada). This venture was initiated by Mr. Shane Crandall and has been executed in cooperation with Ms. Sarah Oh as the local point person (which we define as CMR's primary contact in a market). The empirical data for the Korean case will be presented from two viewpoints in order to grasp the full complexity of the case and these are the viewpoints of Mr. Shane Crandall and Ms. Oh.

4.3.1.1. CMR Blue – Shane Crandall

For the expansion to Korea Mr. Shane Crandall did not have any previous personal experience from Korea and was therefore in need of local expertise. To gain local know-how he initiated the process by contacting a person through the Mormon network, Ms. Oh, to help out with some initial issues. This contact was established through another person from CMR's HQ who recommended Ms. Oh as a good point person. Ms. Oh, who has dual citizenship, Korean and American, studied for a few years at Brigham Young University and there she met the person who recommended her to Mr. Shane Crandall. Mr. Shane Crandall also had a friend who served a mission for the Mormon Church in Korea who had met Ms. Oh in Korea as well so he had multiple contacts leading to Ms. Oh before the establishment of a business relationship.

CMR Blue first hired Ms. Oh on a part-time basis to find venues and collaborative partners for the franchisee, but during these assignments she proved herself highly valuable to the firm and CMR Blue chose to expand the relationship to a full-time basis with her as the lead in Korea. Even though Ms. Oh proved a strong resource, CMR Blue still felt the need to collaborate with an event firm. The event firm that CMR Blue cooperates with today was found through Ms. Oh's connections in Korea and is called JW&Co. Mr. Shane Crandall feels reassured to have a

professional event firm in the country that is used to working with arranging events as it lowers his franchisee's workload by being able to "piggyback" on its large organization (further elaborated under 3.2.1.2.).

Mr. Shane Crandall regards Korea as a high maintenance country, which means that he talks with them around three times a week. A factor that makes Korea a higher maintenance than other markets is the constant, time consuming, requirement to physically meet for every discussion, whereas in other markets most of these discussions would have been solved through email. This aspect has significantly increased the value of Ms. Oh but also enhanced the need for a local liaison. Due to the fact that Ms. Oh has been able to meet stakeholders on behalf of CMR Blue and through other innovative solutions, Mr. Shane Crandall's travels to Korea have been limited. However he has been there for all the races and for the first races he went out a couple of weeks in advance to ensure everything was organized correctly.

The largest effort for CMR Blue in its business relationship with Ms. Oh has been to teach her the CMR concept and the essence of CMR's values and marketing strategy. This has been an intense process that has yielded results as Ms. Oh now runs Korea with little interference from CMR Blue, including the otherwise strictly centrally managed Facebook marketing.

4.3.1.2. Race Director – Sarah Oh

For the first events, Ms. Oh ran everything by herself, locally, but after a while CMR Blue found an event company, JW&Co, through Ms. Oh to partner with and as such, her role developed into the mediator and communicator between the two organizations. However, she is still the head of CMR's operations in Korea. Ms. Oh is also responsible for adaptation of the event, which means that she needs to identify which aspects need to be changed and which should be held constant. She communicates with CMR Blue every day and works from the JW&Co's office. Ms. Oh does not have any previous professional experience but is young and understands both cultures, which makes her a good fit for the adaptation process.

The person at the CMR HQ who recommended Ms. Oh was an old college friend from when she studied in the US at Brigham Young University. Ms. Oh does not have an extensive record of international experience but due to her dual citizenship, she is a good candidate for the assignment of interpreting an American concept to fit the Korean taste. The event company,

JW&Co, that CMR Blue works with today found and contacted Ms. Oh through a friend of a friend to her, and through this established a business relationship with CMR Blue and Ms. Oh. This relationship is a product of her networking through CMR. A friend of Ms. Oh was friends with the DJ that performed at CMR's first races in Korea and through CMR and her friend, Ms. Oh became friends with both the DJ and the DJ's manager, which in turn were friends with the CEO of JW&Co. This event firm puts on some of Korea's largest events such as the Ultra Music Festival and thus has valid experience in the industry, deep market knowledge, and the right connections to execute an event successfully. Ms. Oh has stated that she considers it to be a clear advantage to cooperate with JW&Co. She values the fact that she no longer needs to go through her own personal networks and connections for every single aspect of organizing the event as the event firm has professional relationships for almost every single aspect needed to pull the event off. Most of the people who work for JW&Co have a background in the event industry such as musicals, festivals, and other productions. Around 75 percent of the staff at the event company is bilingual and the most common languages are Korean, English, and Japanese.

CMR Blue does not in any way communicate with its competitors in Korea; however, it does attend its competitors' events and follows their Facebook pages to see what feedback they get. This information is then analyzed in order to avoid mistakes made by competitors and to enhance the adaptation of the event to suit the Korean taste and preference. To this point, the competitors have not forced CMR Blue to adapt CMR's concept in Korea. As CMR was the first in the market, it was able to become the benchmark that the industry now follows. However, as competition increases, CMR Blue will expand its budget on certain aspects to fend off competitors that in the future could, potentially, become threats. However, CMR Blue has increased its entertainment budget in Korea as it realized, from visiting other events, that the demand for a proper after party with some type of celebrities is significantly higher than in the US.

Ms. Oh has for CMR Blue's account made use of a lot of personal contacts for different purposes. She always tries to go through her contacts when possible but there has been times when her networks of ties have not been able to help her and then she has used more professional methods to secure necessary resources. Ms. Oh highly values the recommendations she receives from her connections and these have in many cases become the deciding factor. Cases where she

has followed recommendations range from hired staff to performing artists at the event. However, Ms. Oh's experience from mainly using friends as her employees, which she did during the first year, has not been all positive and that strategy has now changed for the coming events and future employments. The main drawback of having friends or friends' friends as employees is that it can be more difficult to be harsh in situations that demand it and the organization becomes less professionally organized as a result. For the future, Ms. Oh will refocus the recruitment process towards a more professional than relational process. Ms. Oh further believes that the recruitment will become much easier in the future as she now works with a well-established and professional event company that has the right processes and connections to secure good people and other necessary resources as well.

The suppliers of physical products, such as color, inflatables etc., for the Korean events were all chosen based on price, delivery time etc., i.e. no personal or professional connections were utilized or leveraged in this aspect. The sponsors of the first events all contacted CMR Blue and the franchisee did not actively recruit any sponsors on its initiative, however this will change and CMR Blue will increase its work with finding sponsors.

Ms. Oh and the local event firm have had very little exposure to other CMR units besides HQ. There has been some communication with Japan and Taiwan, in which Korea has coached these units on what works in these markets and how to organize various parts of the work. In addition, Ms. Oh once tried to leverage a Korean sponsor for the Taiwanese group but unfortunately this was unsuccessful. Nevertheless, communication with other units on any level has been non-existent. Ms. Oh has further never been presented with any document stating the concept of the race, but has rather learned from observation and communication with CMR Blue.

4.3.2. Case: Japan

The Japanese market is another young CMR market. CMR Blue has so far hosted one event in Japan, which was held the 19th of April. To explain the situation in Japan, and CMR's journey there, we will look at the work of both Mr. Shane Crandall and Ms. Johanna Tilly, the point person for the Japanese operations.

For the Japanese market the local knowledge and language skills of CMR Blue were inadequate to facilitate a proper entry, hence it needed to locate someone who attained these skills. The

person it found, Ms. Tilly, was a friend of one of Mr. Shane Crandall's colleagues. Mr. Shane Crandall's colleague had previously attended summer school at Cambridge University in the UK where Ms. Tilly studied the Japanese program at the time and was an assistant teacher at that summer school. This contact developed into a business contact as Ms. Tilly agreed to assist them in the Japanese market. Ms. Tilly is originally from Germany and has an education in Japanese from Cambridge University, and she has also lived in Japan and several other countries, which made her well suited for the task.

Before Ms. Tilly started to work with the Japanese market, CMR Blue had a local person as the point person in Japan but the progress was slow and thus Ms. Tilly was brought in. Ms. Tilly in her turn brought in additional manpower through a Japanese friend, Ms. Miho Satake, whom she had met in the US when she started working for CMR. Ms. Satake is a famous Japanese sports personality who has great contacts in the Japanese event industry and also had a goal to work within event management. Ms. Satake in her turn put Ms. Tilly in contact with a third person, Mr. Kawakita Nobuyuki, who would end up being the third and final member of the Japanese CMR team. Mr. Nobuyuki is a retired famous Japanese runner who today operates two of his own companies in Japan, one website company and one running coach company. As CMR Blue always aims at cooperating with a local event firm, Ms. Tilly and Ms. Satake talked to several event firms in Japan but could not find a suitable match for the franchisee. However, Mr. Nobuyuki had contacts at Lawson, a large Japanese convenient store chain, which it contacted to see whether it could help with its ticket sales system at a beneficial price, or for free, and this evolved into Lawson becoming a full-fledge event partner. Lawson in their turn had cooperation with HMV, which is big on arranging concerts in Japan. This cooperation is called LHE and it was looking into new fun events such as CMR. The cooperation between CMR and LHE has lasted and has been very beneficial to CMR Blue as they have a national and professional reach through all of Japan with Lawson's national coverage and the professional local event management skills, experience, and contacts through HMV.

Through Ms. Satake's contacts the Japanese CMR team got in contact with the organizers of another fun-run, a Santa Clause run, with whom it stayed in contact with and received help in terms of coaching and contacts. The contact with the Santa Clause run opened CMR's eyes to a potential opportunity with the local government of Osaka that was searching for events similar to

CMR as an opening ceremony for its new central station, which could lead to an additional race for CMR in Japan. There are also a few competitors in Japan. One of them is called "Color Power" which was established in Japan by another Mormon from Utah in the US, which is the base of origin for both CMR and "The Color Run". However, this did not prove to be any threat of significance.

Within CMR, Ms. Tilly has had contact with several of the other international units such as Korea and Taiwan but the most important international connection within CMR for Ms. Tilly was with Mr. Caponga, the Australian franchisee. With the Australian unit Ms. Tilly discussed several aspects of event management and exchanged information to assist in the creation of a successful event. However, as Ms. Tilly recently left CMR, the communication with Japan has become a bit more difficult as the language skills between the two groups are no longer fully compatible; the group in Japan speaks English but not in native tongue. This has resulted in that communication has shifted over to a higher degree of e-mails instead of Skype. This is an obstacle that seems to have been dealt with well as the event in Japan was highly successful and had more participants than its main competitor's event.

4.3.3. Additional markets

As CMR Blue currently is expanding across the globe there are several countries where it has established operations but not yet executed any events. Even though a complete picture cannot be provided in these countries, the initial phase is of interest as it is beneficial for the understanding of how CMR Blue operates. Two markets where CMR Blue has established operations but not executed events yet are Sweden and France, which are briefly described below.

4.3.3.1. Case: Sweden

Sweden is one of CMR's newest ventures on the international scene. In Sweden Mr. Shane Crandall went through a previous college and friend of his brother, whom Mr. Shane Crandall had become close friend with as well. This friend put Mr. Shane Crandall in contact with his cousin which now has helped out with numerous things such as translation, the Facebook page etc. Through this friend and some other contacts Mr. Shane Crandall also found the event company, Swedish Events, which the franchisee has partnered with today. Swedish Events has

never put on a similar road race but Mr. Shane Crandall values them because it has the right contacts and has knowledge about the market. When CMR Blue searched for partners in Sweden it had several different companies it considered but settled on Swedish Events after having conducted Skype "interviews", or rather discussions, to see if they both thought they would work well together. CMR Blue also looked at the company's track record, the company's size, and overall tried to evaluate the company as correctly as possible to see whether it would be good fit and if it had the right resources. This process seems, so far, to have been successful in Sweden as Mr. Shane Crandall is highly satisfied with the cooperation with Swedish Events - it does what it is expected to and does so quickly. Even though it has worked out well in Sweden, he feels that it is a bit of a risk to partner with a firm that CMR has never worked with previously.

4.3.3.2. Case: France

The French venture sticks out a bit from the earlier pattern as it was initiated from the French event company rather than through CMR Blue's active search for a partner firm. The French group had an employee who, on his spare time, attended one of CMR's races and told his firm about the concept and this lead to the French firm contacting CMR. There have yet to be any races but it seems to be going strong and if everything goes as planned the same firm might take on other countries in Europe as well in a later stage.

4.4. Franchisee CMR Yellow – Rob Caponga

CMR Yellow is owned and operated by Mr. Rob Caponga who initiated his career within CMR as an international franchisee and has secured the franchise rights for Australia and New Zealand. However, CMR Yellow is currently only working on Australia. Mr. Caponga did not come out of the blue and became an international Franchisee; he previously worked as a vendor for CMR's domestic events and did so in cooperation with CMR for around six races over a period of six months before he approached them about bringing the concept abroad, which resulted in him securing franchise rights for both Australia and New Zealand.

Mr. Caponga did not have any close connections or networks in Australia before he ventured there with CMR Yellow. For the sake of CMR Yellow, Mr. Caponga has set up his base of operations in Australia, and not in the US as the other franchisees. CMR Yellow does not use a local event firm as partner in Australia, as is seen for all the other international franchisees, but

has instead set up its own firm. CMR Yellow is built up strictly from Mr. Caponga's friends and the organization now comprises four Americans with Mr. Caponga included. The one in the group that had the most previous experience from, and connections in, Australia was the one that had traveled in the country, i.e. the group did not have any proper networks in Australia when it entered. However, as English is the official language in both the US and Australia, the need for a local event firm has been less in the regard of translating and dealing with official documents and the governmental bodies. Nevertheless, CMR Yellow has experienced some difficulties with the unfamiliar local bureaucracy initially, but has by this point become fairly familiar with it. Even though English is the official language in Australia the language is not completely the same and CMR Yellow has experienced some difficulties with the language differences as for example with the word "Color", which is spelled "Colour" in Australia, but because "Color" is a part of the brand, it is necessary that the franchisee makes it work.

Even though the group was poorly connected in Australia it understood the value of a central network position. CMR Yellow instantly started to establish itself in the local networks of events, and other relevant networks, through calling and trying to become friends with various actors it regarded possess vital network positions, information, or just seemed to have a cool event and tried, and still do, to learn from these. Thus, the work with suppliers and sponsors has mainly been through strictly professional channels, but as time has passed and CMR Yellow has embedded itself locally, it has started to receive recommendations on suppliers and sponsor form different channels, such as the venues' previous connections. However, CMR's connections have aided CMR Yellow by using CMR domestic, US, suppliers for Australia as well.

Within CMR, Mr. Caponga tries to communicate as much as possible and share experiences and knowledge with other units, where he both aid others, such as the Japanese unit, and receives tips on new thoughts and possibilities from other franchisees.

5. ANALYSIS

This chapter covers an analysis of the empirical findings in relation to the theoretical framework where the topics of social network ties, network position, the value of social capital, risks, and the importance of social media will be discussed in detail.

5.1. Social network ties

In terms of network ties, most of CMR's ties with other firms and people should be considered weak in the sense of Granovetter's (1973) theory, and they are found within different levels of the organization and in different locations. In the case of Mexico, the example how Creativos helped CMR to access Veracruz highlights the concept very well. As Creativos had a connection with the local government, it created a bridge for CMR to another part of the country where Creativos is not present, and gave access to sponsors and suppliers that will be used for that event. This way of bridging between two parties to reach new opportunities, as discussed by Chetty and Agndal (2007), is also evident in Mr. Shane Crandall's expansion to Asia. Through his connections in the Mormon network, he was able to find Ms. Oh to help him in Korea and Ms. Tilly to help him in Japan. Here, his close friends acted as bridges as they had met these women through their previous studies. These women in turn used their weak connections to bring value to the firm, as e.g. Ms. Oh was able to recruit the local event company in Korea just because she had met a DJ in an earlier CMR event with connections to the CEO in the event company that eventually partnered with CMR Blue. Ms. Tilly on the other hand used an earlier friend from her time in the US, Ms. Satake, to help her out in Japan. It is worth noting that many of the other places that Mr. Shane Crandall has approached such as Sweden were in the same way; he had an acquaintance through his networks. On a HQ level, Mr. Scott Crandall explained that CMR was involved in highly informal networks with other event firms, domestically, that discuss the latest industry trends, and these loose connections can be beneficial in discovering new innovations or new markets. In the case of CMR Yellow, there were no local connections or networks from its founding. CMR Yellow still understands the value of networks and has through its entrepreneurial spirit been able to, rather quickly, establish a network of weak ties in the local market. The quick establishment of connections, or relationship building skills, in the local market is a prime example of how managers in a born global works to secure resources and

local market knowledge as Freeman et al. (2010) identified as well. These examples also show the significant value of weak ties for all levels of CMR's operations.

Even though the connections above are weak, Mr. Shane Crandall's close friends within the Mormon network had an impact as they suggested e.g. Ms. Oh and Ms. Tilly to him. This type of relation is related to Levin and Cross (2004) who emphasize that strong ties tend to be built by trust, and this is what Mr. Shane Crandall showed towards his friends by choosing these women without knowing them. There are in addition other examples of strong ties that we found. The Mexican event firm Creativos works closely with its partners and the depth of the relationships indicate that these are of a strong character. Deep and intense relationships tend to involve high levels of trust and are beneficial since the firms are likely to develop similar ways of communication and better use each other's knowledge (Levin and Cross, 2004). Here, the use of Ms. Oh as a point person between CMR Blue and JW&Co can be seen as a facilitator of the communication. Furthermore, as these ties tend to create deeper embeddedness (Granovetter, 1973), the ability to solve urgent issues together that may arise shortly before a race should be enhanced and the risk of a situation where a sponsor drops out just before a race would diminish as the consequences would be much more incremental for the firm in the future (e.g. ruined relationship with a valuable partner). The fact that Creativos' portfolio of deep relationships was important to CMR Red further illustrates the value of having strong ties. However, as discussed below, there are also risks of becoming too reliant on one another. For CMR Yellow, strong ties have also been important in the establishment of the organization as it was through his own friends that Mr. Caponga recruited for the franchisee. The fact that strong ties are mainly found at the local levels of CMR's operations show that strong ties tend to be much more valuable and utilized at the local levels.

Using Jack's (2005) perspective, the importance of friends' friends should be noted next to the discussion of weak and strong ties. It can naturally be difficult to determine whether Mr. Shane Crandall's friends who knew Ms. Oh and his friends that knew Ms. Tilly had strong or weak connections with these women. Instead, the friend of a friend theory can be applied as it incorporates all levels of the friendship, and makes it easier to understand how these women were reached. Moreover, the theory is constructed after research on entrepreneurs and thus fits our case company.

By reviewing Mr. Shane Crandall's activities on the international stage it quickly becomes clear that his social connections and the networks he is connected to are a foundation for the methods he operates by. This way of utilizing his networks and personal contacts to reach out to new markets is coherent with the born global literature, such as Oviatt and McDougall (1994) and Knight and Cavusgil (2004). Most of the contacts that provided Mr. Shane Crandall with information and the connections to Ms. Oh, come from within the Mormon network and Brigham Young University in Provo, Utah. These connections clearly portray the power and opportunities that lie within these networks. It highlights the importance of strong networks and the knowledge of how to utilize these, and it also shows that it is a vital resource for the internationalization process of a born global.

Mr. Dustin Butcher has been working internationally before (and should thus have international connections) but in the situation of finding a business partner in Mexico, he had no prior ties to utilize and hence the process strictly became a professional search for someone who had the right qualities to help pull off an event like this. The lack of social ties in this case proved to not be a problem especially thanks to the rise of social media and in particular Facebook (discussed further below). The important aspect here was to find an interorganizational tie that Shonk and Bravo (2010) highlight as vital in the event industry and which can enhance the trust and constrain opportunistic behavior. The tie can also be said to have created legitimacy between the firms. Further, the interviewees explicitly stated that that the geographical proximity has a great influence on the culture in Mexico where a lot of American activities and behaviors are adopted, which in turn has made the inhabitants aware of these types of runs. Indeed, an event firm like Creativos actively keeps an eye on American events to see if it can spot anything that it can bring to Mexico, and eventually it seized an opportunity.

5.2. Network position

In terms of personal network position, Mr. Shane Crandall can be said to have a high indegree centrality described by Kilduff and Tsai (2003) as he has many connections all over the world due to both his travels and his connections with foreign students at Brigham University in Utah. Mr. Butcher might fit better under the eigenvector centrality type as he has access to people with many connections such as Mr. Shane Crandall and Mr. Scott Crandall, since all are based in Utah. The eigenvector centrality also goes for Mr. Caponga who has leveraged the other

franchisees' suppliers to his own operations in Australia, although his local network position is difficult to identify. It should be noted that we have not researched the full extent of the networks but because e.g. Mr. Shane Crandall has many connections to people from many different countries we interpret his position as central and the same goes for Mr. Scott Crandall. In addition, Mr. Scott Crandall showed a central position domestically with his informal industry connections. Furthermore, Pieters et al., (2012) argue that in the event industry, a higher number of ties (that comes from a central position) leads to better commercial performance and this can explain why CMR has expanded quite rapidly.

It is much more complicated to understand the network positions of CMR and the local event firms that it has partnered with. However, since Mr. Butcher clearly pointed at Creativos' connections as a reason for the partnership, we do believe that the position is somewhat central as it has several important contacts in different areas. In addition, Creativos certainly has a different network than CMR and this fits well with Burt's (1997) theory of reaching out to a non-redundant partner with access to a different network of firms with other resources and knowledge that are needed to conduct a successful event. The same can be said about the situation in Korea where Ms. Oh helped CMR get in touch with a well-known event firm with many connections. Perhaps the case of Japan is the best example where CMR was able to partner with Lawson, a big convenience store chain with a strong presence in the country. Lawson naturally had a central network position and this was a part that CMR was able to take advantage of, and this was in particular due to its relationship with HMV that has knowledge and skills within event management. This relationship is also related to the importance of being connected to the right person/firm (De Carolis et al., 2009), which is analyzed further under "The value of social capital". In this aspect CMR Yellow stands out quite a bit as it has created its own network position and worked on integrating itself in the local networks instead of going through a local person or organization. Even though CMR Yellow has done it on its own, Burt's (1997) theory still applies as CMR Yellow works hard on reaching out to new networks and people who could provide help or input for the organization, and does so successfully.

5.3. The value of social capital

As described in the theory, social networks are the ties between parties while social capital is the value of these ties. This value was evident in Mr. Butcher's search for a business partner in

Mexico as he stressed that Creativos was chosen because of its valuable social connections in addition to its expertise and experience. He further explained that CMR does not have any connections in Mexico and that this quality, valuable social capital, was vital in helping them with venues, registration, contact with local government etc. The example of the upcoming event in Veracruz also illustrates the value of Creativos social capital as it was able to connect the local government in Veracruz with CMR and plan an event together that would act as a an enticement for the Latin American and Caribbean Games. Thus, it was not only because Creativos had a connection but also because there was a value in cooperating. These types of partnerships could very well be a competitive advantage as Creativos gives access to second-hand markets that competing American firms cannot reach.

In a born-global context, the value of different connections depends on which persons these are attached to and how well they can utilize these (De Carolis et al., 2009). This notion suits the findings well as the people and organizations in our study have network connections but they also have ties with the right people/firms. Creativos, for example, is connected to the local government in Veracruz that needed an event. Mr. Shane Crandall had connections that helped him into Korea, Sweden etc. Ms. Oh had ties with friends that connected her with an event company. Ms. Tilly's two companions in Japan were famous and had the right connections. These examples clearly illustrate that having the right people accessible is beneficial to the organization which is further discussed by Freeman (2010) who points at the relationship-building capacity that an international entrepreneur generally has. Especially Mr. Shane Crandall has been able to reach many new people and through that he has enjoyed beneficial access to knowledge and resources. The previous examples also show very well how the efficacy social capital, that Chetty and Agndal (2007) identified, is utilized to realize visions and help execute the firm's strategy. For CMR Yellow the process, to date, has mainly been directed at establishing connections and becoming a part of the various local networks and the value of these, the social capital, will become more apparent further on. Nevertheless, CMR Yellow has already seen some beneficial social capital in the form of recommended suppliers and sponsors through its newly established connections.

How the cities were chosen in Mexico is an example that fits the theory by Coleman (1988) well. He highlighted the usefulness of information from social relations instead of spending time

researching new areas. CMR had its list of cities it wanted to approach (that mainly was based on population) and Creativos helped them with the modification of the list where some cities were retracted due to danger or lack of buyer power, and other smaller cities not on the list were added because they had a demography that suited the event. A research process would have taken much longer time without this inside knowledge, or even worse, CMR could have put on an event in an unsafe area without Creativos' expertise.

Internally, CMR has been able to create strong social capital that Ehin (2004) emphasizes as a key for the firm to function. Many of the franchisees benefit from being located in the same place (Utah) where they have been supporting each other and helping out with networks and information. For example, the CEO Mr. Scott Crandall organizes meetings twice a month where discussions regarding innovations, best practices etc. with the franchisees are done through Skype, to include all franchisees. These meetings could also be perceived as investments in human and social capital which according to Bosma (2002) leads to higher performance in born-global firms. From our visit at the event in Guadalajara, Mexico we were able to see how close together the group that forms CMR Red worked during the construction of the venue and throughout the race. Due to the many events already being organized in the US, CMR Red has developed skills and knowledge that make it work more efficiently and produce better events. CMR Red then shares this information with not only the other franchisees during meetings but also with the local event partner. This information sharing enables the event partner to learn how to do it faster than it would without the social interaction with those who has the knowledge.

Continuing on the internal cooperation, Ms. Oh also described that she had some contacts with the Taiwanese part but they are under the same franchisee. Ms. Tilly, though, described how she was able to get help from other franchisees, and especially the Australian franchisee, with various aspects of event managements. This way of getting help from a different local unit was nothing that we found to be common but indicated that there is an opportunity to help out others without taking the matter through the HQ or the group of franchisees. If someone else has an experience that will benefit another event in a different region, the process will become much faster if they can share it between themselves through a simple e-mail or short Skype call.

5.4. Risks

One of the risks that is related to social networks is overembeddedness in the relationship as Uzzi (1997) discuss. Creativos, that was said to have strong ties with its partners, must be able to switch to another sponsor if one fails to deliver as intended. Mr. Palacios was quite determined that the firm does not work with unfamiliar partners and that can certainly become an issue if the company would have to bring in a new sponsor or supplier last minute. It may also lead to a situation where great opportunities may be missed, for instance a new product that could boost the event, because of overembeddedness with a few suppliers, an aspect Brass et al. (2004) point out. In addition, the relationship between Creativos and CMR starts to show signs of strong ties as CMR for example puts trust in Creativos to take care of the registration. As the trust increases further, the cost of adjusting the relationship and perhaps change partner will become more expensive and more complex.

The overembeddedness aspect is also evident in the supply of material such as colors, flags, clothes and other products for the events. The main supplier for almost all of CMR's physical assets is located in the US and CMR has a very good relationship with this particular supplier as it has provided for most of CMR's races both in the States and abroad, and this shows that CMR is deeply embedded with its main supplier. However Mr. Shane Crandall is constantly searching for alternative providers with better lead-time and price for the individual markets and if such a firm can be found, through for example the local event firm, it will be used. This constant search makes CMR less vulnerable to an overembedded situation in their international supply chain since it will have a better chance to switch supplier if necessary. For example, Mr. Butcher considers switching to local sourcing in the case of Mexico because customs make import expensive and complicated, and this illustrates how CMR constantly evaluate the sourcing aspect.

Because of the increasing number of events in each country, the risk of liability becomes more distinct (Chetty and Agndal, 2007). This means that the partners to CMR and the local event company will become overly confident in their role as supplier or sponsors due to the enhanced levels of interaction and trust, and in turn their performance may be inferior. For now, as the company is still very young, there has not been more than a few events in any country outside the US and Canada but it could be an aspect worth keeping an eye on in the future

A risk that already created problems for the firm was the effort to establish a regional HQ in Taiwan. Because the relationship with the Taiwanese firm did not work out as planned, CMR now considers terminating the partnership. This problem indicates what Freeman et al. (2010) discuss that when trust is missing in this relatively new connection, it is clear that the tie with the local firm had not developed into a strong tie. Hence, there must be some level of trust between the firms for it to create a functioning partnership. This situation could probably had been better off if CMR had given it longer time to build trust and deeper embeddedness, as discussed by Halinen and Törnroos (1998), before stating ambitions to base a regional HQ from Taiwan. The surprisingly low level of communication between the different units means that CMR, according to Chetty and Agndal (2007), risks missing out on many unrealized opportunities in terms of cooperation between firms, new ways of dealing with CMR specific issues, and overall knowledge creation as Granovetter (1973) discusses.

5.5. The importance of social media

One of the most significant findings was the company's strong focus on social media and Facebook. This part is not described in the theoretical chapter, as it is a new topic that is very much related to our empirical findings. Social capital has been greatly enhanced by the entrance of social media with sites like Facebook leading the development (Shih, 2011). These sites offer greater access to social capital and companies can use that to e.g. close more deals or find the right people to hire. The communication has also changed whereas now people use e.g. status updates to reach out instead of personalized messages, and this way of communicating expands the visibility as more people see it. In relation to CMR, the franchisee Mr. Butcher was relying on Facebook to find the event partner in Mexico (Creativos found CMR through the exposure on Facebook) and aspects like advertising the event and create buzz as well as to inform participants were almost exclusively through social media.

Social media offers the advantages of the opportunity to utilize weak ties that Burt and Granovetter point out as important to generate new ideas and reach new networks. Facebook users, and users on similar sites, are characterized by a few connections to family and friends and many connections with acquaintances (Shih, 2011). These weak ties are more often what leads to new jobs for individuals or closed deals when done in a company setting. This can be applied to Mr. Shane Crandall's situation as he used his acquaintances to find partners in Korea, Sweden

and France. Further, Ellison, Steinfield and Lampe (2007) find that social media is primarily used to strengthen and expand weak ties, i.e. focus on contacts that offers new insights and are part of other networks. It is moreover shown that Facebook users have more diverse social networks that could mean more business opportunities for the firm as well as greater outreach to different customers (Shih, 2011). These diverse networks are another aspect that we found useful for CMR. The race director in Korea, Ms. Oh, utilized her Facebook network to detect old friends who could help her with certain parts of the race. These networks are beneficial as contacts remain in place even though communication may have been absent for months or even years, and as soon it becomes necessary to get hold of the person again, he or she is just a few sentences on the computer away.

5.6. Cross-case analysis

Analyzing the cases together, a few patterns are possible to identify. The discussion above in the social network section covers mainly weak and strong ties but a different kind of tie that we found throughout the cases was the expressive tie that Balkundi and Harrison (2006) refer to. The expressive tie is friendship oriented and involves a high degree of socializing compared to the other type of tie, the instrumental, which refers to work-related communication. When Mr. Shane Crandall was searching for someone to help him in new markets, he used his friends and had a focus on the social aspects to find these people. The same is evident for Ms. Oh who used her old high school friends and their knowledge, and they also visited other events together to figure out what would work in the event. Mr. Caponga used his network of friends to attract individuals to CMR Yellow. Ms. Tilly found a person through her expressive ties who in turn had a friend who could connect CMR with Lawson and who also had strong networks in the local market, both professional and personal, which provided significant help to CMR's Japanese operations. In the case of Mexico, the ties were initially more instrumental as the parties did not know each other. However, because of the increased communication and the travels, the people in the organizations got acquainted and during the registration and construction of the event venue we could see that they already knew each other and were socializing a lot during this period. Overall, the expressive tie is dominant and since Balkundi and Harrison (2006) argue that these types of ties are better for team viability, we can understand why the events have been successful (in terms of feedback on Facebook). Nevertheless, Ms. Oh pointed at the difficulty of

being in charge of her close friends and this shows that there could be drawbacks of using friendship ties as well, which should be considered in similar situations.

Our discussion is primarily focused on different types of connections and their content but it is noteworthy to consider the examples of Mexico and Australia where no ties existed initially. These could however be considered special examples as Mexico is located right across the border from the US and Australia has the same official language, meaning that the geographical proximity and the possibility to do business in the native language, respectively, facilitated operations. All the other examples (apart from Canada, which the firm itself considers to be a domestic market) point to the use of social networks. Thus, social networks and connections of some kind were evident in all of the other markets and this is exactly what an entrepreneur needs to have to be successful (e.g. Oviatt and McDougall, 1994). Moreover, the ability to build new relationships are perhaps even more apparent as the examples of Mr. Shane Crandall, Ms. Oh, Ms. Tilly and to some extent Mr. Butcher highlight and which Freeman et al. (2010) emphasize.

A sensitive topic in the theory is the balance between trust and overembeddedness. Because of CMR's young age and our scope of research, the relationships' embeddedness have been difficult to determine. What is clear is that the trust CMR puts on its local employees, such as Ms. Oh and Ms. Tilly, is quite high and involves a certain degree of risk. On the other side, Mr. Shane Crandall has used these women to connect him to a local event company, and that company would probably stay with CMR even if one of them leaves, as LHE did in Japan when Ms. Tilly left. Conversely, if the event company decides to abandon the project, Ms. Oh is still located in Korea and could start the task to find a new partner. Using Tsai and Ghoshal's (1998) theory that interaction leads to trustworthiness, it is easy to understand why CMR gives that much responsibility to its local employees as well as the local event companies; the franchisees both travel to the events and they invite their partner firms which enhance the trust. Furthermore, these travels and socializing should lead to a more similar way of communicating that in turn leads to higher trust, and in this aspect the point persons in the Asian countries are another way of facilitating the communication and lower cultural barriers.

Concerning other risks, it is hard to distinguish anything distinct. Social capital is a facilitator for the firm in its internationalization process and the hosting of events, and the franchisee or the HQ

always stay in control of overall marketing and is very careful with sensitive information. Due to its organizational structure, CMR can be very flexible and leave a country if the cooperation does not work or if the market is too small. There will of course always be a risk that the local event firm or the local race director quit but the alternative would be to move the operations and open up an office, although, the failed regional HQ in Taiwan should serve as an example that it is perhaps better to do it as CMR does now.

CMR's international sponsor and supplier relations show one of the clear born-global advantages, which is their high degree of flexibility and learning advantage pointed out by Autio et al. (2000). CMR has quickly adapted their work to facilitate the creation of a deeper relationship and a more successful event adapted to local regulations and preferences, as for example in Korea where CMR increased the entertainment budget or in Mexico where CMR quickly decided to switch to local suppliers. Another example is CMR Yellow that has been able to enter a foreign market, in every aspect except language, and has still succeeded.

6. CONCLUDING DISCUSSION

In this chapter the main findings will be presented and discussed as the research question is answered. The chapter also includes the contributions of the thesis, suggestions for future research and a discussion around the limitations of the study.

6.1. Conclusions

The purpose of the study was to identify how social connections and networks were utilized and what value these held at different levels within an internationalizing born-global in the event industry. To address this purpose we identified three levels within the case firm where these connections and networks were evident: HQ and top management, franchisees, and local operations.

For HQ and top management the main issue with international operations was to identify and partner with competent franchisees. In this process, it was found that the franchisees mainly approached the HQ through their networks and connections with other persons working for or with CMR, and as such, CMR managed to secure competent franchisees through its networks and their employees' networks. As these franchisees were able to contact CMR through personal connections, the initial level of trust was higher than what would have been expected from a traditional recruitment process. CMR HQ's work with identifying and choosing international franchisees clearly shows how valuable a network of weak ties with relatively high levels of social capital is to the organization. To strengthen these weak ties CMR HQ works with an initial training camp and two monthly meetings to facilitate social interaction, communication, and sharing of best practices to develop all parts of the international operations.

In the second level, a vast network of the franchisee was a facilitator in reaching new markets quickly. Here, a central and strong network position through old connections with friends and colleagues made it possible to find a way to establish contact with local event firms, and this became highly valuable because of the local partners' existing ties with sponsors and suppliers that the franchisee otherwise would have no access to. For the franchisees, previous connections were not always available in the markets it entered, such as Mexico and Australia, and the comparison between those markets that were entered with a local connection and those without clearly shows the advantage of local connections. With local connections the franchisees had an

easier entry process, faster gained knowledge about the market, and could assess the potential local partner firms both quicker and more accurate. However, the local connections were often weak ties initially and it was thus important to increase the depth of the connection early on to facilitate a quick and efficient entry process.

A solid network of weak ties showed to be important for the local operations as well as these helped in the realization of new opportunities, information seeking, and more. However, the local event companies showed a higher degree of dependency on the strong ties these had built up over the years compared to CMR HQ or the franchisees. The local event companies' strong ties, with high levels of social capital, were important as these provided beneficial access to supplies and stronger relationships with large sponsors. The social capital the local event companies wielded through their strong ties showed to be one of the event companies' prime tools in the staging of an event and thus an important competitive advantage. In the divergent case of CMR Yellow, it understood the value of local connections and chose to establish its base of operations there instead of cooperating with an event firm.

What we see from the comparison of how social connections and networks are utilized at different levels within the firm is that a large network of weak ties is beneficial at all levels. A significant finding in the work with weak ties, and useful connections in general, is the importance and immense value of social networks, and in the case of CMR, Facebook primarily. In many aspects social media has been the facilitator for CMR and its efficient use of this tool has been its main competitive advantage. Strong ties, on the other hand, seems to be less important in the higher hierarchical levels which act internationally but those acting on a local level focus much more on their strong ties to execute their tasks and build a competitive advantage. The importance of strong ties in the local market has clearly been realized by CMR's franchisees from experience without. The franchisees now aim to enter every market in collaboration with a local event firm, or establish own operations in the market, for the reason of gaining access to strong ties with high levels of social capital. For the higher levels it is more important to have high levels of social capital in their network of weak ties. The network of weak ties showed great importance to identify future partners but for these partnerships to generate any substantial, long-term, value it is important for CMR to quickly develop these into strong ties with high levels of trust and reliability.

6.2. Contributions

The theoretical contribution of our research is a confirmation that much of the established theories in social networks and social capital apply to our research in the fun-run industry, albeit on different levels within the firm. This difference between the levels is our contribution to the theory and shows that the use of social networks and social capital may differ from industry to industry, and even within a single company, depending on the situation, which is important to take into account when reviewing social networks and its social capital in different settings. Perhaps our most surprising theoretical contribution is within the subject of social media, which was unintended initially. Here, we add to the literature by showing how social media platforms such as Facebook act as the primary tool in interaction with customers, creating interorganizational relationships, and finding new opportunities.

Our findings have managerial implications that should be emphasized. First, being in an internationalization process as a born-global in the event industry, personal networks need to be considered and valued because of their usefulness in the process of entering new and unfamiliar markets. Second, choosing the right partner firm in the new country will open doors and facilitate the process. The right partner in this aspect is a firm with experience and vital connections to suppliers and sponsors as well as local governments. Third, having an entrepreneurial drive is necessary to build relationships and networks that create opportunities in the country. The contribution of these implications is that, through an understanding of what facilitates a better entry process and what increases the value of an event firm, the assessment of event firms will be more accurate. The assessment of an event firm is not only important when searching for a collaborative partner, as when CMR search for partners, but it is also important for the aspects of investments in event firms.

Finally, an empirical contribution of this research is that we have researched events in foreign countries and cultures, which Getz (2010) asserts to be lacking in the current event management literature, as most event management research is conducted on local events by local researchers.

6.3. Limitations and future research

Due to the limited scope of our research in terms of only having one company and a few cases, we are careful not to make any generalizations of our findings. The case company is still very

young and the findings highlight how social networks and social capital can be dealt with in these types of companies. Moreover, as one of the franchisees has been involved a longer time in the company it is natural that he has come further in the internationalization process and hence we have much more data to examine and analyze from his work. It is therefore difficult to identify patterns of how the internationalization to new markets looks like in general, even for one company. Because our research serves as a base for future research, these aspects should not be considered to impair our study but instead emphasize that we are aware of potential bias or coincidences. Due to the increasing popularity of the fun-run industry and the internationalizing firms that are part of it, we believe that more focus needs to be devoted to the subject and therefore this study is of value because of its exploratory nature.

From our study, we have highlighted a few aspects that should be emphasized in future studies. First, the value of having many connections are shown to facilitate the internationalization process and being part of such a vast network as the Mormon network creates opportunities. Whether or not this network has been especially valuable is difficult to determine and future studies should look at firms with entrepreneurs involved in other networks or firms with entrepreneurs who lack networks. Second, the usefulness of having a point person needs to be verified. We found it to be a great way for CMR Blue to overcome cultural and language barriers, and to be able to find partners needed for the events. As mentioned as a limitation above, this may not be the case everywhere and may differ between firms, but the importance in our case should make it an appealing question to look at in scrutiny. Third, as the event industry consists of many different types of events, future research could compare the different kinds of events and try to find similarities and differences between these to further enhance the understanding of social capital and networks, and where these are more important or useful.

7. References

Adler, P. S., & Kwon, S-W. (2002). Social Capital: Prospects for a new concept. *Academy of Management Review,* 27(1): 17-40

Allen, J., O'Toole, W., McDonnell., & Harris, R. (2011). *Festival and Special Event Management.* Milton: Wiley

Autio, E., Sapienza, H. J., & Almeida, J. G. (2000). Effects of Age at Entry, Knowledge Intensity, and Imitability on International Growth. *The Academy of Management Journal ,* 43(5): 909-924

Balkundi, P., & Harrison, D. A. (2006). Ties, Leaders and Time in Teams: Strong Inference about Network Structure's Effects on Team Viability and Performance. *The Academy of Management Journal,* 49(1): 49-68

Beech, J., & Chadwick, S. (2013). *The Business of Sport Management.* Harlow: Pearson

Bosma, N., van Praag, M., Thurik, R., & de Wit, G. (2004). The Value of Human and Social Capital Investments for the Business Performance of Startups. *Small Business Economics ,* 23: 227–236

Bourdieu, P. (1985). The forms of capital. In J. G. Richardson (Ed.), *Handbook of theory and research for the sociology of education:* 241-258. New York: Greenwood

Brass, D. J., Galaskiewicz, J., Greve, H. R., & Tsai, W. (2004). Taking Stocks of Networks and Organizations: A Multilevel Perspective. *Academy of Management Journal,* 47(6): 795-817

Bryman, A. & Bell, E. (2007). *Business Research Methods.* Oxford: Oxford University Press

Burt, R. S. (1997). The Contingent Value of Social Capital. *Administrative Science Quarterly,* 42(2): 339-365

Chetty, S. (1996). The Case Study Method for Research in Small-and Medium-Sized Firms. *International Small Business Journal,* 15: 73-85

Chetty, S., & Agndal, H. (2007). Social Capital and Its Influence on Changes in Internationalization Mode Among Small and Medium-Sized Enterprises. *Journal of International Marketing,* 15(1): 1-29

Coleman, J. S. (1988). Social Capital in the Creation of Human Capital. *American Journal of Sociology,* 94: S95-S120

Collis, J., & Hussey, R. (2009). *Business Research: A practical guide for undergraduate and postgraduate students.* New York: Palgrave Macmillan

Coviello, N. E. (2006). the Network Dynamics of International New Ventures. *Journal of International Business Studies,* 37(5): 713-731

De Carolis, D. M., Litzky, B. E., & Eddleston, K. A. (2009). Why Networks Enhance the Progress of New Venture Creation: The Influence of Social Capital and Cognition. *Entrepreneurship Theory and Practice*: 527-545

Edmondson, A. C., & McManus, S. E. (2007). Methodological Fit in Management Field Research. *Academy of Management Review,* 32(4): 1155-1179

Ehin, C. (2004). *Hidden Assets: Harnessing the Power of Informal Networks.* New York: Springer

Eisenhardt, K. M. (1989). Building Theories from Case Study Research. *The Academy of Management Review,* 14(4): 532-550

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory Building from Cases: Opportunities and Challenges. *Academy of Management Journal,* 50(1): 25-32

Ellis, P. D. (2011). Social ties and international entrepreneurship: Opportunities and constraints affecting firm internationalization. *Journal of International Business Studies,* 42: 99-127

Ellison, N. B., Steinfield, C., & Lampe, C. (2007). The Benefits of Facebook "Friends": Social Capital and College Students' Use of Online Network Sites. *Journal of Computer-Mediated Communication,* 12: 1143-1167

Emery, P. (2010). Past, present, future major sport event management practice: The practitioner perspective. *Sport Management Review,* 13: 158-170

Eriksson, P., & Kovalainen, A. (2004). *Qualitative Methods in Business Research.* London: Sage

Ferdinand, N., & Shaw, S. J. (2012). Events in Our Changing World. In N. Ferdinand & P. Kitchin (Ed.), *Events Management: An International Approach:* Ch. 1. London: Sage

Flyvbjerg, B. (2006). Five Misunderstandings About Case-Study Research. *Qualitative Inquiry,* 12(2): 219-245

Freeman, S., Hutchings, K., Lazaris, M., & Zyngier, S. (2010). A model of rapid knowledge development: The smaller born-global firm. *International Business Review,* 19: 70-84

Freeman, S., & Cavusgil, S. T. (2007). Toward a Typology of Commitment States Among Managers of Born-Global Firms: A Study of Accelerated Internationalization. *Journal of International Marketing,* 15(4): 1-40

Gabrielsson, M., Kirpalani, V. H. M., Dimitratos, P., Solberg, C. A., & Zucchella, A. (2008). Conceptualizations to Advance Born Global Definition: A Research Note. *Global Business Review,* 9(1): 45-50

Gerring, J. (2007). *Case Study Research: Principles and Practices*. Cambridge: Cambridge University Press

Gibbert, M., Ruigrok, W., & Wicki, B. (2008). Research notes and commentaries: What passes as a rigorous case study? *Strategic Management Journal,* 29: 1465-1474

Granovetter, M. S. (1973). The Strength of Weak Ties. *American Journal of Sociology,* 78(6): 1360-1380

Granovetter, M. S. (2005). The Impact of Social Structure on Economic Outcomes. *The Journal of Economic Perspectives,* 19(1): 33-50

Getz, D. (2007). *Event Studies: Theory, research and policy for planned events*. Oxford: Butterworth-Heinemann

Getz, D. (2010). The Nature and Scope of Festival Studies. *International Journal of Event Management Research,* 5(1): 1-47

Getz, D. (2012). Event Studies: Discourses and Future Directions. *Event Management,* 16(2): 171-187

Gill, J., & Johnson, P. (2002). *Research Methods for Managers*: London: Sage

Groves, D., Obenour, W., & Lengfelder, J. (2003). Colas and Globalization: Models for Sport and Event Management. *Journal of Sport Tourism,* 8(4): 320-334

Halinen, A., & Törnroos, J-Å. (1998). The Role of Embeddedness in the Evolution of Business Networks. *Scandinavian Journal of Management,* 14(3): 187-205

Inkpen, A. C., & Tsang, E. W. K. (2005). Social Capital, Networks and Knowledge Transfer. *Academy of Management Journal,* 30(1): 146-165

Jack, S. L. (2005). The Role, Use and Activation of Strong and Weak Network Ties: A Qualitative Analysis*. *Journal of Management Studies,* 42(6): 1233-1259

Johanson, J., & Vahlne, J-E. (1977). The internationalization process of the firm - a model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies,* 8(1): 23-32

Johanson, J., & Vahlne, J-E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies,* 40: 1411-1431

Kilduff, M., & Tsai, W. (2003). *Social Networks and Organizations.* London: Sage

Kitchin, P. J. (2012). The Internationalization of Sport Events and Leagues. In N. Ferdinand & P. Kitchin (Ed.), *Events Management: An International Approach:* Ch. 12. London: Sage

Knight, G. A., & Cavusgil, S. T. (1996). The Born Global Firm: A Challenge to Traditional Internationalization Theory. In S.T. Cavusgil and T. Madsen (Ed.), *Advances in International Marketing*, 8: 11–26. JAI Press: Greenwich

Knight, G. A., & Cavusgil, S. T. (2004). Innovation, organizational capabilities, and the born-global firm. *Journal of International Business Studies*, 35: 124-141

Levin, D. Z., & Cross, R. (2004). The Strength of Weak Ties You Can Trust: The Mediating Role of Trust in Effective Knowledge Transfer. *Management Science,* 50(11): 1477-1490

Luostarinen, R., & Gabrielsson, M. (2004). Finnish perspectives of international entrepreneurship. In L-P. Dana (Ed.), *Handbook of research on international entrepreneurship:* 383-403. UK: Edward Elgar Publishing

Mackellar, J. (2006). Conventions, Festivals, and Tourism: Exploring the Network that Binds. *Journal of Convention & Event Tourism,* 8(2): 45-56

Mair, J., & Whitford, M. (2013). An exploration of events research: event topics, themes and emerging trends. *International Journal of Event and Festival Management,* 4(1): 6-30

Marshall, C., & Rossman, G. B. (2006). *Designing Qualitative Research.* Thousand Oaks: Sage

Masterman, G., & Wood, E. H. (2006). *Innovative Marketing Communications: Strategies for the Events Industry.* Oxford: Elsevier

Mehra, A., Dixon, A. L., Brass, D. J., & Robertson, B. (2006). The Social Network Ties of Group Leaders: Implications for Group Performance and Leader Reputation. *Organization Science,* 17(1): 64-79

Moen, Ö., & Servais, P. (2002). Born Global or Gradual Global? Examining the Export Behavior of Small and Medium-Sized Enterprises. *Journal of International Marketing,* 10(3): 49-72

Oviatt, B. M., & McDougall, P. P. (2005). Defining International Entrepreneurship and Modeling the Speed of Internationalization. *Entrepreneurship Theory and Practice*, 29(5): 537-554

Oviatt, B. M., & McDougall, P. P. (1994). Toward a Theory of the International New Ventures. *Journal of International Business Studies*, First Quarter, 25(1): 45-64.

Patton, M. Q. (2002). *Qualitative Evaluation and Research Methods.* London: Sage

Pieters, M., Knoben, J., & Pouwels, M. (2012). A Social Network Perspective on Sport Management: The Effect of Network Embeddedness on the Commercial Performance of Sport Organizations. *Journal of Sport Management,* 26: 433-444

Polanyi, K. (1944). *The Great Transformation: The Political and Economic Origins of Our Time.* Boston: Beacon Press

Prebensen, N. K. (2012). Value Creation in Experience-Based Networks: A Case Study of Sport Events in Europe. In M. Kasimoglu & H. Aydin (Ed.), *Strategies for Tourism Industry: Micro and Macro Perspectives:* Ch. 9. Croatia: InTech

Ratten, V. (2011). International Sports Management: Current Trends and Future Developments. *Thunderbird International Business Review,* 53(6): 679-686

Shih, C. (2011). *The Facebook Era: Tapping Online Social Networks to Market, Sell and Innovate*. Upper Saddle River: Prentice Hall

Shonk, D. J., & Bravo, G. (2010). Interorganizational Support and Commitment: A Framework for Sporting Event Networks. *Journal of Sport Management,* 24: 272-290

Siggelkow, N. (2007). Persuasion with Case Studies. *Academy of Management Journal,* 50(1): 20-24

Spiggle, S. (1994). Analysis and Interpretation of Qualitative Data in Consumer Research. Journal of Consumer Research, 21(3): 491-503

Stoecker, R. (1991). Evaluating and Rethinking the Case Study. *The Sociological Review,* 39(1): 88-112

Tsai, W., & Ghoshal, S. (1998). Social Capital and Value Creation: The Role of Intrafirm Networks. *Academy of Management Journal,* 41(4): 464-476

Uzzi, B. (1977). Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness. *Administrative Science Quarterly,* 42(1): 35-67

Vetenskapsrådet. (2011). *God forskningssed.* Stockholm: Vetenskapsrådet

Vetenskapsrådet. (2002). *Forskningsetiska principer inom humanistisk-samhällsvetenskaplig forskning*. Stockholm: Vetenskapsrådet

Wolcott, H. F. (1994). *Transforming Qualitative Data: Description, Analysis and Interpretation.* Thousand Oaks: Sage

Zhou, L., Wu, W-P. & and Luo, X. (2007). Internationalization and the performance of born-global SMEs: The mediating role of social networks. *Journal of International Business Studies,* 38(4): 673-690

Ziakas, V. (2014). Planning and Leveraging Event Portfolios: Towards a Holistic Theory. *Journal of Hospitality Marketing and Management,* 23(3): 327-356

Ziakas, V., & Costa, C. A. (2010). Explicating inter-organizational linkages of a host community's events network. *International Journal of Event and Festival Management,* 1(2): 132-147

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business Research Methods.* Mason: South Western

Yeoman, I. (2013). A futurist's thought on consumer trends shaping future festivals and events. *International Journal of Event and Festival Management,* 4(3): 249-260

Yin, R. (2011). *Kvalitativ forskning från start till mål.* New York: The Guilford Press

Yin, R. (2003). *Case Study Research: Design and Methods*. Thousand Oaks: Sage

APPENDIX

Appendix 1 – Questionnaire

To CMR HQ – CEO Mr. Scott Crandall

- How many international franchisees do you have?

- Which countries are CMR active in?

- When did CMR execute its first event in another country?

- How much previous international experience do you have, within and outside CMR?

- What is your main competition internationally?

- How do you identify potential franchisees? For example, how was Mr. Butcher recruited?

- What aspects are considered in a relationship/the search for a relationship? (Relationship in this regard refers to the potential franchisees)

- What channels do you use to reach out to potential franchisees? Did you know any of them before? Did any of them approach you?

- How do you support the franchisees?

- How do you facilitate communication between the franchisees?

- What level of trust do you have towards your franchisees? How does this differ between franchisees and why does it differ? What increases the trust in your relationship with a franchisee?

- Are you in any way involved in the arrangement of foreign events, if so how? (For example with market-specific contacts)

- How do structure the work with sponsors, within and across countries, franchisees etc.?

- How do you coordinate the work between the franchisees? Are they all based in Utah?

- Do you arrange any form of networking between the franchisees?

- Are you involved in any networks with competitors or similar event companies, if so how are these structured and what do you gain from these? (Not only formal, but personal networks as well)

To the franchisees (Mr. Butcher, Mr. Shane Crandall and Mr. Caponga)

- What is your role in Color Me Rad?

- What is your background? How much previous international experience do you have, within and outside CMR?

- How is your franchisee structured?

- How did you find the event companies or local point person you work with? Does it differ from country to country? *(Not applicable to Australia)*

- What aspects are considered in a relationship/the search for a relationship? *(Not applicable to Australia)*

- How did it develop into a business relationship? How long have you known the people you partnered with? *(Not applicable to Australia)*

- How often do you meet and how do you communicate with the HQ? Do you communicate with other franchisees? If yes, how and which?

- Could you explain how you work with the creation and preparation of an event?

- How do you decide where to hold an event? (In terms of countries, cities and where in cities) What aspects of the local market do you take into account when you decide to enter a new market? How much do your old connections influence choice of location?

- When and why do you send people, or go yourself, to foreign units? Do you visit every event? *(Not applicable to Australia)*

- How are the marketing efforts coordinated between HQ-franchisee? How is the marketing strategy created?

- How much support does HQ provide?

- Does CMR or you have a standardized "databank" with suppliers, sponsors etc. or does every local race have to contact their own suppliers? How much of the concept is standardized?

- How do you structure the work with sponsors, within and across countries, franchisees etc? Please elaborate if you have "global sponsors"

- Do you in any way cooperate with competitors or other similar event firms in the market you are active? If yes, is it through networks, partnerships, informal arrangements concerning special questions etc.? How has that helped you in the internationalization phase?

- Have you adapted the event in any way due to existing competition? If yes, why and how? To what extent are you allowed to adapt it?

- How does the demand differ from the US and Canada? How do you get insights on local preferences?

- What level of trust do you have towards your collaborative partners? How do you interact with them?
- Are the connections you utilize to find new markets and people there mainly personal or organizational?
- How do you value your connections (old student friends, suppliers, governmental people, and influential people)? Please elaborate.

To event partners and point persons (Creativos, Ms. Oh and Ms. Tilly)
- What is your role in Color Me Rad?
- How did you get this position? How did CMR choose you to run the event?
- How did you establish a business relationship with CMR and how has it developed over time?
- How often do you meet and how do you communicate with CMR? Do you communicate with other franchisees (both with the franchisee itself and the firm or point person it uses?
- How does CMR, both the HQ and the franchisee, support your work?
- How much previous international experience do you have?
- What prior knowledge do your employees have in terms of educational background and job-skills? For example international experience, event experience etc. *(If posed to a point person, change "employees" to "partner")*
- Do you in any way communicate with your competitors? If yes, is it through networks, partnerships, informal arrangements concerning special questions etc.? Please elaborate.
- Have you adapted the event in any way due to existing competition?
- How many people/organizations from outside the firms are involved in a race (e.g. sponsors, suppliers, local legislation etc.)? Why have you chosen these firms?
- How long have you personally known the external contacts with whom you work or interact with on behalf of CMR? Are the connections you utilize mainly personal or organizational?
- How do you value your connections (old student friends, suppliers, governmental people, and influential people)? Please elaborate.
- What level of trust do you have towards your collaborative partners (suppliers, local government etc.)? What aspects do you consider important?

- In what way do you interact with the collaborative partners? How does this differentiate between partners and why does it differentiate?
- How do you decide where to hold an event? (Both in terms of cities and where in cities). Are you in any way involved in this process?
- Could you explain how you work with the creation and preparation of an event?
- How do you get insights on local preferences? Through what channels?
- In what ways are you allowed to adapt the event at the local level? Also give examples if you had to adapt something.
- How do you work with marketing? Is it standardized from the HQ or are you in charge? Please elaborate if it's your job