UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

The role of Networking in Internationalization

The case of Swedish fashion firms' internationalization

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Abstract

Research has shown that networking is a crucial factor for successful internationalization of firms. The role of both formal and informal networks has been stressed as essential to access networks abroad. This study investigates how Swedish fashion firms utilize their networks to facilitate their internationalization, based on a qualitative multiple case study conducted with six participating fashion companies. The purpose of the study is to gain a deeper understanding of networking within the fashion industry to facilitate internationalization for Swedish fashion firms, and also contribute to international business literature in this area. Our findings show that companies can achieve facilitated internationalization through becoming an insider in networks abroad. This because insidership enabled through networking with, for example, direct competitors, actors with the same customer base and employees, allows the companies to create new knowledge with their networks, share experiences and exploit market opportunities. It is also highlighted that firms need to focus their limited resources on networking with relevant networks. Moreover, it is found that companies can become too dependent on their network, mainly when using agents and distributors. In order to stay in control of the brand image, and because of the increasing significance of e-commerce, a shift has been created towards the importance of direct communication and networking with the end consumers. This is found to be the future of networking within the fashion industry, according to this study, since it also enables the companies to reach several markets at the same time. With this, the study adds on the existing literature by allowing for a more profound and combined understanding of the academic fields within networking and internationalization in the fashion industry.

Keywords: Networks, Networking, Internationalization, Foreign market entry, Fashion firms, Fashion industry, Sweden

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1 Introduction

1.1 Background

One of the most noticeable trends right now is the continual growth of fashion companies expanding internationally. European fashion retailers, by far, outweigh retailers offering other types of products regarding international activities in the form of international expansion (Mollá-Descals et al., 2011). Internationalization has become attractive for retailers due to the possibility of increased sales and profitability (Mollá-Descals et al., 2011), which is of high relevance for Swedish fashion companies since they originate from such a small home market.

Within the fashion industry, Swedish companies have attracted much attention in recent years (Lindholm Dahlstrand, Jacob and Politis, 2013). The country is well known for its several internationally successful fashion pioneers such as H&M and Lindex, but also a growing number of small- and medium-sized companies such as Filippa K and Nudie Jeans (Hauge, Malmberg and Power, 2009; Holm and Tijburg, 2013). When speaking of the internationalization of Swedish fashion companies, it is often referred to as the Swedish fashion wonder. Even though there are some question marks regarding what it refers to, it could be used to explain the substantial and diverse development of the Swedish fashion industry in the past 10-15 years both domestically and internationally (Falk, 2011; Lindholm Dahlstrand, Jacob and Politis, 2013). However, it is argued that it is hard and intensive work, which has resulted in this rapid development and not because of a "wonder" (Radon, Sjöman and Svengren Holm, 2013).

Today, the Swedish fashion industry is highly competitive, and turnover is increasing (Sternö and Nielsén, 2018). In 2017, the Swedish fashion industry had a turnover of 326 billion SEK, of which exports accounted for 68 percent. Moreover, there has been a constant positive trend in the turnover of Swedish fashion companies since 2011, where there has been a total increase of 60 percent. This is explained mainly by the continual growth in exports, leading up to an overall increase of 90 percent until 2017 (ibid.). Further, Nordic countries, together with Germany were identified, through a survey, as the most important current and future export markets in the fashion industry (Sternö and Nielsen, 2016).

1.2 Problem Discussion

Research has shown that it is not unusual for companies to end up with an internationalization failure, a situation that can lead to economic loss and sometimes the companies are forced to liquidate their operation in that market (Mollá-Descals et al., 2011). Belso-Martínez (2006) provides evidence that the networking capability of a firm positively affects their possibility to internationalize at an early stage and a high-speed. Furthermore, it is argued that strong networks and relations enable companies to reach profitability and export at a faster pace (Belso-Martinez, 2006; Blankenburg Holm, Eriksson and Johanson, 1999; Zhou, Wu and Lou, 2007). Elango and Pattniak (2007) also claim that a firm is more likely to internationalize if its network in the home market has international experience, because of the access to knowledge about different international markets that it enables.

Moreover, companies trying to enter new markets need to develop contact with the local network to succeed with their entry plan, according to Johanson and Vahlne (2009). The authors claim that companies with an extensive network have a better possibility of achieving success, compared to the ones who are not a part of any network. This means that those who suffer from outsidership will miss out on the positive outcome that comes from being part of a network with successful ventures, and the learning and trust building that comes from it. Hence, being part of one or several networks is a factor which directly affects the success rate of the firm's internationalization process and how they manage to position themselves in a new environment (Johanson and Vahlne, 2009). According to research, the importance of being part of a network for a company's internationalization process has come to grow in recent years (Chetty and Blankenburg-Holm, 2000; Johanson and Vahlne, 2009). With the help of network activities, companies can build relationships with actors who can facilitate the access to resources and even the access to markets which would not have been possible to enter otherwise (Johanson and Mattsson, 1988). The dilemma is that despite these positive outcomes argued by several authors, all firms do not use these relationship linkages to improve their performance (Ahuja, 2000).

Looking into the Swedish fashion industry, it should be highlighted that some companies have faced a tough path during the last year, which has forced a number of well-known companies to liquidation, for instance, JC, Best of Brands and Boomerang (Asplid and Somnel, 2019; Nyheter Direkt, 2019; Veckans Affärer, 2019). This even though Swedish fashion firms have

been highly successful in their internationalization in the last years (Hauge and Malmberg, 2009). Global connectedness has created new conditions where the customers are in control to a large extent (McKinsey, 2017). This has increased competition in the fashion industry, as more fashion companies can enter new markets without a physical presence, making it easier for young fashion companies to reach the global market. An increased global connectedness enables manufacturing companies in Asia to develop brands themselves and reach global customers directly. Additionally, smaller firms from mature and highly developed international markets are forced to go abroad because of saturation, as well as higher levels of competition in their home markets. Hence, established fashion players should expect increased competition as they are no longer sheltered by the traditional advantages (ibid.). The intensified competition means that although Swedish fashion companies have been highly successful in their internationalization in recent years (Huage and Malmberg, 2009), there is no guarantee that they will remain successful in the future. To stay successful and survive in the future, Swedish fashion firms need to keep up with the competition through initiating or improving their internationalization efforts.

Even though networking seems to be an essential tool for internationalization success as argued by different authors above, there appears to be a lack of research of this phenomenon within the fashion industry, to the best of our knowledge. To increase the probability of company success in spite of the intensified competition that fashion firms are facing in the nearest future, and widen the understanding of fashion companies' networking behavior in regard to International Business literature, it is crucial to investigate how Swedish fashion firms have used networking in their internationalization process.

1.3 Research Question
How do Swedish fashion firms utilize networks to facilitate their internationalization?

1.4 Purpose of the Study
With this study, the purpose is to contribute with knowledge to the area of international business literature through a multiple case study focused on how networking can be used as a facilitator in the internationalization of Swedish fashion firms. We intend to investigate and

describe networking, since we trust that a deeper understanding of the phenomenon will improve the internationalization process of fashion companies, and therefore, directly impact their international success.

2 Methodology

2.1 Research Approach

2.1.1 Qualitative Research Approach

In this study, we chose to use a qualitative research strategy to enable a more profound analysis where companies could add value to the research by sharing their perspective. This since we wanted to invite interviewees to develop their answers more thoroughly in a way that was not possible when using a quantitative approach (Bryman and Bell, 2015). The ambition was that this type of research would provide a holistic understanding of the studied phenomenon (Eriksson and Kovalainen, 2008). Furthermore, a qualitative research strategy permitted us to be more flexible and enabled the exploration of the chosen topic in this research (Bryman and Bell, 2015), and facilitated reaching the best possible outcome from each interview. An essential part of qualitative research is that the core of this type of study is the words and stories that are shared by the interviewees and not the quantity of it, as compared to when using a quantitative approach. Moreover, the formulation of the research questions started with "How," which implied that we would explain our chosen topic qualitatively and provide an understanding of different theoretical and empirical results, in line with Eriksson and Kovalainen (2016). Thus, we reasoned that a qualitative research strategy would be the most suitable strategy to investigate how fashion companies utilize networking in their internationalization.

2.1.2 Abductive Research Approach

We have been inspired by an abductive research approach in the creation of our thesis project. It is a combination of deductive and inductive research approach (Bryman and Bell, 2015), where we have combined the creation of theoretical background with empirical data while creating the analysis. In the initial process of our research, we started with a deductive research approach. Thus, we started with a literature review on theories matching our research question, where the theoretical insight helped us to create questions for our interview guide.

However, the research approach transformed gradually from deductive in the early phase to abductive after the data collection. The main reason was unsatisfying answers connected to the chosen theories. Consequently, the theoretical background was adjusted to facilitate the

understanding of the phenomenon based on the collected data, making the analysis more focused and relevant. Dubois and Gadde (2002) introduced the systematic combining approach which they define as a non-linear, path-dependent process, with the main objective to match theories with the empirical data. During this iterative process, the empirics and analysis are simultaneously developed when going back and forth between the theoretical background and empirical data (ibid.). This iterative process describes the timeline of our research, where all parts where simultaneously developed and matched together to answer the research question in the best possible way, based on the data that was collected.

2.2 Research Design

According to Yin (2003), researchers should use a case study approach when the focus of the study is to answer a "How" question, which was the case for our research. Furthermore, Bryman and Bell (2015) express that multiple-case study is an increasingly commonly used method within business research. It is a research design which allows for a deeper understanding of the different cases. Comparative design is a method of research where multiple-case studies are made to later compare these with each other. This type of research design allows the researchers to contrast the findings of the different cases, resulting in an interesting reflection where there is room for both the acknowledgment of the uniqueness in each case, as well as finding the commonalities among the cases. Another characteristic speaking in favor of the comparative research design is that when allowing for comparison, Bryman and Bell (2015) state that it is easier to get a clearer understanding of the researched phenomenon. We believed that a comparative design would describe our research design more accurately, as the focus was on both networking facilitators unique for a company as well as those that are common for most interviewed companies. Further, it is a method which invites for theoretical discussion of the findings. Moreover, more or less, the same method was used in our research of the different cases. For instance, we used the same questions in all our interviews, which is also in line with what Bryman and Bell (2015) argue to be a characteristic of using a comparative design.

Even though case studies offer many positive preconditions for conducting research, one has to keep in mind that it also has its disadvantages. One of the downsides experienced, in line with Collis and Hussey (2017), was that it was a highly time-consuming method, where there

were also difficulties in finding companies willing to take part in the research. Still, we believed that conducting a multiple-case study, allowing for both similarities and differences to be emphasized, as well as the possibility of getting a more thorough understanding of the phenomenon, would improve the quality of our findings.

2.2.1 Choice of Industry

In this multiple-case study, we determined to focus on the fashion industry. We find this to be an industry that is highly relevant to use as a subject for our research, as it is an industry which relies on internationalization for its survival (Ekdahl, 2017 see Wang and Ahmed, 2007). To grow and survive, fashion firms are forced to internationalize at an early stage (ibid.). Furthermore, the industry is experiencing intensified competition for many different reasons in the nearest future, as mentioned before (McKinsey, 2017). Therefore, we hope that fashion companies can use our research as a tool, in order to face this growing competition, through effectively using networks when internationalizing.

Additionally, we both have a personal interest in this industry and are fascinated by the fast-changing environment it is characterized by. The fashion industry is continuously meeting new demands from customers and is therefore highly dependent on their capabilities to meet these demands (Ekdahl, 2017, see Wang and Ahmed, 2007). Consequently, we see it is an industry which needs some level of local adaptation, because of, for instance, the difference in climates, preferences in design, successful marketing strategies as well as the importance of sustainability. Hence, we believe it an exciting industry to look into when researching networks as a facilitator for internationalization, since we trust that the networks can play a significant role in the international success of the fashion companies.

2.2.2 Choice of Case Companies

Fashion is a growing industry, and for the Swedish fashion firms, export is essential for their growth since their home market is small. Moreover, Swedish fashion firms are facing competition from both national and foreign retail giants (Sundberg, 2006). Even though other small countries are facing the same challenges as well, we chose to focus on Sweden due to the convenience of the sampling in accordance with, e.g. Merriam (1998) & Cassel, Cunliffe and Grandy (2018). We believed that we would be able to make a better selection of suitable companies for our research as we were more familiar with the Swedish companies. Reaching

out to the companies in Sweden was also more convenient as we were writing the thesis in Sweden. Furthermore, we believed that the communication would be more natural, as many of the people we contacted were Swedes. Hence, speaking to them in Swedish could make them more likely to accept an interview, as they would probably feel more comfortable. Most importantly, we chose to focus specifically on Swedish companies within the fashion industry because of the many international success stories of the companies within this industry (Hauge and Malmberg, 2009). It is an industry commonly referred to as the Swedish fashion wonder (Falk, 2011; Lindholm Dahlstrand, Jacob and Politis, 2013), which made us curious to investigate some of these companies and look into what could be the reasons behind their success.

The choice of Swedish fashion companies as case companies was further defined as companies or brands that were founded in Sweden and still had their headquarters in Sweden. Moreover, we chose to focus on fashion companies who offer clothes, such as casual, festive, outdoor, and sports clothing. Further, we solely looked into companies that had already internationalized to some extent and that were, therefore, familiar with the phenomenon of internationalization, since this was essential to be able to contribute with valuable experience to our research. After that, we ended up with six case companies (Holebrook, Company X, Sail Racing, Nudie Jeans, Eton & Gina Tricot) that we received access to, which made the choice of these particular case companies in line with convenience sampling (Merriam, 1998).

2.4 Data Collection

2.4.1 Primary Data

Data collected for a specific research goal is referred to as primary data (Hox and Boejie, 2005). In this thesis, the focus has mainly been on the primary data, which was collected through 10 case interviews specifically developed and conducted for this research purpose. The reason behind this was that we wanted the information to be up to date and come directly from the company itself as we believe that this would raise the validity of our research. Additionally, conducting our own interviews allowed us to receive more detailed answers on the exact questions we were looking into. Information that otherwise would have been difficult to find on the companies' websites or other platforms. Finally, we were also eager to interact with employees at the companies and take part in their personal experiences. By using primary data,

we were also hoping to minimize the possibility of misinterpretations, which we believed could be a higher risk if one or several other people processed the information before it would reach us.

Interview Number	Company	Type of Employment	Date	Type of Interview	Interview Length
1	Nudie Jeans	Supply Chain Manager	6th of March 2019	Face-to-Face	55 min
2	Gina Tricot	Head of Expansion	8th of March 2019	Face-to-Face	75 min
3	Company X	CEO	8th of March 2019	Face-to-Face	60 min
4	Gina Tricot	Country Manager, Germany	8th of March 2019	Skype	35 min
5	Sail Racing	CEO	11th of March 2019	Face-to-Face	55 min
6	Eton	Customer Excellence Director	12th of March 2019	Face-to-Face	75 min
7	Holebrook	CEO	15th of March 2019	Skype	40 min
8	Nudie Jeans	Head of E-commerce	26nd of March 2019	Face-to-Face	50 min
9	Nudie Jeans	CEO	26nd of March 2019	Face-to-Face	45 min
10	Sail Racing	E-Commerce Manager	18th of April 2019	Phone	35 min

Table 1. Interview Overview.

2.4.1.1 Structure of the Interviews

According to Bryman and Bell (2015), there are three different types of structures which can be used when conducting an interview, namely; structured, semi-structured, and unstructured interview. We choose to use semi-structured interviews since we believed that we would be able to best allow for the in-depth answers which characterize qualitative interviews (Yin, 2017) and still combine a comparative design, where the questions had to be very similar for

all interviews. Thus, in line with the definition of semi-structured interviews, the questions were relatively general, but still connected to the theoretical background, and the same questions were used for all interviews, although, the order that they were asked in differed (Bryman and Bell, 2015). Through using mostly open questions, it allowed us to be flexible since we could be responsive and ask follow-up questions when trying to dig deeper and form a good understanding of the subject, which is vital in a semi-structured interview according to Bryman and Bell (2015). This created a natural atmosphere during our interviews, which made the interviewees comfortable, hopefully resulting in better answers. At the same time, we believed that this type of interview would also allow for the interviewees to add information outside the scope of the questions if they found it relevant to our research, which we did not want to miss out.

2.4.1.2 Planning and Execution of the Interviews

The interview process started with the identification of the companies that filled the requirement for being part of our study, where we ended up contacting 50 companies. After that, we contacted the companies through email, where we presented the area of our research and that we were interested in interviewing one or two of their employees. We also informed them that the interview would take around 45 minutes, and the company or the interviewee could be anonymous in our research if they would like to. In total, six companies responded that they were interested in being a part of our research, which resulted in 10 individual interviews. This since some companies were able to allow for more than one interview respondent, which we found to be useful because of the broader perspective, it would allow us to receive. Once the companies and respondents confirmed that they would like to participate in our research, time and place of the interviews were arranged with the persons that were to represent the companies.

A few days before the interviews, an e-mail was sent to the respondents with the interview question guide attached, so that they would know what to expect and therefore feel more prepared. In the e-mail, it was also highlighted that the questions would only be used as guidelines throughout the interview and that the respondents were encouraged to speak freely around them. In order to obtain a fair perspective and give all companies the same prerequisites, the same question guide was used in all interviews. Despite this, the increased level of knowledge that we had of the studied phenomenon later throughout the process, made it simpler for us to ask follow-up questions in the interviews that were conducted later in the process.

Further, all interviews were recorded after the respondents granted permission. In this way, we as researchers were able to actively participate in the interviews and focus on asking relevant follow-up questions, instead of taking notes. The interviews were later transcribed from the recordings in order to allow for the data to be analyzed in-depth, in line with Bryman and Bell (2015). After the empirical data was written, the section of each case company was sent to its respondents and company for confirmation to make sure that there were no misunderstandings.

Bryman and Bell (2015) underline the importance of being listening during an interview, not only to word shared by the respondent but also their body languages. This facilitates for the interviewer to find a solid balance between being active during the interview and not intrude too much. Therefore, we found it to be favorable for our research to conduct face-to-face interviews. Hence, seven out of ten interviews at the respondents' offices were conducted face-to-face. However, the remaining three respondents were interviewed by Skype due to distance and time restrictions. Nevertheless, the Skype interviews have been as fruitful as the face-to-face interviews for our research since they also allowed us to observe the respondents' body languages through video.

In an attempt to make the interviewees as comfortable as possible, the interviews were conducted in both English and Swedish. The nine respondents who were native Swedish were interviewed in Swedish, while the one non-native Swedish respondent was interviewed in English. This was decided because we wanted to enable the respondents to speak as freely as was possible, following Bryman and Bell (2015).

2.4.2 Secondary Data

Secondary data refers to data that has been collected for a purpose and then later reused for another purpose than it was originally collected for (Hox and Boeije, 2005). As this thesis is primarily developed based on primary data from the respondents, there has been little focus on secondary data. However, to give a wider understanding of the Swedish fashion industry context, secondary sources were used in the first part of the theoretical background. Also, secondary data in the form of academic articles that discuss primary sources were used in the theoretical background, which could be categorized as secondary data. Moreover, web-retiver-info.com was used to access information regarding the different case companies so that we

were able to access the 2017 annual reports for all companies using the same trustworthy source which is a database service provided by the University of Gothenburg.

2.5 Quality of Research

According to Guba and Lincoln (1994), *trustworthiness* and *authenticity* are the two primary criteria for determining the quality of qualitative research. The authenticity of a study shows how good a study describes reality (Lincoln and Guba, 1994). To create an authentic picture of reality, we have interviewed ten professionals in various positions, from six fashion companies. By conducting these interviews, we have tried to develop a better understanding of how the companies operate within networking and internationalization. In the process of gathering data and making sure not to leave out any crucial information, we have used a digital recording system, from which we later transcribed the audio recording to a written text. The transcribed material was approved by the respondent company to guarantee its authenticity. It is particularly crucial while analyzing these companies to highlight our awareness of the generalization of the empirical data. Due to the limitations of responding companies, it is evident to say that our outcome cannot be generalized over a more significant amount of companies. However, we believe in our content, and that the result from our interviewees should be seen as a fair empirical description of these companies.

Trustworthiness as the second criteria contains four parts, namely; *credibility, transferability, dependability, and confirmability* (Guba and Lincoln, 1994). *Credibility* is the process of rationality and the detailed description, which is easy to interpret (Lincoln and Guba, 1985). Hence, to make our research credible, we are describing our method in this chapter in a transparent way for the reader to be able to follow the process and the motivation behind our choices. Further, *Transferability* suggests a certain level of generalizability of the study, in this rapport that would indicate that we should outline enough information for others to use in a more generalized context (Lincoln and Guba, 1985). Our work could be interpreted by other companies and stakeholders to give a brief idea of how to construct and implement strategies for their future internationalization. *Dependability,* i.e., information about the process shown to the reader and it should be the entire collection of empirical data so it could be derived backward and also be thoroughly analyzed and elaborated upon (Lincoln and Guba, 1985). Dependability has been taken into consideration in the empirical data, which was transcribed

and later confirmed by all respondents to make sure that there were no misunderstandings and that it is a fair description of their experiences. Moreover, the secondary sources which are used are peer-reviewed, and several authors are included in the same research field, to make the theoretical background more dependable. *Confirmability* is a way of handling bias data, but there will always be some degree of subjectivity due to our previous experience in line with Lincoln and Guba (1985). By using semi-structured interviews allowing the respondent to speak relatively freely and the use of the same questionnaire for each interview, combined with only interviewing senior members and CEOs, we intend to mitigate any bias answers and make our results trustworthy.

2.6 Ethical Considerations

In line with Bryman and Bell (2015), ethical considerations have been applied from the start and throughout the entire process of our thesis project. The authors state the importance of not harming the participants during or after the interviews. Therefore, we were clear from the beginning that both the participating employee as well as the company could be anonymous in our research (ibid.). Furthermore, we tried not to make any interviewees uncomfortable in any way, by for instance avoiding personal questions (Bryman and Bell, 2015; Guthrie, 2010), and trying to be as flexible as possible in our approach towards the interviewees. We also sent the question guide to all interviewees a few days before their interview so that it would help them to prepare in advance if that would make them more comfortable. However, we were clear that there was no pressure that they had to prepare in advance and that this was only meant as a facilitator for them. Before each interview started, the respondents were asked whether if it was okay for us to record the interview. Further, the respondents were informed that there was no pressure to answer all questions and that they could decide how detailed answers they wanted to provide us with (Bryman and Bell, 2015). After the empirical data was completed, we sent each participant their transcribed data to make sure that we had understood the underlying context of their message. Here, they had the opportunity to correct any misunderstanding that they found.

2.7 Data Analysis

Bryman and Bell (2015) conclude that data analysis first requires the researchers to manage the raw data material, making the data manageable depending on the data collection. In line with the chosen research method, an abductive research approach, our data analysis process made us develop and partly change our theoretical background (ibid.). Hence, the result from our interviews presented in the empirical data section was later combined with our theoretical background to create the analysis, which is in line with abductive reasoning (Dubois and Gadde, 2002). For instance, we noted through the abductive reasoning that even though strong and weak ties were appropriate for our study, the empirical data showed that deep and shallow relationships would better describe this phenomenon in reality. Thus, we explained this in the analysis and discussion, which resulted in a change of the conceptual framework (Figure 2), since strong and weak ties were instead referred to as deep and shallow relationships in the revised conceptual framework (Figure 3). Moreover, the data collected through the transcribed interviews were explored to find commonalities which could be merged into different findings that would fulfill the purpose of our thesis (Yin, 2017; Collis and Hussey, 2014). The clustering of the findings then facilitated the development of the analysis (Dubois and Gadde, 2002). Networking with agents and distributors was one of the findings resulting from the clustering of the empirical data, as more or less, all respondents highlighted the use of these for a facilitated internationalization.

Further, since the interviews were transcribed in the spoken language, the quotes we used in our empirical data, which were said in Swedish had to be translated into English. With this type of translation, Bryman and Bell (2015) stress that translation bias is a factor that the authors need to keep in mind. Therefore, much attention was paid towards making sure that the data was transcribed in a way that would ensure that the same message was communicated. Furthermore, the respondents approved the used quotes, which further ensures a fair translation.

3 Theoretical Background

In this chapter, the Swedish fashion industry context will be presented primarily for the reader to develop a greater understanding of the industry, as this is highly central in this study. After that, several different theories connected to networking and internationalization of firms will be presented. First, we will describe the difference between formal and informal networks and the different roles that these have according to research to give a broad understanding of different types of networks. Second, the benefits and downsides of using strong and weak ties within networks are presented as a complement to defining different types of networks. Third, entry nodes that explain different ways of establishment in the foreign market networks are highlighted to give the reader a more practical understanding of how firms can network in reality. Fourth, the active process of overcoming the liability of outsidership is discussed to give the reader an understanding of how the firm can become an insider in foreign networks. Lastly, the Business Network Internationalization Process Model also referred to as the revised Uppsala Model, is explained to provide an even more detailed description of the later stages in the process of networking when a firm has entered a network. These different theoretical backgrounds are chosen based on our research question and the empirical data (presented in the next chapter) from our case companies within the Swedish fashion industry.

3.1 The Swedish Fashion Industry Context

Design and creativity are essential for fashion firms. However, the management of the business side is critical as well for the firm for it not to be short-lived, since its competitiveness is highly dependent on the coordination of purchasing, logistics, administration, finance, marketing and sales (Hauge and Power, 2008; Hauge, 2012). Thus, for fashion companies to deliver the best product with the most competitive price in the fastest time, there are a lot of people with different roles involved (Hauge, 2007). The fashion industry is characterized by a holistic process (Hauge and Power, 2008) where textile producers, designers, new product developers, manufacturers, buyers, supply chain managers, logistics experts, technology experts, merchandisers, retailers, marketing specialists, and strategy experts all need to work together (Hauge, 2007). The processes need to be managed and organized through complex networks for the merchandise to be able to reach the end consumer (Hauge and Power, 2008).

In order to manage retail, large companies like H&M have retail units that report to a central coordinating unit that regulate stocks, resupplies, take up new design processes and production orders based on the gathered information (Gråbacke and Jörnmark, 2008). Small- and medium-sized firms, on the other hand, are focused on their relations with wholesalers, which could be department stores or e-commerce (ibid.), but also agents and distributors (Holm and Tijburg, 2013). The difference between agents and distributors is that agents lack the legal ownership of the companies' products. Agents are intermediaries who manage the firms' sales and negotiations in a particular market, although, the fashion firm still has control over what the agent does. Distributors import the company's products, and after that, have full control over how the brand is presented and in which stores it is sold in that market. To be able to connect with agents and distributors internationally, fashion fairs in different countries, such as Milan and Paris, are an essential tool for fashion firms. Further, the fashion company can also have direct retail through direct export to the consumer or to have its own flagship or concept stores abroad, although this requires a substantial turnover (ibid.).

3.2 Formal and Informal Networks

There is a distinction between formal and informal networks, where informal networks are characterized by the social connection, for instance, between family members or friends, and formal networks are linked to a business environment, where members behave accordingly to the setting of their network (Johannisson, 1986). Informal network relationships consist of various communication channels, and the interaction between its members are not pre-decided in advance (ibid). Further, Chetty and Blankenburg-Holm (2000) are pinpointing the importance of informal networks, where they claim that informal contact within the members of the network is as important as formal network relationships. Formal networks are described by Chetty and Patterson (2002) as the opposite to informal groups, as they are restricted by a formal setting designed by organizations and partners in the business. Further, formal networks are described as the professional connection between; companies, organizations, and institutions (ibid.).

Moreover, companies use of formal networks is described by Chetty and Patterson (2002) as a strict way to achieve measurable and tangible objectives, i.e., increasing the outcome from entering new markets. Informal networks are not used in the same way, and its members do

not rely on the network to the same extant, as in the formal network. Instead, members are communicating informally and its members are not expecting the same fruitful interaction. In the informal network, the key outcome is; trust building, relationship building, and sharing of experiences (ibid.).

3.3 Strong and Weak Ties within Networks

According to Sharma and Blomstermo (2003) networks consist of both strong and weak ties, where the strength of the tie is defined by *'...a (probably linear) combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the ties'* (Granovetter, 1973, p.1361). This means that when the amount of time, emotional intensity, intimacy, and reciprocity is high – it is a strong tie (Sharma and Blomstermo, 2003). Hence, strong ties need a large amount of interaction, which is very costly for the firm to keep up with. From a cost perspective, it is, therefore, more beneficial for companies to take part in a great number of weak ties rather than strong ones. Moreover, Sharma and Blomstermo (2003) argue that weak ties are a better source for new knowledge as compared to strong ties. They explain that companies that have strong ties often adapt to each other, which results in a knowledge base that is very similar to each other. Therefore, weak ties, which are usually those between distant companies that would have typically been disconnected, leads to the sharing of dissimilar knowledge. Another benefit of having weak ties is that it is more likely that the company will look for new knowledge outside their existing networks, as they will have more autonomy. This, in turn, means that the company will be able to be more flexible, as compared to if they would have strong ties, which could hinder the firm to be adaptive and make knowledge-based decisions (ibid.).

3.4 Entry Nodes

Jansson and Sandberg (2008) argue that the network approach to internationalization takes place through so-called entry nodes, which the authors explain are different ways of establishment in the foreign market networks. These can either be through direct trade with the customers or indirect trade through intermediates. The straightforward relationship, referred to as dyads by the authors, is one that involves direct communication with the customers in different countries (ibid.). Dyads, being a two-party relationship, can be managed through two

different types of entry modes, either direct export from the home market or direct sales by the company's subsidiary to the customers abroad (Havila, Johanson and Thilenius, 2004). The indirect relationship, referred to as triads by Jansson and Sandberg (2008), is one where an outside party or another type of entry node is involved. This intermediate could be a distributor, dealer, and agent, or an entry mode using FDI. Triads are therefore described as a three-party relationship abroad (Havila, Johanson and Thilenius, 2004). The triad differs to the dyads where each of the member's functions as an intermediate between the other two, so each relationship is influenced by the other relationship and they are rarely communicating with each other simultaneously (Homans, Hare and Polley, 2017).

The outcome from different entry nodes is discussed by Lu and Beamish (2001), who found that the result is affected by the resources of the firm; i.e., larger companies performing better than smaller companies, due to more advanced financial and managerial skills (ibid.). These nodes can be used in different ways, and Hilmersson and Jansson (2012) believe that companies could improve their network position by utilizing these nodes in various ways. For instance, when they are entering a new market, specific contacts will grow stronger from originally week ties. Thus, the company has managed to move into a more central position and consequently, suffer less from the outsidership (ibid.).

3.5 The Process of Actively Overcoming the Liability of Outsidership

3.5.1 Phase 1: Recognizing the Existence of Liability of Outsidership

Schweizer (2012) argues that the first phase of overcoming the liability of outsidership is that the firm has to realize that it is an outsider and that it is an important mental barrier to overcome. He claims that firms not accepting that they are outsiders might be the reason that firms fail to access relevant networks. Therefore, he stresses that the theory presented by Johanson and Vahlne (2009) lacks this vital aspect of being aware that one is an outsider to be able to overcome the liability of outsidership. Further, he explains that there are different internal and external triggers, which can make a firm realize that it is an outsider (ibid.). For instance, he mentions an internal crisis, changes in the existing network and/or in the environment context (see Jones and Coviello, 2005), entry of new decision makers and/or stakeholders (see Loane and Bell, 2006) and an ad hoc offer made by a company in a relevant network (Johanson and Vahlne, 2009).

3.5.2 Phase 2: Identifying the Relevant Network

In the process of overcoming the liability of foreignness, when having accepted that the firm is an outsider, a firm can react in three ways, according to Schweizer (2012). The firm might try to use its present favored network to reduce the liability of outsidership, it can also try to find and access a more adequate network through the use of existing contacts or trying to find new ones, or simply not be able to act on this new understanding that they are an outsider (see Chetty and Patterson, 2002). Moreover, he claims that the decision makers of the firms should be not only able to realize that they are an outsider, but also be able to "make sense of it" (see Knight and Liesch, 2002). The firm then needs to act with effectuation rationality, meaning that they should be aware of what can be done with the resources (see Sarasvathy, 2001), capabilities, knowledge and present relationships that are available. Therefore, he argues that the firm may not only try to access a network with complementary resources (see Reuber and Fischer, 1997). Instead, the knowledge, capabilities, resources, and relationships that a firm has might determine what networks the firm can access, based on what networks the firm wants to access (see Anderson et al., 1994). In other words, Schweizer (2012) argues that the second phase of the process is to evaluate the firms' capabilities and resources as well as its current contacts to be able to find a more relevant network to overcome the liability of outsidership. He also adds that the identification of a network that fit the current resources, capabilities, knowledge, and relationships of the firm is essential for the next phase to be able to create commitment and trust. Finally, it is when the firm has accessed a new network, that the resource commitment needed is put in to be able to overcome the outsidership (see Tan et al., 2007).

3.5.3 Phase 3: Re-bundling the Firm's Capabilities and Resources

According to Schweizer (2012), there is a fine line between phase 2 and 3. In this phase, he argues that to be able to connect with the network that is found to be appropriate for the company's internationalization in phase 2, the firm needs to re-bundle their existing resources and through that create new capabilities, since SMEs many times lack financial resources to acquire relevant resources. Here, the firm's existing relationships are important. Therefore, individuals within the firm might need to reactivate their passive relations (see Hadjikhani, 1997), where the social ties are weak because of the low level of intimacy, emotional intensity, reciprocity and time spent (see Sharma and Blomstermo, 2003). When identifying business opportunities, he claims that weak ties can be necessary. However, he stresses that strong ties are crucial when exploiting opportunities presented ones the network.

To be able to make use of these relations, Schweizer (2012) explains that the firm needs to transform the weak ties into strong and more formal ties (see Larson and Starr, 1993). While stressing that weak ties need to be handled efficiently as well (see Sirmon et al., 2007) since it is not satisfactory to access networks through weak ties (see Sharma and Blomstermo, 2003). He stresses that it is through experiential learning about the capabilities and resources of the other part and thus, increased commitment that the relationships are developed (see Hägg and Johanson, 1982). Furthermore, Schweizer (2012) argues that it is not enough for firms to have existing relevant networks, but that it is evident for firms to be able to in fact utilize and alter these relationships.

3.5.4 Phase 4: Accessing, Managing and Leveraging Opportunities Identified in the New Network

Schweizer (2012) explains that this phase is very much in accordance with the already established Business Network Internationalization Process model presented by Johanson and Vahlne (2009) (presented next in this chapter *3.6 The Business Network Internationalization Process Model*), and that the main contribution of his study is, therefore, the first three phases of the process.

In short, the last phase of the process of overcoming the liability of outsidership is, according to Schweizer (2012), where the firm needs to enter and manage the new network. The entrance is made possible through using connections with actors that are already a part of the network, where the firm can learn about the network and build trust towards it (see Johanson and Vahlne, 2009). Once the firm has become a part of the network, they can create new knowledge together with the other members of the network. He also adds that there is a lot of focus on identifying and developing new business opportunities. Finally, the firm has overcome the liability of outsidership and has thus become an insider (ibid.). After this, Schweizer (2012) stresses that the firm he studied, was able to enter many different countries through the use of distributors in a short time because of the firm's growing reputation and the access to a relevant network internationally. Thus, instead of having to identify new opportunities, potential distributors found and contacted the company. Therefore, Schweizer (2012) states that opportunity identification, development as well as exploitation abroad is facilitated when being an insider abroad (see Chandra, Styles and Wilkinson, 2012; Mort and Weerawardena 2006).

3.6 The Business Network Internationalization Process Model

In the original Uppsala Model, presented by Johanson and Vahlne (1977), the main hindrance for internationalization was the experienced uncertainty due to psychic distance. In 2009, Johanson and Vahlne published a revisited version of their internationalization model, shown in Figure 1, due to the research that had been made in the area and the changes in business practices (Johanson and Vahlne, 2009). They now argue that the root of uncertainty is in the outsidership to relevant networks, because business opportunities emerge in networks as well as business relationships. The new model emphasizes the relationships that create networks on the market and the importance of being a part of such a network that is of relevance to the company, to be able to internationalize successfully. This since the authors see markets as a complex network of relationships linked to each other. They claim that the relationships and networks are the foundation of knowledge and learning in a company. They state that business networks have an important impact on which foreign market a company chooses to enter. In this version, they argue that the big challenge for companies in an international context is no longer to overcome the barriers of being a foreigner but to overcome the liability of outsidership. They mean that the problems companies are facing now are more relationship- and network-specific rather than country-specific. Leading to that access to new markets becomes difficult if the company does not have relationships or networks in the new market (ibid.).

In the revised Uppsala Model, also referred to as The Business Network Internationalization Process Model, the variables are divided into two categories: *State variables* and *Change variables* (Johanson and Vahlne, 2009) as seen in Figure 1. These variables influence each other where the current state affects change, while change also has an impact on the current state (ibid.). The state variables, meaning the variables that describe the current state of the internationalization of the firm (Johanson and Vahlne, 1977), include the sub-categories *Knowledge Opportunities* as well as *Network position* (Johanson and Vahlne, 2009). By Knowledge Opportunities, the authors mean that market knowledge (such as strategies, capabilities, needs, and networks linked to their institutional context) is essential, though they want to highlight opportunities as the most important part of knowledge since it is what drives the process of internationalization. The second state variable, Network position, is used to explain that the internationalization process today takes place within networks. In this process, companies are learning from each other and building trust and commitment to other firms. If

these collaborations are proven to be successful for the internationalization of the firm, they can lead to the creation of partnerships – which in turn results in a specific network position for the focal firm. The commitment to the networks continues to increase as long as the relationship benefits the performance and future of the firm (ibid.).

As for the Change variables, more specifically the variables that are constantly changing and describe the internationalization process of the firm (Johanson and Vahlne, 1977), these are *Relationship commitment decisions* and *Learning, creating and trust-building* (Johanson and Vahlne, 2009). Learning, creating, and trust-building is the first Change variable. It is used by the authors to explain that companies' regular daily activities and their existing commitment, trust, knowledge as well as opportunity creation level, can influence the learning process, knowledge creation and trust-building of the firm. The second Change variable, Relationship commitment decisions, refers to the crucial role of commitment to relationships and networks when making decisions for the development of the firms' internationalization on different markets. By increasing or decreasing the commitment level to the relationships within the firm's network in a particular market, the firm will influence the future development on that market. This could be seen through changes in, for instance, the level of independence, the size of the investments, entry modes, or even organizational changes (ibid.).

An overview of the model shows that these two sets of variables, the State and Change variables, are connected. The revised Uppsala model implies that the internationalization process is a dynamic process where increased learning could lead to a positive, but also a negative, impact on trust and commitment building within the network that the firm is a part of (Johanson and Vahlne, 2009).
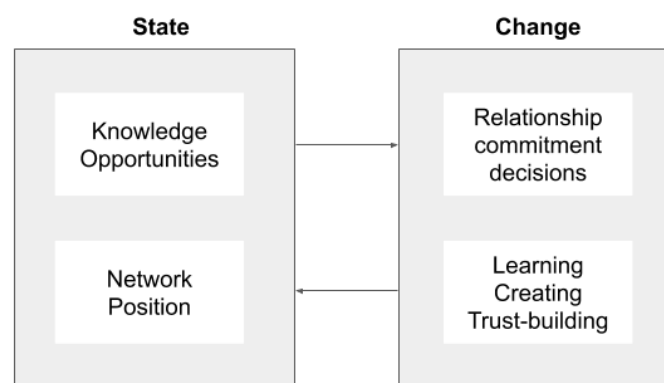

Figure 1. The Business Network Internationalization Process Model,
Own Illustration from Johanson & Vahlne (2009).

4 Conceptual Framework

The theoretical background presented above resulted in a conceptual framework presented in Figure 2 below. The conceptual framework was used throughout the research process, playing an important role in the interviews as well as being the reference point in the analysis.

When a company does not have a network or does not use it in its process of internationalization, it results in a situation much like the one that is presented by the Business Network Internationalization Process Model (Johanson and Vahlne, 2009). Thus, the company will suffer from liability of outsidership as they have no network, in line with Johanson and Vahlne (2009). Consequently, we claim that this results in a more difficult internationalization for the firm, as compared to other actors who are using their networks. However, Figure 2 is an illustration of when a company does use their network in their internationalization process. We argue that the use of networks will result in a facilitated internationalization, in accordance with Johanson and Vahlne (2009). This as networks are, for instance, an excellent source for market knowledge and hence, a tool for recognizing market opportunities, which is the driver of the internationalization process (ibid.).

In line with Schweizer (2012) we argue that the first step in overcoming the liability of outsidership, and thus, have access to networks and be able to utilize them, firms need to overcome the mental barrier of realizing that they are an outsider in the network. He argues that the lack of this awareness can be the reason behind companies' failure to access relevant networks abroad. This step is referred to as the *Realization of Outsidership* in Figure 2.

The next step, *Identification of Relevant Networks*, explains different ways that companies can react to the realization of their outsidership in accordance with Schweizer (2012). First, the firm can decide not to act on this new understanding and instead accept the fact that they are an outsider. However, we argue that this will not lead to the facilitation of internationalization and that it is therefore not an ideal path for the companies. Instead, we suggest in line with Schweizer (2012) that the firm should evaluate their current resources, capabilities, and contacts, and based on that, use their existing relationships if they are found to be relevant, or try to access a more relevant network through these contacts. The company can also try to find and access a new network that they find to be of relevance, assuming that it fits the company's current resources, capabilities, and knowledge.

Whereas the second step describes the identification of relevant networks, the third step of our conceptual framework describes what the firm has to do to get *Access to Relevant Networks*. Here, we have identified three strategies that the company can use. *Rebundling Resources to Generate New Capabilities* refers to the process where the firm needs to re-bundle its existing resources to create new capabilities, to access these networks (Schweizer, 2012). The other strategy that the company can use is *Utilization of Existing Passive Formal and Informal Relationships.* Schweizer (2012) describe how the firms' existing relationships are vital and how employees should reactivate their passive relations. We claim that these passive relationships could be both formal and informal. Formal networks are restricted by their formal setting, and its structure is shaped by its active members (Chetty and Patterson, 2002). The informal network is developed through the social interaction between friends and family, where the structure of communication is not decided in advance (Johannisson, 1986). Furthermore, *Entry Nodes* can be explained as a way for companies to establish themselves in a foreign market network. These entry nodes are described as direct trade with customers or indirect trade through intermediates, such as agents and distributors (Jansson and Sandberg (2008).

After the company has accessed the relevant network, there are two paths to reach the final destination, being the achievement of facilitated internationalization. The company can choose not to develop the relationship too much and instead keep the *Weak Ties* as they are. This will lead to a relationship which allows for *Dissimilar Knowledge Sharing* in accordance with Sharma and Blomstemo (2003). However, the company might also further develop these relationships through *Trust and Commitment Building* (Johanson and Vahlne, 2009) where a considerable amount of interaction is needed in order to reach and maintain *Strong Ties* (Sharma and Blomstermo, 2003) (Referred to as *Trust & Commitment Building to Reach & Sustain Strong Ties* in Figure 2). This means that in line with our theoretical background, the company will be highly engaged in these strong relationships, and thus, they are somewhat restricting their ability to expand their network (Sharma and Blomstermo, 2003). Hence, these strong ties could hinder access to new and unfamiliar knowledge, as the knowledge base for those with strong ties is usually similar to oneself (ibid.). Still, strong relationships are argued to be useful for *Knowledge Creation and Opportunity Exploration* (Johanson and Vahlne, 2009; Schweizer, 2012).

To conclude, we argue that the firm has undergone the entire process from being an outsider to become an insider, and thus created prerequisites for a *Facilitated Internationalization* in line with the theories presented in the theoretical background through different ways of utilizing their network.
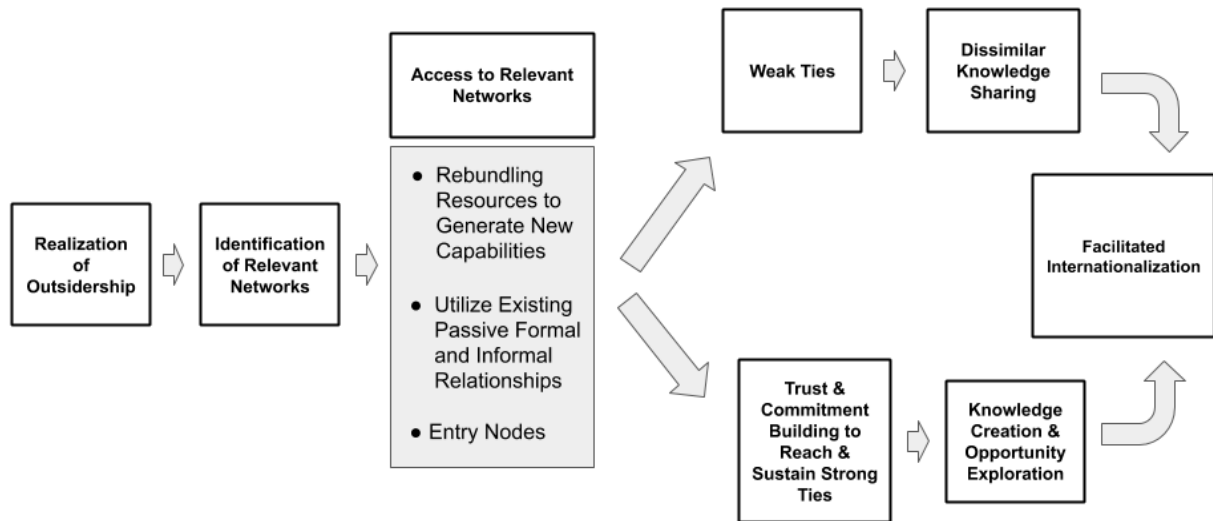
Figure 2. Conceptual Framework, Internationalization utilizing Networks, Own illustration.

5 Empirical Data

The empirical data is gathered from face-to-face and Skype interviews. The results from the interviews are organized and presented in this chapter depending on the size of the company, starting with the smallest company in terms of yearly revenue first, and consequently the largest company by revenue in the end. An overview of the companies and the name and role of the respondent(s) are presented in Table 2 below.

Furthermore, each company case is organized by first covering their thoughts in regard of their networking, followed by how they describe their internationalization process and, the last section covers how they internally have been organizing and structuring their enterprise in regard of the knowledge management.

Company	Type of Employment	Name
Holebrook	CEO	Daniel Svensson
Company X	CEO	Respondent X
Sail Racing	CEO	Joakim Berne
Sail Racing	E-Commerce Manager	Christoffer Iveslätt
Nudie Jeans	CEO	Palle Stenberg
	E-Commerce Manager	Mathias Jonasson
	Supply Chain Manager	Maria Johansson
Eton	Customer Excellence Director	Jacob Dahl
Gina Tricot	Expansion Manager	Jessica Syrén
	Country Manager Germany	Alicja Siegfanz

Table 2. Overview of Case Companies and Names as well as Roles of their Respondents.

5.1 Holebrook

Holebrook Sweden was founded in 1999 by Tina Karstorp, and their headquarter is located in Ulricehamn (Holebrook, 2019). We would describe their clothing as fashionable and functional sailing clothing, originally designed to warm sailors. Most of their sweaters which they are known for, are in the price range of between 900 and 1200 SEK (ibid.).

Revenue 2018 - 08	44,2 million SEK
Number of Employees	12
Number of International Markets with Own Stores	0
Number of International Markets through Agents/Distributors	7
Number of International Markets through E-commerce	35

Table 3. Holebrook. Source: UB, 2019 and Holebrook, Personal communication, 2019-04-25.

Daniel Svensson claims that he and his colleagues' networks of personal relations have been the most critical and helpful contact in the internationalization of the company, which has been highly driven through these relations. *"You have to know people to get somewhere, that's how it is"* (Daniel Svensson, Interview, March 15, 2019). He stresses that agents and distributors play an extremely large role since the company does not usually work directly towards the final customer abroad, but rather through the agents and distributors, who therefore become important ambassadors for Holebrook. Hence, the agents and distributors need to be right for the company in terms of having the same mindset and understand the company's vision for it to be able to work.

Furthermore, Svensson argues that since the industry is quite small (in Europe at least), they can find their agents and distributors through their personal networks, since people know people, which is then spread through word of mouth. Therefore, they can also find references and look up people before they decide who to work with. For instance, he highlights that they have recently signed an agreement with a distributor in Canada which was found through their network. For instance, he highlights that they have recently signed an agreement with a distributor in Canada, which was found through their network. Svensson explains that once the word was out that they were looking to establish themselves in Canada, their distributor in the U.S. was at an exhibition where he met a distributor from Canada that he believed would be suitable for Holebrook. After an email, skype interview, phone call and finally a visit in Sweden, a deal was signed with the distributor in Canada, which Daniel Svensson believes will be a great long-term deal for the company. Hence, he suggests that a part of being a distributor for Holebrook is also to make contact with others and create a network. This especially for the ones outside Europe, since Svensson explains that it is difficult for the company to reach out there because it is too expensive and time-consuming for them to fly there for just one meeting

or occasion. In Europe, however, he claims that they do meet a lot of people when visiting fairs in Stockholm, Copenhagen, Berlin, and Oslo.

Svensson also mentions that they have a relationship with some of their competitors who are in the same industry and within the same customer segment. As long as they trust the person, he claims they can share knowledge, usually in an informal way through text messages, phone, or e-mail. *"We believe that we are all needed and that we can help each other to develop"* (Daniel Svensson, Interview, March 15, 2019). He explains that what is important here is that they receive equally much help as they are providing to others. Additionally, he argues that it is quite easy to find out if the information received from the network is true.

According to Daniel Svensson, they do not use organizations, such as Business Sweden, as a help in their internationalization. He gives one example where they got a suggestion of an agent in Germany through Business Sweden, although, they chose not to go through with it because they felt that it was not specific enough for Holebrook, since they did not focus on the fashion industry, which made Svensson doubtful of what Holebrook were actually getting. Svenskt Näringsliv is another organization which they have gotten invites from, although they have experienced the same problem there. They have been invited to seminars to discuss exports with companies in the dairy industry as well as the car industry which he believes is irrelevant to Holebrook, since the industries differ too much. He does mention that they have worked with Modeverket, a recruitment partner, with mixed results. Therefore, he claims that there is a need for organizations focused on the fashion industry that can help with networking for exporting abroad, such as the recruitment of serious agents and distributors. As for now, Svensson claims that the lack of this has resulted in that they mostly use informal networks in their internationalization.

In general, Daniel Svensson argues that they have a positive attitude towards creating new relationships, even though he explains that they are not actively seeking for new networks. Instead, he means that a lot of the contacts come to them automatically by coincidence, such as the Canadian distributor. He suggests that the personal relationship is extremely important and that they, therefore, work with deep collaborations, such as the ones with their distributors, agents, and competitors, where they have a high level of trust and can benefit from the collaboration. For instance, they have two sales conferences with the agents and distributors

every year, where they visit the Holebrook headquarter. Svensson explains that their network consists mostly of their agents and distributors.

Moreover, Svensson points out the value in being responsive, listening to new ideas, and being able to develop and apply them in reality. For example, they listen to information from their network, such as colleagues in the industry and competitors, regarding which markets that are interesting. They also share why the companies are doing good or bad in a specific market, which he says is highly connected to which agents and distributors the company has. Therefore, they also compare different agents and distributors within the network. Despite this, he does also stress the importance to hear something twice or three times before acting on the information.

At Holebrook, Daniel Svensson explains that within sales, they use their network of distributors and agents to reach out to international markets in physical stores. He further argues that these physical stores have been the way for the company to build the brand recognition and the concept of the brand abroad, although they have had to shift their focus also to be able to be strong online.

5.2 Company X

Company X was founded in 2001, and its' headquarter is located somewhere in Sweden. The design of their clothes is inspired by the subcultures which Company X originates from. Company X started designing non-casual outdoor clothing with the local weather in mind and has evolved to creating full female and male collections. Their design is made to fit young professionals, i.e., consumers with the specific subculture in mind and their male sweatshirts are prized between 700-1200 SEK (Company X website, 2019).

Revenue 2017-12	100 million SEK
Number of Employees	16
Number of International Markets with Own Stores	0
Number of International Markets through Agents/Distributors	19
Number of International Markets through E-commerce	29

Table 4. Company X. Source: UB, 2019 and Company X, Personal communication, 2019-04-11.

According to the respondent, the company has a strong local network where it is common to exchange experiences informally. The respondent explains that the strong networks in their case are developed from the relatively small size of the industry in combination with employees changing jobs within the industry. Further, the size of the company makes it hard to differentiate between formal and informal contacts according to the respondent *"...for example, your sister in law is a copywriter"* (Respondent X, Interview, March 8, 2019). Even though their network consists mainly of informal contacts, which have also been important historically within the industry, the respondent claims to be part of several business networks as well. Business Sweden is one of the organizations which the company has used at times, resulting in a lot of help as well as access to new networks for a very low fee. Internationally, the respondent claims that informal relationships are built within networks, through the sales personnel taking part in the same fashion fairs abroad, such as Pitti Uomo in Florence. The importance of these informal networks internationally is emphasized, and the respondent explains that it is of interests to expand the network abroad, although it has been difficult for the company as they are too small in many of the foreign markets.

Moreover, the respondent emphasizes the importance of deep and long-term relationships rather than shallow ones within the company's networks both internationally and locally, since it raises the trust towards that particular network. It is also argued to be important to look at several different places to validate the information obtained by one contact, even if that contact is a friend with whom the respondent has a deep connection.

In regard to the attitude of the firm towards creating new contacts and becoming part of new networks, the respondent claims to be very positive. In the strive to become better, the company is also interested in gathering information and ideas from competitors and its employees. However, Respondent X develops upon the fact that it is sometimes difficult for them to reach out to networks that have more resources and capabilities than them since they feel that they will not be able to give as much information back in the relationship.

The respondent emphasizes that within the company, international business is not usually conducted in a formal way. Instead, the role of networks is more important today and is continuing to grow. The respondent explains that the trend is that it is becoming increasingly important for the company itself to be present in the foreign markets. However, in the

internationalization of the firm historically, the respondent argues that agents and distributors have played a large role to reach customers in markets abroad. Further, the respondent stresses that instead of doing research, the company has often listened to recommendations from its networks regarding market opportunities in the past, which is pinpointed to be commonly used within the fashion industry. However, it is also argued to be important to have in mind that the companies are different even though they are within the same industry, which means that the same information might not be equally relevant or have the same impact for both companies. For instance, the respondent mentions that even though Poland might be an interesting market for a company such as KappAhl to enter, it does not mean that it is a good market for their company since they are very different. Today, when looking for new markets to enter, the company tries to first realize the potential of a specific market and then use its network to find good contacts, such as distributors, within that market. *"Most important is to find a partner with the right portfolio and then check with other companies if they are satisfied with them. It is important to find an agent or distributor which is similar to our brand"* (Respondent X, Interview, March 8, 2019).

5.3 Sail Racing

Sail Racing was founded by Lasse Molse and Christer Johansson in 1977. However, the brand was re-invented in 1999 by Martin Rydell, who currently is working with R&D and obtain the position as chairman. The headquarter is located 7 km south from Gothenburg in Billdal. Sail Racing is targeting hardcore sailor's primary, but their portfolio is covering products suitable for everything between arctic expeditions and America's cup, to casual clothing. Their pricing on male sweaters starts at 1000 SEK and stops at 1600 SEK (Sail Racing, 2019).

Revenue 2017-12	143 million SEK
Number of Employees	22
Number of International Markets with Own Stores	2
Number of International Markets through Agents/Distributors	10
Number of International Markets through E-commerce	Worldwide

Table 5. Sail Racing. Source: UB, 2019 and Sail Racing, Personal communication, 2019-06-03.

The primary network used in Sail Racing is the informal network in their daily activities according to Joakim Berne. Everything from hiring a store manager to contracting a carpenter to build their stores abroad starts with their informal network. Iveslätt explains that they usually are hiring people to their stores from the informal network, and for instance, their boutique in Cowes Marina Isle of Wight was staffed with personnel from their informal network. In cases where they are not able to receive help from their informal network, Berne claims that they need to use formal networks.

From the start, Sail Racing has been working with several distributors. However, Joakim Berne, CEO of Sail Racing, realized that they needed to change their internationalization approach, and the company diminished their presence abroad. The underlying reason was that Sail Racing could not maintain an adequate portfolio of products for each market, and therefore, they realized that they needed to focus the brand towards specific types of markets. Consequently, they ended their collaboration with several distributors, which resulted in Sail Racing's shift to focus on, for instance, the Scandinavian markets. However, even if the market fit their collection of clothing, they argue for the need to find the right partner. In the ongoing entry to the UK, Berne elaborates that the main reason for entering this market is its large community of core sailors. Their first action in the UK was to search for a distributor or agent, who they could contract. Since they could not find a partner, they changed the tactic and started joining projects that fitted their profile, which turned out to be fruitful. Iveslätt develops Sail Racing's UK venture further and explains that their network does not grant their fortune to be located at Harrods, it is instead a question of hard work and purposeful approach towards the department store.

The changed focus required Sail Racing to end old relationships and find new agents in these markets. This change forced them into deeper collaborations, instead of earlier more shallow relationships with their distributor's. Berne argues that Sail Racing's deeper connection with their new partners is more beneficial and more rewarding. He refers to the process as "total commitment," where Sail Racing gives its total commitment to all members of its network. This to become more devoted to all their partners and invest time and money by, for instance, visiting them at their markets. He stresses the importance of these deeper collaborations, and he highlights the significance of long-term commitment, where the international partners receive required support to ensure that they will display the company in the right way. Moreover, Iveslätt believes long term collaboration is benefited by deeper cooperation, and if

they enter new networks or partnerships, the ambition is to create long term relationships. However, Berne claims that there is also a negative impact from the deeper collaboration since it increases the workload, where the employees do not have enough resources to maintain the same number of distributors as before.

Within their ongoing process of shifting focus on specific markets, Joakim Berne decided to also focus on their e-commerce. Berne argues that this should attract more and increase communication with "core sailors" who are their primary customers. Focusing on these "core sailors" is according to Berne essential, due to the company's origin from the sailing sports and the kind of products they produce. This approach has established a foundation for Sail Racing where they are the central part in several sailing events, helping them to generate income, visibility and to expand their existing networks. Joakim Berne gives one clear example from their collaboration with the Oracle America's Cup team that generates large sales volumes and what Berne describes as even more important is their connection to new networks.

Furthermore, Berne claims that their ending of collaboration with distributors also resulted in one case where they instead decided to do it on their own, which according to Berne generated higher revenues and better communication with the customers. The primary purpose was to establish direct contact with customers, increase the control of the brand, and make higher profit margins. According to Berne, the most important network for Sail Racing and the most important shift within the fashion industry is the change from business to business (B2B) networks, to focus on communication towards the business to consumer (B2C) networks. Sail Racing believes that the future is within the content and interface used directly towards their consumers

Sail Racing also participates in more traditional networks, including their producers, agents, distributors and various stores in several countries. Berne explains that their collaboration with different partners is essential. For instance, their entry into China is conducted by their oldest partner in Hong Kong, whom from the beginning produced their clothing. This producer stopped the production of apparel and is instead focusing on Sail Racing and its entry to Hong Kong and China.

Moreover, what seems to be beneficial for their networking is the company's store locations. Sail Racing is opening stores at various locations and stand-alone stores, shop in shops and

stores at specific sites associated with sailing. Berne describes these locations as beneficial, where, for instance, their flagship store in Stockholm connected them with a premium shopping mall in Turkey. Their ambition and strategy with the choices of store locations are that they should be in the best position, where they find synergies between location and their increasing sales and communication. Iveslätt exemplifies how great their store at Real Club Nautico Yacht club has been for their new contacts in Spain and France.

5.4 Nudie Jeans

In 2001, Maria Erixon Levin and Joakim Levin established Nudie Jeans. After a short time, they invited Palle Stenberg to become a partner as well (Tuvhag, 2019). The company was founded in Gothenburg, where the headquarter is still located. Their collections stretch from jeans to underwear, also including jackets and other garments not made in denim. Their main product is jeanswear, made with unwashed denim. They are targeting fashionable consumers, and their price for a pair of jeans starts at 1100 SEK and stops at 3000 SEK (Nudie Jeans, 2019).

Revenue 2017-12	451 million SEK
Number of Employees	151
Number of International Markets with Own Stores	10
Number of International Markets through Agents/Distributors	Around 30
Number of International Markets through E-commerce	51

Table 6. Nudie Jeans. Source: UB, 2019 and Nudie Jeans, Personal communication, 2019-04-10.

Nudie Jeans utilized their informal network to a large extent in the beginning. Palle Stenberg, one of three founders, states that one of the co-founder's previous work experience and her network was of great importance for their development. He explains the early days of Nudie Jeans and how it all started through the informal business network. In this network, several stakeholders were included and according to Stenberg, agents and distributors, but also shop owners or marketers. According to Palle Stenberg, the fashion industry has traditionally been dependent on informal contacts, fashion fairs, and high street stores as the engine in the fashion industry. Nudie Jeans was part of that traditional growth pattern as well, and they managed to

sell jeans to stores in London and Manchester, and through the stores, generate new connections in the US.

Stenberg speaks of when companies started to get curious and started to call their office; he used to say *" as fast I could get hold of 1-krona Ryanair ticket, I will visit you"*. His philosophy of visiting as many people as possible was one way to show their dedication to the brand and hopefully signaled a commitment to the counterpart. If that company or person did not have the interest in visiting Gothenburg, after or before his visit, could interpret their action as a non-trustworthy business partner, and thereby decline their offer due to their commitment. He emphasizes the importance of trustworthy counterparts and commitment, where he states that their success in many ways was founded by agents and distributor that was, trustworthy and committed in their business. These partners have been successful in implementing their brand to their markets, and thus, Nudie Jeans has been fortunate to sign up the right partners globally. To find the right partner Stenberg argues that is it important to visit the potential partner at their home ground, to be able to *"smell and feel"* (Palle Stenberg, Interview, March 26, 2019) their market. He believes that applying this process in combination with company maturity; they could decide if the partner or market would become sufficient for expansion or not. Stenberg exemplifies by telling one anecdote from their entry into Japan, where he declined larger distributors due to his gut feeling, and he did all the work by himself until he found the right partner. This partner was one smaller company, which he thought matched their brand value better than the major ones. Jonasson develops further by describing how agents and distributors are used dependent on market size, where smaller markets are contracted with an agent and larger markets utilize distributor network.

However, Stenberg emphasizes that Nudie Jeans' progress makes them less dependent on the external network and believe that they created a structure that mitigates the need from informal contacts. He says that they earlier were dependent on agents on each market, but it's changing, and thanks to social media are they communicating with the consumer. Stenberg clarifies that the significant difference from when they started the company in 2001 compared to today, is that customers visited specialized stores to purchase items sold there. Whereas today, customers are more rational and probably using online stores to a more significant extent. That described as social change within retailing, and direct communication towards the customer is the ambition rather than through wholesale. Therefore, Mathias Jonasson, head of e-commerce, describes a smaller business network that he is a member of where members from different

industries share confidential information. The standard feature of this group is that they have the same typical customers that are likely to purchase items from all members. Jonasson believes that participation in the mentioned network is rewarding and fruitful; he sees synergies from sharing experiences and issues, as well as future collaboration from the network.

Jonasson develops his network participation by adding the second network, described as a strict business network containing eight members. In this particular group, there are members from various industries and companies, although, they face similar challenges and problems. He emphasizes the importance of sharing confidential information between members and throughout their joint discussion, understand and develop their common issues. Moreover, he is a member of an e-commerce network in Gothenburg, where members are invited to gatherings where they could share information and discuss predetermined topics. Maria Johansson, supply chain manager, explains that in her formal networks, members originate from various logistic firms, customs organizations, governmental offices, and interest groups. She believes that partaking in various networks are beneficial and that they sometimes can confirm her thoughts or ideas and that she can also intercept other members troubles and success stories. Johansson argues that an informal network is crucial for her, and she believes that old co-workers and other contacts help her to fulfill her work duties. In this context, help could be related to benchmark activities between certain suppliers, research on various topics or be one trustworthy source of information. The informal relationship requires a deeper relationship, and Johansson stresses the importance of access to these networks, where trust and commitment are built. She does also see benefits from more shallow relationships, where she believes that the relationship described as more easy-going is better to absorb current trends.

Today, Nudie Jeans' internationalization is facilitated due to online trade, which helps them to analyze the demand for their products before entering the market with a physical presence. In general, Jonasson claims that the company has moved from realizing opportunities from their networks in their internationalization to instead look at the potential in different markets and after that going through with the physical expansion. Furthermore, Stenberg claims that through networking, he has learned that in the global world we see today, a person in Indonesia is probably more similar to you than your neighbor at home. This change requires the company to become more specialized, to survive on the global market and "if you are trying to do everything the customer won't think that you are trustworthy and would not understand your

values" (Palle Stenberg, Interview, March 26, 2019). Hence, the management has downsized their portfolio of clothing, from 400 to 150 items and thereby trying to become a leading niched jeans company globally.

Meanwhile, they are also gradually shifting focus from distributors to self-owned distributions hubs, which has been costly. Stenberg and Jonasson believe that their future and the future of fashion brands are in the control of communication with the consumer. Jonasson describes how a loyalty club could become a good path to reach out to their consumer. Further, he emphasizes the importance of taking ownership by scaling up their operations and controlling their three business areas, wholesale, retail, and online. He claims that internationalization success depends on these three business areas working together, where a broad consumer base will utilize all three channels and make the brand stronger.

Stenberg stresses the importance of visiting new employees and through that meeting, educate them in Nudie Jeans and their values. He believes that all employees need to know what they are doing, and with that knowledge will they not become ordinary sales representatives, for instance. They will become the culture of Nudie Jeans and thereby be as passionate about the brand as the founders. During these gatherings or meetings are they are exchanging ideas and issues. He gives one example of a gathering in the UK where Nudie Jeans UK rented a car to visit stores across the country. For Stenberg, the essential part of the traveling was the conversations held in the car between their visits. He and the UK division could talk, share ideas, and he could explain Nudie Jeans' strategies for the future.

5.5 Eton

David and Annie Pettersson founded Eton shirts in Gånghester, just outside Borås, in 1928, where the company's headquarter is still located (Eton, 2019). Eton produces male shirts and accessories in the premium segment and is targeting fashionable consumers. Prices start at 1300 SEK and their most expensive shirts online stops at 1800 SEK (ibid.).

Gross Revenue 2018	823 million SEK
Number of Employees	Nearly 300
Number of International Markets with Own Stores	8
Number of International Markets through Agents/Distributors	27
Number of International Markets through E-commerce	38

Table 7. Source: UB, 2019 and Eton, Personal communication, 2019-04-12.

At Eton, there is a positive attitude towards creating new relations and becoming part of new networks. *"I believe you have to network in this industry. Without networking, I think it would be very difficult. You develop good relationships with everything from colleagues within the industry to agents and distributors. You never know who you are talking to, what the person in question has done before, and who the person knows."* (Jacob Dahl, Interview, March 12, 2019). He means that networking has helped the company to get access to wanted department stores because of the relatively small size of the industry. Therefore, he stresses the issue of knowing the right people in the business and to have eyes and ears open for new input. Within the fashion industry, Dahl claims that companies which are not direct competitors can even give tips and help each other. Hence, he highlights the importance of establishing good contacts and good relationships. Furthermore, fashion fairs, such as Pitti Uomo in Florence and Bread & Butter in Berlin, have been another great way for Eton to establish contacts in new markets. *"The fashion fairs are a window to meet potential partners from new potential markets. Many people are there to establish relationships and scratch the surface – is there anything here? What an interesting brand, I haven't seen this before because I am from this market where we don't have Eton."* (Jacob Dahl, Interview, March 12, 2019). If there has been genuine interest from both parties after the initial contact at the fashion fair, it has led to meetings and finally new market entries in some cases. He highlights that the fashion fairs are especially useful to establish contacts in markets where Eton is or has not been that big, such as Germany since they give the company a chance to show people what they do.

Moreover, Dahl argues that agents have been a valuable contact in helping the company's internationalization. *"An agent in the EU might already work with Italy, so the next challenge when you are done with building that market will be to enter Italy"* (Jacob Dahl, Interview, March 12, 2019). Since agents already represent many different brands to different customers, they have an established network in one or several different markets. Dahl stresses that these

already established relationships that agents bring are crucial in the fashion industry. With the help of the agents' networks and the fact that they usually already have showrooms, companies can get a jump-start in new markets in exchange for a commission. As compared to building the entire organization from scratch abroad with own staff, Dahl explains that agents are a great starting point for companies when establishing themselves in new markets since it decreases the risk, costs less and needs less work. However, he argues that it is essential to make sure that the portfolio of different brands that the agent is representing should match the company. This means that an agent representing swimwear, underwear, or streetwear would probably not be suitable for Eton. He also stresses the importance of finding an agent that understands the brand and someone who has time for the company. Because the agents are the ones representing the firm and become the face of the company in their market, it is important to build a great relationship with them.

Other than the use of agents in the internationalization, an example of a huge step for Eton is when they decided to hire an employee with a great role at one of the most important premium department stores in the U.S. This person, therefore, had valuable contacts on the inside, knew who to talk to and what to do in order to work Eton into the market. Hence, Dahl argues that this is also an excellent way for companies to enter the industry in new markets. If the company is successful in one of the largest department stores, Dahl argues that it will create great brand recognition, making it easier to establish the brand in that market further. He mentions that the firm can be presented with new opportunities through networking within the department store, as well as using the well-known department store as a reference when networking with other possible stores in that market or even agents in new markets. *"If you are new in a market, you want to enter Harrods because we know that just by being there the brand will get a boost… We need to be proud and say that we are there… So, when you enter a new market, of course, you will mention the international players that the company works with."* (Jacob Dahl, Interview, March 12, 2019). According to Dahl, the use of department stores has been the most commonly used method to enter a new market for Eton. Despite this, he is clear that it can be difficult to have access to the most important department stores, even for Eton, as they are not equally recognized in all markets. By mentioning that they have their products in huge department stores such as Harrods, they can get the first meeting with someone who might not know Eton otherwise, which in turn can lead to internationalization to new markets.

Dahl claims that at Eton the strategy has always been to try to enter the best store in each market, whether if it's a department store or another well-known store, as a first step and after that move on with the smaller stores that are a bit further away. This is a strategic process where the company is not desperate to enter the first store they get. Instead, they wait until they can tap into an opportunity from the desired store, which is a good match for Eton. *"It is important not to settle for just anything, but rather to know that even though we are entering this market now, we still have to try to position ourselves where we belong. Otherwise, it is very risky that you take the easiest way in just because you are eager and want to enter the market fast. The risk is then that you start building the brand in a wrong way."* (Jacob Dahl, Interview, March 12, 2019). Moreover, the department stores can help the company since they have a network of end consumers and usually a loyalty club. These royalty clubs are essential as they can add value to Eton if they can access some more information about the end consumers and can use it as a marketing channel. The same goes for the company's e-commerce partners, which are beneficial for Eton if they are able to get into the e-mails that they send out to their customer base. Since it is e-commerce, you will also reach several markets at the same time through this type of network.

Regarding if the company has used organizations as help in their internationalization, Dahl mentions the Swedish-American Chambers of Commerce briefly. He then adds that if the company would look at new markets to enter, it could be good to use the help of organizations and receive advice on the specific market. *"There are really good organizations that benefit the trade between two bilateral parties without charge. So, of course, it is an important part. I think that we haven't fully exploited it because it has been out of reach in a way."* (Jacob Dahl, Interview, March 12, 2019). So far, he, therefore, claims that, at Eton, they have generally found networking in the previously mentioned forms to be more useful.

Further, Dahl explains that they have mostly used informal networks built from years of collaborations in the internationalization of the company. According to him, deep and personal relations are specifically important in the fashion industry. For instance, he lifts the significance of not only calling their partners and agents when they need something but also calling them to check if everything is alright or if they need anything. Another factor which he believes is crucial is to not only focus on visiting the large stores and have events there but also to spend time in the smaller ones so that they do not feel forgotten. This he believes has a significant impact on the personal relationship to the store owner and therefore leads to a great long-term

effect even though it might not have generated as many sales right away as the bigger stores would. Dahl also stresses the importance of a proper hand-over of contacts when an employee leaves the company so that the new employee can keep up the previous person's relationships and does not have to start all over.

Moreover, sales associates are a part of the network, which Dahl believes many people forget. Although these relationships are shallower as compared to, for instance, the agents that they meet several times a year, he is very clear that the sales associates are as important for the company. Jacob gives an example of when he is visiting different stores to speak with, for example, a store manager. *"Is John here? Can you get him for me? Jacob from Eton by the way. Without showing any interest in the person who is actually selling your products. Here you have burnt quite a few bridges. Instead, you should not even talk about John, but rather talk to them for 10 minutes until John comes out himself... How do you make sure that they love Eton as well?"* (Jacob Dahl, Interview, March 12, 2019). Dahl stresses the importance of educating the sales associates if someone is choosing between Eton and another brand, then the sales associate need to know what makes Eton so good. Otherwise, it will be difficult for them to sell Eton products. That is why Dahl sees them as an extended arm to the customers, and hence, a network. To make sure that the sales associates are well informed Eton uses Sales Activators, who are in the stores working directly with the staff that is selling their products to the final customers. Furthermore, he explains that the sales associates might have worked in another store before that does not have Eton, meaning that they could have great contact with someone to get Eton to expand into that store as well.

An additional way to expand the company's network has been to have events in the stores. For instance, when inviting an influencer to these types of events, that person will probably bring friends that the company might not work with, although, they might like the brand and then they all share it through social media. Thereby, the company has created a buzz around the event and the brand.

When it comes to trust and commitment to a network, Dahl explains that this is very important and plays a large role in what extent he will listen and learn from them. Usually, he likes to do a check-up with someone else in the industry and do his own quick research before he fully trusts the information he is provided with from his network. This could be in a situation when the company is provided with a new market opportunity from its network or when they have

gotten in contact with a new potential agent. He explains that even though it might seem great, they still need to double-check before they act on it since the new store or agent will be representing Eton. Dahl also speaks about his commitment to the network in the U.S. He explains that when he became Sales Manager for the southern part of the U.S., there was a lot of potential in that market. Before, the area had been handled by someone who was positioned in New York and had north-east and mid-west US as well, which he claims is too big of a market for one person. When Jacob got the responsibility of south U.S., he argues that he was able to put more focus on that market, which led to that they could increase their sales with their existing partners and that they could also open new doors in that market.

5.6 Gina Tricot

Gina Tricot was established in Borås by Jörgen Appelqvist and his family in 1997, and their headquarter is located in Borås (Gina Tricot, 2019a). Their clothing has from the start been targeting females, with a clear ambition to supply their customers with good value clothing. Their price range of female sweater starts at 200 SEK retail price and terminates at 400 SEK (Gina Tricot, 2019b).

Revenue 2017-12	1 019 million SEK
Number of Employees	1900
Number of International Markets with Own Stores	5
Number of International Markets through Agents/Distributors	0
Number of International Markets through E-commerce	29

Table 8. Gina Tricot. Source: UB, 2019, and Gina Tricot, 2019a.

According to Jessica Syrén Head of Expansions, her part of the business, more specifically expansion, relies mainly on networking. Despite that she argues that the business has previously been somewhat secretive, she claims that the former CEO and founder of Gina Tricot were open towards networking and would always check in with others in the business, for instance, regarding where they were establishing themselves. This because he believed that trade leads to more trade. *"You have to understand that we don't see it as a competitive relation, but rather a complementary relation. The more actors that are there or are going to*

enter the shopping mall, the better it is for us all" (Jessica Syrén, Interview, March 8, 2019)*.* Syrén explains that retailers depend on each other. If there is a more abundant supply of different retailers, it will drive more people there, who will be more satisfied and thus return, hopefully leading to increased sales. *"When I started here 15 years ago, networking was starting to become more common in the industry. I wouldn't say that we rely on entirely, but it is a huge contributing factor for us how others do and reason around different marketplaces…"* (Jessica Syrén, Interview, March 8, 2019). Siegfanz, Country Manager Germany, argues in line with Syrén that Gina Tricot as a company is open to meeting new people and becoming part of new networks. In Germany, Siegfanz explains that the company does not have a central network position. Therefore, she explains that they can use their current network to help them connect with other networks. However, she also stresses that one needs to keep in mind that there is a lot of work behind being part of different networks. Because of the resource limitations, she claims that it is needed to reflect upon which networks that you need to have and that this is a decision they need to take as a company.

Syrén says that she is part of many different network forums. For instance, there is a formal one through Swedish commerce where all establishment managers are gathered now and then, as well as one called NCSC (Nordic Council for Shopping Centres) where there are both retailers and property owners. She is also part of a few small informal networks, where they are very open and shares a lot. For example, she explains that she uses networking to find out which brands and restaurants that will enter different marketplaces, since she emphasizes the importance for them to be present in places that attract their customer base, being mostly young customers with fashion awareness. Further, Siegfanz explains that her network consists of, for instance, suppliers and consultants. She claims that they have used their network a lot to keep Gina Tricot successful in Germany. However, she adds that *"in doing business, there has been a big change the last years. Social media creates a stronger network than anything else, and we can feel it in the retail industry… I think in the time we are now; it is the consumer telling us what we want… The consumer should be in the center of everything; they are most important for us. Especially in the stores, this has a high potential we think. We are gathering information from the stores on a weekly basis and discussing feedback and create action plans from it"* (Alicja Siegfanz, Interview, March 8, 2019).

Moreover, Syrén stresses that they have not used organizations, such as Business Sweden, in their establishment abroad. Instead, they have used information from their colleagues within

the retail industry, such as former employees of H&M and Stadium, companies that have the same home market as Gina Tricot. Therefore, Syrén claims that they have a better understanding of Gina Tricot's concept. Hence, their input becomes more valuable to Gina Tricot, for instance, if they have established themselves in a new market and give their recommendation of whether it would suit Gina Tricot or not, as compared to a consultant's recommendation. This is also argued by Siegfanz, who says that it is important to listen to input from one's network, no matter who it is from. Although, she claims that it is sometimes hard with consultants, since they do not always know the retail industry *"they might feel that it is so easy to do something there, but it might need a lot of work for us in reality"* (Alicja Siegfanz, Interview, March 8, 2019). Further, Syrén explains the importance of having a second opinion from their colleagues in the business in regards of for instance how they are doing in different shopping malls since she claims that the property owner will always show numbers and make it seem like the mall is doing great. However, these number might not be accurate for Gina Tricot since it might as well be that people are coming to the mall to go to restaurants instead. Here, she says that they listen to the ones they trust and are committed to. In many cases, she argues that they trust their colleagues at other retail companies more than a consultant or property owner, whose background and intentions they do not know. For instance, Syrén mentions a network of different retail firms that she is a part of where the relations have been so good that the network is more dependent on the people rather than the companies. Siegfanz also argues that she relies more on networks where the level of trust and engagement is higher due to deeper collaboration over time.

Even though Syrén very much values deep collaborations and emphasizes the use of these for legal and commercial purposes, she believes in a mix of both deep and shallow relations. This she explains is important since she, as mentioned earlier, believes in a mix of actors in all marketplaces, meaning that there should not only be fashion companies there. Siegfanz also believes that deeper collaboration is important and stresses the difference between Germany and Sweden, where she explains that Germans are in general more formal compared to Swedes. Their way of doing business relies on formal business networks, at least from the start, and normally requires great collaboration to enter the informal connection with a partner. However, she expresses the need for booth deep and more shallow collaboration depending on the project and what is required.

As for the input from Syrén's networks, she explains it has a direct impact on the company's decision regarding establishment and such. She further develops that through their network they get a bigger picture of their surroundings and can then decide how to act on the input. *"The information from the networks is something you can bring forward. If we see that this is a mall where we are underperforming, while we hear from Lindex who are right next to us that they are doing good. At the same time, it can be that the entire mall is doing bad and that we need to leave. So, we might base our decision on this information…"* (Jessica Syrén, Interview, March 8, 2019). It is also a question of how much resources Gina Tricot has, she says. For instance, the rent cost might be too much sometimes. Therefore, they cannot always do as their network recommends them.

When Gina Tricot chose to enter Germany, which was a strong market at the time, Syrén says that it was somewhat because it was H&M's most profitable market. They had contact with a consultant who had worked at H&M with their launch in Germany. *"We had two suggestions for an expansion, Netherlands and Germany. The reason that we chose Germany was partly because of the consultant who said that if we go to Germany first, it would be easier to go to the Netherlands after. Whereas, if we would go to the Netherlands first, then it would be a too small market in Europe to start with.*" (Jessica Syrén, Interview, March 8, 2019). Finally, they chose to enter Germany because of their networking, mainly with the consultant who had worked with H&M, who was strongly pushing for a German entry. Additionally, the fact that H&M had been successful there, and that it was a big mature market made it feel like the right choice. However, she claims that their market manager at the time, the owner's son, had some personal contacts in the Netherlands who had quite good knowledge of that market as well, which was the reason that they were considering the Netherlands in the first place, despite the fact that they were getting many suggestions from other markets at the time. After they had chosen Germany, Syrén says that they received a lot of help from the consultant who had a great Network in Germany. She claims that it was through his contacts that they found their first country manager in Germany, before Alicja Siegfanz. It was also a former employee of H&M who had built COS in Germany. Therefore, he was a great resource to them since he knew the different commercial premises owners, which made it easy for Gina Tricot to get the great locations that they have today.

5.7 Summary of the Empirical Data

In Table 9, the main empirical findings from this chapter of all six case companies are presented below.

Company	Main Empirical Findings
Holebrook	- Believes there is a lack of support within internationalization by formal networks specialized in the fashion industry - Mainly uses its informal networks in its internationalization - Through networking with competitors, the company can develop through, for instance, comparing different agents and distributors to find the right partner
Company X	- Has used formal networks such as Business Sweden, still, emphasizes the greater role of informal networks - Highlights deep and long-term relationships where there is a high level of trust - Sometimes feel that the company is too small to partake in certain networks - See the importance of using agents and distributors that are similar to the company's brand
Sail Racing	- Primarily uses informal networks, and turn to formal networks if not able to receive help from its informal network - Emphasizes benefits with long-term collaborations and total commitment, yet highlights that it results in an increased workload - Shifting focus towards networking B2C rather than B2B, where, for example, collaborations with companies that have the same target customer has created visibility and expanded the company's network
Nudie Jeans	- Has historically relied to a large extent on informal networks, such as agents and distributors, for its internationalization - Stress the importance of right partners who have successfully implemented the brand - Experiences synergies from networking with companies that have the same customer base - Since the company can reach its customers through its employees, personal meetings with employees are stressed to share company values and information - Believe in having control over the communication with the customer - Deep relations with trust and commitment are crucial, although shallow relationships are used to absorb current trends

Eton	▪ Claims that informal networks have been used to a larger extent since they have been more accessible compared to formal networks ▪ Highlights the use of agents and distributors with the right portfolio to get a jump-start in a new market as it costs less, reduces the amount of work and decreases the risk ▪ Stresses the use of department stores as a good way to network, and thus, establish the brand name in that market or sometimes other markets ▪ The company shares experiences and receives help from companies that are not its direct competitors ▪ Emphasizes networking with employees as they need to represent the company in a good way by knowing the brand ▪ Direct communication with customers, such as e-mail, makes it possible for the company to reach several markets at the same time
Gina Tricot	▪ Discusses internationalization with professional colleagues within the fashion industry as well as consultants, although, the company most often trust their informal network more than a consultant or property owner whose intentions are not known ▪ Emphasizes the amount of work needed to be part of a network, and thereof stresses the importance of reflecting upon which networks are most important to be a part of ▪ Claims that retailers depend on each other since "trade leads to more trade", thus, it is a complementary relationship rather than a competitive relationship ▪ Highlights the use of deep relation where the trust and commitment are built over time, however, also stresses the importance of shallow relations ▪ Stresses the shift towards social media as a network, and how it is important for fashion firms to be customer-centric

Table 9. Summary of Main Empirical Findings.

6 Analysis and Discussion

Johanson and Vahlne (2009) describe the liability of outsidership, i.e., the fact that companies are struggling to enter new markets due to limited access to networks in new foreign markets. Hence, they argue that actors who are part of a relevant network in international markets will be able to internationalize successfully (ibid.). This process was presented in chapter *4 Conceptual Framework*, more specifically in Figure 2, which will now be analyzed and discussed based on the empirical data.

6.1 Realization of Outsidership and the Importance of Being an Insider

From the empirical data in chapter 5, it is evident that all companies see the importance of networking today. At Eton, Dahl argues that the company chose to hire an employee at a great premium department store in the United States who had many great contacts there, which was a huge deal for Eton, and thus a highly relevant network for the company. Syrén at Gina Tricot also states that it was through the network of their consultant, who had pushed for them to establish in Germany, that they found their first country manager in Germany. The country manager, in turn, had a highly relevant network which made it possible for Gina Tricot to position their stores in good locations.

According to Schweizer (2012), the first phase of overcoming the liability of outsidership is the mental barrier for the firm to realize that it is an outsider since they otherwise might fail to access relevant networks. Thus, this explains the first step of our conceptual framework in Figure 2, being the *Realization of Outsidership*. Looking back at the empirical data, it is evident that the case companies do realize that they are outsiders in foreign networks. For instance, Respondent X stresses the issue for the company to expand its network abroad since they are too small in many foreign markets. Schweizer (2012) argues that different internal and external triggers can help the firm to realize that they are an outsider.

In line with this, we have identified some internal and external triggers in the empirical data. Holebrook shows the awareness of their outsidership by emphasizing the importance of their distributors to access networks outside Europe, who we see as stakeholders and thus an external trigger (Schweizer, 2012 see Loane and Bell, 2006). Further, Gina Tricot realized that they were outsiders when entering the German market since they saw the importance of access to

the network in Germany through the consultant that had been present in the German market entry of H&M, who could be referred to as an external trigger in the form of a new decision maker (ibid.). The fact that Gina Tricot chose to use this consultant could be explained due to specific business circumstances in Germany, and therefore, some changes in the environment context (Schweizer, 2012 see Jones and Coviello, 2005). Siegfanz at Gina Tricot describes the local business network as formal, where relationships stretch over a long time and evolve slowly. This meant that they needed to have a direct business connection to the be able to become an insider in the network in Germany. Other hands-on descriptions are Eton and Sail Racing's external triggers in using well-known department stores, such as Harrods, as stakeholders (Schweizer, 2012 see Loane and Bell, 2006) to raise their brand awareness and later be able to in an easier way enter networks abroad, and thus, become an insider. Furthermore, Sail Racing had an internal crisis where they chose to change their internationalization strategy and therefore ended their collaboration with several distributors which lead to a change in their existing network (Schweizer, 2012 see Jones and Coviello, 2005). Hence, the company realized its outsidership and had to find new ways to start networking, for instance, through joining projects that fitted their company image.

Based on the above, we see that it is important for firms to realize their outsidership in line with our conceptual framework in Figure 2. However, it is also crucial for the firms to have a positive attitude towards networking, and thus, see the importance of networks for their business. If the company does not see networks as essential for their business, it can be difficult to realize its outsidership and to make an effort to become an insider, and thereby, facilitate the company's internationalization.

6.2 Identification of Relevant Network Based on the Company's Resources

After having accepted that the firm is an outsider in Phase 1 of the process of overcoming the liability of foreignness, Schweizer (2012) argues that the second phase starts where the company reacts to this realization. According to Schweizer (2012), some companies do not act on the understanding of them being an outsider. However, this has not been the case for any of the companies we have studied, most probably because all companies see the importance of networking and being an insider. As mentioned earlier (at the end of *6.1 Realization of Outsidership and the Importance of Being an Insider*), we see this as essential in the process

of becoming an insider and reaching a facilitated internationalization. Otherwise, he suggests that the company can decrease the liability of outsidership by merely using its current preferred network or trying to access a more relevant network through existing contacts or on their own. Siegfanz confirms this by explaining how they need to use their current network to tap into other networks in Germany. This is also evident in their expansion into Germany and their demand for personnel there, where Gina Tricot used their current network to find a suitable country manager. Moreover, Svensson mentions the use of Holebrook's current network to tap into new networks, and thus, a step towards overcoming the liability of foreignness, where one concrete example is the hiring of a distributor in Canada through their US distributor. There is also an example from the empirical data to use the current preferred network to decrease the liability of outsidership. Dahl at Eton explains that they sometimes use their current agents to access new markets where the agent is also present and has access to the local network.

Furthermore, Schweizer (2012) stresses that companies need to be aware of their limitations regarding capabilities, resources, knowledge, and relationships since this affects what network the company can access. Based on this, the firm can overcome the liability of outsidership by finding a network more relevant for its development, as presented in the second step in our conceptual framework (Figure 2), *Identification of Relevant Network*. The case companies' awareness of their limitations is evident in the empirical data. Siegfanz does highlight the workload behind each network, and she stresses how resource limitations mitigate their participation in these networks. Therefore, she believes that it is vital to reflect upon which networks they should partake in. Thus, we find that the resource limitations of the firm make it important not to be part of just any network, but rather networks that are of relevance to the company. In line with this, Berne at Sail Racing also highlights the workload demanded when being part of networks and that the company has, therefore, had to decrease their number of relationships. Company X follows the same discussion and develops it further by stating that they sometimes feel that they cannot partake in some networks due to resource limitations in comparison to the other actors in the networks. Being a smaller sized company, their lack of capabilities and experience hinder the access to just any network. Svensson at Holebrook pinpoint the issue with another perspective, and he believes that the network requires an equal amount of participation and knowledge sharing from its members.

The importance of being part of a network which is relevant to the company is also highlighted in the revised Uppsala Model, as a factor to be able to internationalize successfully (Johanson

and Vahlne, 2009). In line with this, Stenberg at Nudie Jeans, Dahl at Eton, Svensson at Holebrook and Berne at Sail Racing all claim that it is essential to find the right match for the company and to not settle for just anything. It is argued to be essential to find the right partner with the same values, someone who understands the brand and has the right portfolio of brands. One example that Stenberg mentions is when Nudie Jeans chose to turn down a collaboration with a large distributor in Japan and instead go with a smaller distributor who had the right values, and that seemed to be a better match for them.

Moreover, Dahl highlights its strategy of entering the best (department) store in each market to access a relevant network. He emphasizes how important it is for Eton to wait for the right opportunity and not stress their expansion. Nevertheless, if there are no suitable partners, companies still can enter new markets. For instance, Sail Racing's entry to the English market was made by partaking in various projects that fit their brand image, instead of partnerships with agents or distributors. These projects, such as different branding activities and partnerships connected to professional sailing, helped them to access relevant networks and gain new contacts, which consequently helped them to enter Harrods.

Even though we, in accordance with the theoretical background and empirical data, see the importance of being part of relevant networks, we do believe that it is shown in the empirical data that the companies might be positioning themselves into one type of network, which is very similar to themselves. This might result in that they only network with companies that have a similar knowledge base to themselves in line with Sharma and Blomstermo (2003). Thereby, it might hinder the firms from accessing networks with another knowledge base that could be crucial for accessing new input (ibid.). Therefore, we do not want to stress that fashion firms always have to find networks that are similar to the company. Instead, the most important findings in this step of the process are that the fashion companies need to identify relevant networks in line with our conceptual framework in Figure 2 and that they also need to base their decision of what networks that are relevant on the resources that the company has.

6.3 Access to Relevant Networks

In the third step of our conceptual framework (Figure 2), *Access to Relevant Networks*, we claim that through rebundling resources to generate new capabilities, utilizing existing passive formal and informal relationships as well as different entry nodes, the companies can gain

access to the networks that are relevant for them. This has been in line with the gathered empirical data to a large extent since the companies are using their existing formal and informal relationships, even though they do not necessarily have to be passive, as well as different entry nodes. However, we have not found any data that the case companies have worked on rebundling their resources to generate new capabilities, and thereby access relevant networks. Even though this might still be the case, the firms have not expressed it in any way. We, therefore, claim that it does not seem to be an essential part of how Swedish fashion firms utilize their networks in internationalization. Below, we have identified different relationships, including already existing but also new relations, and entry nodes that the case fashion firms access and later utilize to reach a facilitated internationalization.

6.3.1 The use of both Formal and Informal Networks

Our theoretical background suggests that companies should use both formal and informal networks (Johannisson, 1986; Chetty and Blankenburg-Holm, 2000). From the empirical data, it is clear that, more or less, all companies use both types of networks. However, it seems that formal networks, such as organizations, are not used to a large extent. Jacob Dahl at Eton develops and states that formal networks are essential. However, the informal network has been more accessible, and have therefore been used to a greater extent. Further, Daniel Svensson at Holebrook gives one example from when they received help from Business Sweden in finding an agent in the German market, although, they did not go through with it due to that the agent had limited knowledge within the retail industry. According to him, these types of organizations and formal networks are not primarily focused on the fashion industry, resulting in that the input and knowledge might not always be adequate. Syrén and Siegfanz at Gina Tricot also highlight difficulties with using, for instance, consultants as they are not always specialized in the retail industry.

Therefore, Syrén finds the informal network, such as colleagues within the retail industry, to have more useful input since they also have the same home market, and thus, know and understand the company's concept better. Respondent X at Company X explains that they are part of several business networks and that they have, for instance, gotten help from Business Sweden. Nevertheless, Respondent X emphasizes that the company's strong local informal network and its importance, especially historically. Nudie Jeans have relied on their informal network, and Palle Stenberg believes that they have played an important role in their

international development, where contacts before establishing the brand were crucial and that the fashion industry historically has been developed from informal contacts. Joakim Berne and Christoffer Iveslätt at Sail Racing describe their daily activities as depending on the informal network, and it helps them to manage the company.

The reason that it is evident for firms to have both types of networks is since they are used for different objectives (Chetty and Patterson, 2002). According to the theory, the role of formal networks is to achieve measurable and tangible objectives (ibid.). As presented in the empirical data, Syrén is part of different formal network forums where tangible objectives, such as different marketplaces, are discussed. Furthermore, Company X has gotten access to new markets through formal networks, and Dahl at Eton expresses the possibility of receiving advice on specific markets through formal organizations. Maria Johansson at Nudie Jeans sees a positive outcome from her participation in the formal networks where she discusses different objectives with, for instance, logistics firms and customs organizations.

The informal networks, on the other hand, are used for trust and relationship building as well as sharing of experiences (Chetty and Patterson, 2002). In line with this, Svensson at Holebrook and Dahl at Eton argue that they use their informal network to hear about their experiences with different agents and distributors before they choose whom to work with. Dahl and Syrén also use their informal network to get recommendations regarding different markets from companies who have experience in that specific market. Moreover, Johansson explains that she uses her informal network, such as old colleagues, to benchmark different suppliers and share experiences.

Even though formal and informal networks are mainly used for different objectives in line with Chetty and Patterson (2002) as argued above, the impression from the empirical data is that the companies have higher expectations and rely more on their informal networks. Even though, in theory, informal networks are not relied on to the same extent as formal networks according to Chetty and Patterson (2002), and the members do not have the same expectations of fruitful interaction. It is highlighted by Sail Racing how important informal networks are for their business, and how they source store managers abroad through their informal network, which makes it possible to open new stores abroad. Furthermore, Dahl argues that they have mostly used informal networks built from years of collaborations in the internationalization of the

company, and Syrén stresses the importance of input from her co-workers in the industry in her decision-making process.

6.3.2 The use of Agents and Distributors – A Jump-Start in New Markets

According to Jacob Dahl at Eton, agents are essential stakeholders in the internationalization of fashion companies. He stresses that the already established network that agents have in one or sometimes even many different markets since they are representing many different brands already is crucial to get access to the local networks abroad. Instead of building the organization by themselves from the beginning when entering a new market, which he claims to be risky, expensive and demanding, he explains that through using agents, companies can get a kick-start owing to the agent's network, and for instance, access to showrooms. Jonasson at Nudie Jeans also highlights the use of agents and distributors when entering new markets, where he claims that they have usually used agents for smaller markets and distributors in more important markets. These findings are in line with Jansson and Sandberg's (2008) discussion on entry nodes and the use of a triad, meaning an outside party, such as a distributor or agent, when entering a new market.

Moreover, the internationalization outcome from different entry nodes discussed by Lu and Beamish (2001) is proven to be in line with the empirical data. Since, it is evident that the smaller firms (such as Holebrook and Company X) are more dependent on the use of a third party, triads, in their internationalization, while larger firms (such as Eton and Nudie Jeans) are expressing more considerable interest in the approach of direct communication, dyads. This can also be seen in the development of the companies where both Nudie Jeans and Eton have used distributor and agents to a more significant extent in their early days as compared to now, when they have a greater focus on their operations because of their access to more advanced financial and managerial skills today, making this possible.

Furthermore, Svensson at Holebrook develops upon the use of the company's network to find nodes to be able to enter new markets. For instance, he explains how the company will be able to enter Canada through the recent signing of a new distributor, whom they found through their network of distributors. Thus, by using distributors as an intermediate in their internationalization, so-called triads, Holebrook can improve their network position, in line with Hilmersson and Jansson (2012) since the agents and distributors have made it possible for the company to nursing their contacts in that specific market. Consequently, their weak ties

will become stronger, and the company will suffer less from outsidership. In line with Hilmersson and Jansson (2012), it is clear that Svensson understands the importance of distributors, not only for their apparent role in giving access to a new market but also the access to their network and connections, which can facilitate the future internationalization of the company through a more central network position. He also emphasizes this role for their distributors who are working outside Europe since the access to those markets is especially tricky for Holebrook.

Respondent X (Company X), Dahl (Eton), Berne (Sail Racing) and Stenberg (Nudie Jeans) agree upon the important role that agents and distributors have had in their success, especially in the initial stages of internationalization. The agents and distributors have given the companies access to new markets and new networks in these markets. Following the empirical data, we claim that a network in the form of distributors and agents are a useful tool in the first stages of internationalization, especially for smaller companies because of their limited access to resources, which makes it difficult for them to establish on a new market by themselves. However, we argue that it is crucial for the companies to find a healthy balance between developing their operations and networks, and using external help from, for instance, distributors and agents to enter networks abroad, to facilitate their internationalization. This because we find it essential to keep in mind that there are also negative consequences with relying too much on agents and distributors since it can lead to that the company becomes very dependent on the agents and distributors because they are rather the ones networking abroad and not the company. This could result in that the company will still suffer from outsidership in that market in line with Johanson and Vahlne (2009). In an example from Sail Racing, this could be seen when they realized that the use of distributors made them have less control over their brand and products and that this lack of control resulted in outsidership. Hence, the company chose to end their collaboration with some of these distributors and agents, and instead start over with its own stores to a more significant extent, as well as putting more focus on its e-commerce. Furthermore, we argue that if a company dependent on its agent and distributor network would choose to end the collaboration with these, it could result in a loss of its connections in that market, making it difficult for the company to survive on that market on its own. The final step in the process to mitigate outsidership is illustrated in action taken by Nudie Jeans, where the company bought their former distributor hub in the U.S. This action should be seen in the light of our reasoning above, and the outcome would be a controlled

insidership without any interference from external partners. In this way, the company was able to gain control over the network that came with the distributor.

6.3.3 Networking with Competitors and Actors with the same Customer Base

Even though our theoretical background has not shown any sign of networking between competitors, the empirical data proves that this is a common phenomenon within the Swedish fashion companies taking part in this research. Jessica Syrén at Gina Tricot describes their relationship with their competitors as a complementary relation rather than competitive relation. She stresses that *"trade leads to more trade,"* and to make her point; she uses the example of how it is beneficial for everyone if there are more actors in a shopping mall since it will attract more customers. Syrén also argues that another reason behind their networking with competitors is that they many times trust their competitors more than, for instance, consultants and property owners. Moreover, Svensson at Holebrook believes that it is vital for the company's development to network with its competitors. He also emphasizes the importance of listening to new ideas from their competitors, sharing experience from various markets with them, as well as comparing different agents and distributors.

In line with Schweizer's (2012) statement in phase three where he expresses that firms need not only to access networks but to also be able to in fact utilize them, Svensson lifts the importance of being able to implement ideas and information accessed through networks in reality. We believe that this type of networking is crucial for the firms since they need to collaborate to drive the development of the fashion industry. This development helps the respondents to develop their brand and stay relevant in the market.

Another type of actors that Dahl at Eton argues to network with is companies that are not Eton's direct competitors. He explains that these types of relationships are suitable for sharing experiences and receiving help. Jonasson at Nudie Jeans elaborates on this and further explains that they are part of a network with members from different industries, where the common denominator is that they have the same customer base, meaning that the customers are likely to buy products and services from all member companies. It has been enriching for Nudie Jeans where Jonasson has experiences synergies from, for instance, collaborations. We believe that this type of network can be precious for companies in general, and in our case, fashion

companies. Since the companies are not direct competitors, we argue that the companies will gain from these collaborations, through sharing their knowledge and experiences.

Moreover, this type of networking is in line with our theoretical background, where Sharma and Blomstermo (2003) stress that weak ties are a better source for new knowledge compared to strong ties since strong ties often have a similar knowledge base. Hence, we claim that companies that share the same customers, but not the same products and services, will generally be distant from each other and thus, have a different knowledge base. Therefore, we see it as evident that the companies should share knowledge by networking with each other through weak ties in accordance with Sharma and Blomstermo (2003). Syrén gives an example where they probe their network to create an understanding of the customer base that probably could be attracted to the chosen marketplace, based on the type of restaurants and fashion brands that will be present. Berne presents another network at Sail Racing; he explains their collaboration with the Oracle America's Cup team, who have the same target group as Sail Racing, has created higher sales volumes for the company. Therefore, we see that Gina Tricot and Sail Racing not only need to have a network consisting of fashion companies but also weak ties with other actors that share the same customer base.

6.3.4 Networking with Employees

The example of Sail Racing's new approach together with our reasoning makes it clear that it is vital for the companies to not lose control over their company, despite the use of networks to facilitate their internationalization. This is also seen in the change of what a network is. Stenberg and Respondent X argue for the importance of informal networks historically within the fashion industry to internationalize. Nevertheless, this has changed, and today, many of the respondents claim that networks in the form of their sales associates, as well as the customers themselves, are becoming increasingly critical. For instance, Dahl at Eton explains that he sees the company's sales associates as a network as well since they are the direct link to their consumers abroad. He emphasizes the importance of educating the employees so that they know the brand and its products and are therefore able to compare Eton with other brands if asked by the customers. Moreover, Stenberg emphasis how the interaction between him and his employees is helped by the personal meeting, where values and information are shared. Through their employees, Nudie Jeans is also able to reach their customers, and therefore widen their network in a more effective way, similar to Eton.

When making use of employees in this way, the company can reach the end consumer, whom they see as a network, more efficiently. The employees might also have valuable connections in that market which creates an opportunity for the company to become an insider in that network, as argued by Johanson and Vahlne (2009) to be highly important to internationalize successfully. This could be why Berne believes that the employees' devotion to the brand and their consumer is their strongest asset.

6.3.5 End Consumers – The New Network

Siegfanz at Gina Tricot mentions the large role that networking has had in their success in Germany. However, she stresses that there has been a transformation in the way of doing business within the fashion industry in the last years, where she argues that social media is the most influential network. Similarly, Berne at Sail Racing argues that the most critical shift within the fashion industry is the change from business to business (B2B) networks, to a more significant focus on direct communication towards the consumer. The company is today focusing their internationalization towards e-commerce, which means that networking with consumers becomes an even more evident part of their business to stay successful internationally. Jonasson and Stenberg at Nudie Jeans are also confident that this shift to consumer-centric communication is central for their development and how crucial it is to manage the content directly to the consumer.

To do this, Jonasson describes how a loyalty club could become one right path to reach out to their consumer in the nearest future. Dahl makes one additional hands-on description at Eton, where he explains that their increased communication towards the end consumers is helped by access to emails of their e-commerce partners´ customer base which can be used as a marketing channel and the access to more information about their end consumers through different department stores' loyalty clubs. He also highlights the use of influencers in various store events which spread the word about the company to the end consumers through social media.

These are all different ways that the companies are approaching the consumers directly themselves, and creating a network with them directly, rather than communicating with them through, for instance, distributors and agents. Dahl also adds that these types of networks make it possible for the company to reach several different markets at the same time. The idea of direct communication with customers is in accordance with Jansson and Sandberg's (2008)

discussion on different entry nodes as ways to internationalize through establishing international market networks, where they mention dyads, i.e., direct communication with the consumer as one option of internationalization. This is in line with our empirical data above, where the respondent emphasizes the increasing importance of direct communication with the consumers as a significant shift within the fashion industry.

6.4 Deep and Shallow Relationships

After having accessed the relevant networks in step 3 of our conceptual framework, our model in Figure 2 predicted that the different networks could be described as having either strong or weak ties. In particular, *Weak Ties* would allow for *Dissimilar Knowledge Sharing* while we expected that the companies would work with *Trust & Commitment Building to Reach & Sustain Strong Ties* that would enable *Knowledge Creation & Opportunity Exploration*.

All the respondents seem to prefer deep collaborations, which is positive according to Johanson and Vahlne (2009) since it leads to better performance in the specific market as well as that the company learns more from the network and can create new knowledge. Schweizer (2012) argues that in phase three, weak ties are essential for the SME in the business opportunity recognition process, anyhow, he stresses that these week ties need to transform into strong formal ties to exploit these opportunities. Hence, weak ties are not as efficient to penetrate new networks as stronger ties, according to Schweizer (2012). Moreover, to connect with the relevant network identified in phase two, he claims that companies are obliged to re-bundle their resources to generate new capabilities. He stresses that one crucial aspect could be to transform existing, although passive relations into strong relationships.

Sharma and Blomstermo (2003) argue that companies that have strong ties often adapt to one another, resulting in a knowledge base that is very similar to each other. Hence, they argue that weak ties are a better source for new knowledge as they are more likely to lead to the sharing of dissimilar knowledge. Therefore, it is interesting that Maria Johansson at Nudie Jeans, as well as Alicja and Syrén at Gina Tricot, express the need for booth deep and more shallow relations depending on the situation. For instance, Syrén mentions the importance of having contacts not only in the fashion industry but also with other actors which are present in different marketplaces, although she explains that these relations can be of a shallower kind.

Furthermore, Johansson believes that more easy-going relationships are better to absorb current trends. Hence, this confirms our conceptual framework in Figure 2, which shows that *Weak Ties* lead to *Dissimilar Knowledge Sharing*. Furthermore, weak ties allow the companies to be more flexible, resulting in the companies being more likely to look outside their existing network for new knowledge, and thus, making more knowledge-based decisions (ibid.). Lastly, Sharma and Blomstermo (2003) claim that weak ties are also better for companies from a cost perspective, compared to strong ties, since they demand less time, emotional intensity, intimacy, and reciprocity.

Therefore, we find it to be essential for companies to expand their network beyond their traditional sort of contacts to get access to new perspectives which creates a broader understanding of their context and could thus lead to a *Facilitated Internationalization*. For instance, Dahl (Eton) describes his relationship with their sales associates as shallower as compared to their agents. Thus, this indicates that the company can access a different perspective of the company through its sales associates than the agents, which can be valuable for the company to take into consideration. Moreover, the maintenance of stronger ties has been expressed as costly and resource demanding by several respondents in accordance with Sharma and Blomstermo (2003). Further, in the fast-changing business landscape today, it is clear that the adaptivity to new conditions is crucial, which makes weak ties even more beneficial. However, we cannot disregard the importance of strong ties in line with Schweizer (2012) and Johanson and Vahlne (2009), and thereby, conclude that companies are better off with a combination of strong and weak ties in their networks, since they are essential for different concerns.

Additionally, we have found from our empirical data that strong and weak ties are not the most accurate descriptions of the network relationships that the case companies have discussed in the interviews. Instead, we argue that deep and shallow relationships in a better way describe the different networks that the respondents take part in. This because, strong and weak ties give an impression of being static, very theoretical and straight-forward, while these relationships that the companies have are dynamic, complex, and multi-dimensional. Thus, we find it more suitable to use deep and shallow relationships to hint the practical use of it in the real world.

6.4.1 Trust and Commitment

The reason behind the fact that informal networks play a large role in the retail industry, in contrast to what is argued by Chetty and Patterson (2002), could be that the informal networks consist of deeper relations with a higher level of trust and commitment as argued by the respondents. Syrén at Gina Tricot explains that she is part of a few small informal networks where they are very open and share much information. She listens mostly to the networks that she trusts and is committed to. This is often the informal networks that she has been part of a long time, which consists of different professionals within the fashion industry. Siegfanz also claims that she relies more on networks where she has a deeper connection built over time, leading to a higher level of trust and engagement. Additionally, Johansson at Nudie Jeans argues that access to informal networks that require a deeper relationship where trust and commitment are built is crucial. Nudie Jeans has from an early phase tried to achieve personal meetings. Stenberg discusses how important each visit was for him to show his commitment and create trust in their new partner. He also stresses that if a person were not interested in visiting Gothenburg, he would see that as someone who was not trustworthy or committed. This approach made Nudie Jeans more risk aware and that they could avoid foreign partners who were not suitable for their brand. It also shows that Nudie Jeans see *Trust and Commitment Building* as an essential factor to *Reach Strong Ties* (or as we prefer to call it – deep relationships) in accordance with our conceptual framework in Figure 2. Sail Racing was also suffering from commitment issues while using distributors and consequently moved from using distributors with a low grade of commitment, to approaching sales representatives and create deeper relationships with a higher grade of trust and commitment. Berne believes that the change to total commitment is significant for its network relationship. Furthermore, Respondent X at Company X also emphasizes deep and long-term relationships rather than shallow ones within the company's network to create a higher level of trust. In accordance with these examples, Schweizer (2012) claims that in phase three of overcoming the liability of foreignness, the firms within a network will develop their relationships through learning about each other's capabilities and resources and thereby accomplish a higher level of commitment.

The revised Uppsala Model (Johanson and Vahlne, 2009), describes the process of the firm and the impact of relationship building through the change variables, Relationship, commitment decisions, and Learning, creating and trust-building. The authors claim that the daily activities as well as the actual level of commitment, trust, knowledge and opportunity

creation has an impact on how much they could learn from, create new knowledge with and build trust to its network (ibid.). The level of commitment has been important for Sail Racing, where Berne claims that their philosophy of total commitment towards their partners helps them to create a better relationship, and also transfer the brand values to its receiver. Commitment has also been crucial for Nudie Jeans. Stenberg emphasizes the benefits from increased commitment level where his experiences from sourcing agents and distributors by visiting them at their home ground, made it easier to understand their commitment level to a potential partnership. The commitment level is highlighted by mentioned companies as well as the other companies as essential, and the empirical data is in line with Johanson and Vahlne (2009) since it is seen in the daily activities that they are committing to their networks. These daily activities confirm our conceptual framework in Figure 2 that the *Trust and Commitment Building* is used to *Sustain Strong Ties* (deep relationships). As highlighted by Johanson and Vahlne (2009) and Schweizer (2012) phase four, the companies learn and create new knowledge from the commitment and trust to their networks. For instance, Stenberg explains that through his networking, he has learned that sometimes people on different continents might be more similar to each other, than two neighbors. This has made the company realize that to survive on the international market, they do not need to specialize themselves in the different markets, but instead specialize themselves on what they are experts in doing and focusing on that. This example is in line with our conceptual framework in Figure 2 since it confirms that *Trust and Commitment Building* leads to *Knowledge Creation,* which in turn creates prerequisites for a *Facilitated Internationalization*.

Furthermore, Johanson and Vahlne (2009) argue through the relationship commitment decision variable that the commitment level to a network in a specific market will have an impact on how well the company will perform in that market in the future. It is shown in the example given by Dahl at Eton where he explains that through adding him as a Sales Manager for the south United States, which had previously been one of three areas handled by one person, the company was able to increase sales and open new doors in that market. Hence, the company was able to perform better in the southern United States through increasing their commitment level to the network in that market in line with Johanson and Vahlne (2009).

6.4.2 Market Opportunities presented by the Network

Schweizer (2012) explains that in the last phase of overcoming the liability of outsidership and finally becoming an insider, there is much emphasis on managing the new network, where he explains that identifying and developing new business opportunities is an essential part of this. Moreover, Johanson and Vahlne (2009) present knowledge opportunities as one of the two variables that describe the current state of the firm in their internationalization process through networking. According to the authors, knowledge opportunities are described as market knowledge, for instance, strategies, capabilities, needs, and networks linked to their institutional context, but more importantly opportunities, as a valuable part of knowledge, since they claim that it is what drives the process of internationalization. This is very much in line with the empirical data, which shows that the firms use their networks to find new opportunities. For instance, Syrén explains that the company was presented with many suggestions, from different markets. However, they were only considering the two markets, Germany and the Netherlands; both presented to them by their networks. Finally, they chose to go with Germany because of their networking with a consultant who had worked with the launch of H&M in Germany. Hence, he had an established network there, through which they were able to find their first country manager in Germany, who in turn had important connections for Gina Tricot to get access to suitable locations for their stores there. It is evident that Gina Tricot's business networks have had a significant impact on which country the company chooses to enter, in line with Johanson and Vahlne (2009). This example proves that Gina Tricot uses *Opportunity Exploration* through making use of opportunities presented by its network which has driven, and in fact, *Facilitated Internationalization* for Gina Tricot.

Furthermore, it is clear that Gina Tricot was able to access market knowledge through its network. The consultant that Gina Tricot was working with had been involved in the expansion of H&M to the German market and was, therefore, able to provide the company with strategies, which is a type of market knowledge in line with Johanson and Vahlne (2009). Additionally, their country manager hired from a recommendation in their network, provided the company with a network in Germany, as argued by Johanson and Vahlne (2009) to be another type of market knowledge.

The use of networks to find market opportunities in line with Johanson and Vahlne is not only highlighted by Syrén at Gina Tricot. According to Svensson, Holebrook recently signed a

distributor in Canada whom they found through their network. Moreover, Dahl argues that Eton has in some cases, made new market entries with the help of contacts they have made from networking at different fashion fairs. He also explains that they have been presented with new market opportunities through their agents, in cases where the agent has, for instance, been working in several different markets, then their next market entry could be one of those markets. Respondent X claims that Company X often has realized opportunities presented by its network as well, rather than researching to find new markets to internationalize. However, it is stressed by Respondent X that the company has gone through a shift in a strategy where they are now trying to not only rely on their network in their choice of the market but rather looking at the potential of the market. The same change described by Nudie Jeans, where Jonasson argues that they have also started to analyze the potential of the market before market entry, rather than focusing on opportunities presented by the network. Hence, we see that even though most companies use their network to find new potential markets in line with Johanson and Vahlne (2009), some of the companies have started to not solely rely on their contacts in the decision of internationalization process. Instead, it has become more important to make sure that they expand to markets where they see potential, and when the decision regarding which market that will be interesting for the company, the companies use their network to make it happen, for instance, through finding a suitable agent.

Stenberg at Nudie Jeans emphasizes how they could enter the American market by selling jeans to England, and therefore build a growing reputation that opened up this market opportunity. Dahl at Eton also highlights their strategy of building their brand internationally through establishing themselves in famous department stores. Growing reputation and access to international networks is discussed by Schweizer (2012) as something important in phase 4 of overcoming the liability of outsidership. He claims that his case company's connection to the relevant network would result in the company fortune to become presented with new opportunities through their networks, which is very much in line with our case companies' expansions. For Nudie Jeans, Sail Racing and Eton, their location in premium stores, helped them to internationalize because they were able to show their brand to the world. Furthermore, Dahl at Eton also stresses the importance of agents where companies can internationalize more easily as compared to building the organization abroad by themselves from scratch. That is in line with Schweizer's (2012) statement that the use of distributors can lead to less time demanding internationalization and access to relevant networks internationally. Thus, we argue

in line with Schweizer (2012) that insidership will facilitate the identification of opportunities, development, and exploitation abroad.

6.5 A Short Summary

First, the company has to realize its outsidership and see the importance of being an insider to be able to work on becoming an insider. After that, both theory and the empirical data suggest that it is highly essential to be part of a relevant network abroad through which the company can move away from being an outsider and instead become an insider. However, firms need to carefully consider what networks that are relevant for them since the firms have limited resources restricting their networking capabilities. The use of both formal and informal networks is stressed for different purposes. However, the companies rely more on informal networks rather than formal networks, in contrast to what is presented in the theoretical background.

To access these relevant networks, the company can make use of their current network or find new agents, distributors, employees, or department stores who are connected to the networks abroad. Through the use of agents and distributors when entering a new market, the company can get a jump-start owing to the established network of the distributor or agent. This strategy is less risky and resource demanding as compared to building the organization abroad from scratch. It is also highlighted to be important not to settle for just anything. The firms need to find the right partners in terms of values and someone who understands the brand, as well as that agents and distributors, have the right portfolio of brands that matches the company.

However, there is a risk of ending up in networks that have a too similar knowledge base to the company, which could hinder the access to new input. Therefore, it is interesting that our empirical data suggest that companies should also focus on networking with actors that have the same customer base as the company, sales associates, and communicating directly with the consumers which seems to be a rising trend, even though these relations could be shallow. We claim that these types of networks will allow for a different perspective and access to dissimilar knowledge in line with the conceptual framework, in comparison to, for instance, direct competitors and agents or distributors. However, it should be highlighted that the companies do seem to prefer deep relations with their networks that permit them to create new knowledge

together. In accordance with the empirical data and conceptual framework, the knowledge could be translated to business opportunities which the company could exploit. To be able to achieve these strong ties, the companies need to work on their trust and commitment towards the network and build a stronger relationship as argued by the respondents and presented in the theoretical background. Undergoing this process, the firms can reach facilitated internationalization through their networking, which allows them to access new knowledge and explore opportunities presented by their networks.

7 Conclusion

This case study has investigated the networking strategies of Gina Tricot, Nudie Jeans, Eton, Holebrook, Sail Racing, and Company X in their internationalization, to reach a deeper understanding of the research question:

How do Swedish fashion firms utilize networks to facilitate their internationalization?

We were able to explain how networks are utilized by Swedish fashion firms to facilitate their internationalization. The results of the study show that the companies use their networks in many different ways in their internationalization process and that these strategies can sometimes depend on the size of the company, how far they have come in their internationalization process and what segment of the fashion industry that they belong to.

The process starts when a company realizes its outsidership in networks. To move forward in the process of reaching facilitated internationalization through networking, the company also has to see the importance of being an insider. Otherwise, it will be difficult for the company to see itself as an outsider, and therefore it will not go through the process of reaching a facilitated internationalization since they do not see the benefit of networking. Thus, we refer to the first step in the process as the *Realization of Outsidership and the Importance of Being an Insider*.

The next step is where the firm makes an *Identification of Relevant Networks based on the Company's Resources*. The company's resources determine which networks that the firm can access, as companies need to be able to contribute equally to the relationship for it to benefit both parts, which requires a similar resource base. Moreover, the amount of resources that the firm has will affect to what degree it can network, and if the relationships are deep or shallow. This because networking is resource demanding in general, and thus, a company has to decide the number of networks it can be part of based on how much resources it has. Furthermore, deep relationships are more resource demanding as compared to shallow relationships, which is another factor to take into consideration. Therefore, the limited resources that the fashion firm has makes it vital for the company to carefully choose which networks that are relevant to them.

After the company has identified the relevant networks, it can access these through formal and informal relationships (*Access to Relevant Networks through Formal and Informal Relationships*). We have identified five key types of networks; *Agents & Distributors, Competitors, Actors with the Same Customer Base, Employees,* and *End Consumers*. These networks are used by the Swedish fashion firms in different ways to facilitate their internationalization journey.

The use of networking with *Agents and Distributors* is highlighted in this study. The benefits received from using a third-party partner is seen in lower costs and that it is less demanding compared to direct investments abroad by the companies, making internationalization of the firm easier to reach. Hence, agents and distributors are especially useful for fashion brands with limited resources who want to lower their risk, which is seen primarily when the companies are in the initial internationalization phase. Furthermore, the use of agents and distributors allow access for the companies to new existing networks abroad, which also facilitate the internationalization of the companies to new markets. Nevertheless, we argue that the nearest future will consist of a shift where other types of networks other than agents and distributors will become more crucial to facilitate the internationalization of fashion firms.

It is evident that informal networks play a much more significant role compared to formal networks in the companies' internationalization. The deep informal relations with, for instance, *Competitors* and other professionals within the industry, are highly valued by the companies and are used to share experiences and knowledge to facilitate their internationalization. Networks in the form of *Actors with the Same Customer Base* are also found to be of relevance since they offer a new perspective and can, therefore, allow for dissimilar knowledge sharing through weak ties, where the companies can work together.

Our research shows that firms to a large extent, utilize their current networks, such as consultants and *Employees*, to become insiders in new networks in foreign markets. This facilitates their internationalization to that market because of the access to, e.g., market knowledge, employees in that specific market, access to department stores, and good store locations. Networking with employees is also crucial as it is a way for fashion companies to indirectly communicate with their customers, which has also become increasingly important in today's society.

Finally, it is an occurring shift in the fashion industry from B2B focused networking where fashion brands have used partnerships, such as strong ties with agents or distributors for internationalization, to become more focused on the B2C networking. Companies increasing strive to control their brand forces them to become less dependent on third-party partners (such as agents and distributors), and to instead utilize e-commerce as a primary tool for expansion today, thus, making the companies more reliant on direct communication with the *End Consumer*. This new type of networking through, e.g., social media, loyalty clubs, and e-mails facilitate internationalization since it enables the company to reach several different markets at the same time in an efficient way.

After having accessed these different types of networks, they will be characterized by either deep or shallow relationships. *Shallow Relationships* are important for the fashion firms as it enables for *Dissimilar Knowledge Sharing* since the companies will most probably not have the same knowledge base. This is highly valuable for the companies as it gives them a broader perspective of the context in which they are operating. Thus, this new knowledge will lead to a *Facilitated Internationalization*. For deep relationships to be reached and sustained, trust and commitment building is needed (*Trust & Commitment Building to Reach & Sustain Deep Relationships*). The high level of trust and commitment in these *deep relations* create an opportunity for the companies to benefit from *Knowledge Creation & Opportunity Exploration*. These are both ways for the company to utilize their networks to obtain a *Facilitated Internationalization.*

With the motivations from chapter *6 Analysis and Discussion* as well as in the conclusion above, we have created a *Revised Conceptual Framework*, Figure 3 below. This revised conceptual framework is based on our original conceptual framework in Figure 2, although, we have made some changes that we believe in a better way describes how Swedish fashion firms can utilize networking to facilitate their internationalization.
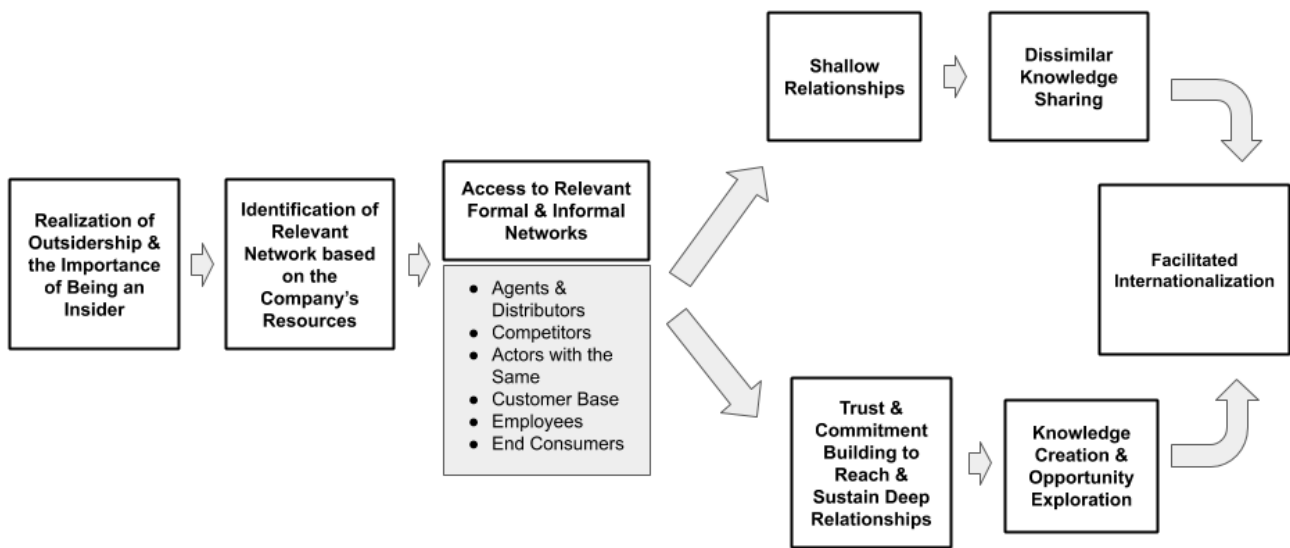
Figure 3. Revised Conceptual Framework, Fashion Firms' Internationalization utilizing Networks, Own illustration.

To conclude, Swedish fashion companies need to use networks in various shapes to overcome the liability of outsidership and become an insider in the foreign market, and thus, facilitate the internationalization of the firm.

7.1 Managerial Implications

For firms within the fashion industry, we stress in this study that networks can facilitate their internationalization, and therefore, companies should consider different ways to use networks. Thus, our research argues for companies to make use of their formal and informal networks and penetrate these to become an insider in the international market networks, which in turn will ease their foreign market entries. To manage this process and be able to enter relevant networks, firms need various resources, such as financial, knowledge, and experience. Practitioners should use the information obtained from their network to find market opportunities or market knowledge; they can also bench-mark different partners such as agents and distributors. Although agents are found to be a good tool to enter new markets, the study also suggests that firms should be careful not to lose control over their brand, since a downside of using agents is that the firm can become too dependent on them and therefore does not create their own network in that market. Hence, direct communication with the end consumers as a strategy for networking is evident to be a possibly effective strategy for the near future, instead

of, for instance, agents and distributors. Furthermore, networking with employees, competitors, as well as actors with the same customer base, is also found to be effective to facilitate internationalization.

7.2 Limitations and Future Research

This research has emphasized the importance of utilizing networks and becoming an insider to manage the internationalization of the firm. It is restricted to six companies from the Swedish fashion industry, as stated in section *1.5 Delimitations of the Study*. Despite the width of these firms concerning segment and size, the findings have been relatively consistent. However, the delimitations do still affect the transferability and generalizability of the findings to all fashion companies, which makes it interesting to conduct additional research in this area, with a focus on a specific segment, company size and how far the company has come in its internationalization process. Moreover, this research is restricted to a limited period and resources; thereby it is fair to argue that a longitudinal research approach or a study with a higher number of participating companies could be interesting for future research as it could allow for a more in-depth understanding of the studied phenomenon. Another area that we have realized needs for future research is the direct communication and networking with the end consumers, a strategy which we strongly believe will be crucial for fashion firms to reach success in the nearest future.

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Appendix

Intervjufrågor

1. Skulle du kunna beskriva din roll i företaget och om du haft andra roller inom företaget tidigare?

2. Hur skulle du beskriva företagets externa nätverk (fabriker, agenturer, mässor, konsulter mm)?

3. Hur använder du och dina kollegor er av era personliga nätverk i företagets internationalisering?

4. Använder ni er mest av formella (ex. businessnätverk och strategiska samarbeten) eller informella nätverk (ex. sociala nätverk) vid er internationalisering? Varför väljer ni att göra så?

   a. Föredrar ni djupgående samarbeten eller där er relation kan beskrivas som mer ytlig? Varför?

   b. Hur påverkar nivån av tillit och engagemang till ett nätverk hur mycket ni lär er från och använder er av information från det nätverket i er internationalisering?

   c. Vilken inställning har ni till att skapa nya relationer och ingå i nya nätverk?

5. På vilket sätt har nätverkande påverkat företagets internationalisering?

   a. Kan du beskriva situationer där ert nätverk har bidragit med information som ni sedan använt inom företaget (ex. tips kring marknadsföringsstrategier eller etableringsmöjligheter utomlands)?

   b. Vilken typ av kontakt har varit mest hjälpsamma i er internationalisering? Varför?

6. Hur jobbar företaget med att ta tillvara på nya idéer från exempelvis anställda, ert nätverk och konkurrenter?

7. Hur bearbetar ni den kunskap ni får från era nätverk för att hitta nya expansionsmöjligheter?

   a. Hur använder ni den information ni får tillgång till via era nätverk i beslutsprocessen för er internationalisering?

8. Finns det någon ytterligare information som du tycker är viktig att tillägga för vår studie?

Interview Questions

1. Can you describe your role in the company and if you have previously had any other roles within the company?

2. How would you describe the external network of the company (e.g. factories, agents, exhibitions, consultants)?

3. How do you and your colleagues use your personal networks in the internationalization of the company?

4. Could you elaborate on whether the company mostly uses formal (e.g. business networks and strategic alliances) or informal networks (e.g. social networks) in its internationalization?

    a. Please explain why the company prefers to engage in deep collaborations or contacts where the relation could be described as easygoing?

    b. How does the level of trust and commitment to a network affect how much the company learns from and uses information from that network in its internationalization?

    c. What attitude does the company have towards creating new relations and becoming part of new networks?

5. In what way has networking affected the company's internationalization?

    a. Could you describe situations where networking has contributed with knowledge which the company has then used in its establishment abroad (e.g. advice regarding marketing strategies or establishment opportunities abroad)?

    b. Which type of contacts have been most helpful in the internationalization of your company? Why?

6. How does the company make use of new ideas from for instance employees, competitors and its network?

7. How does the company process the knowledge from its networks to find new expansion opportunities?

    a. How does the company use the knowledge accessed through its networks in the decision-making process of its internationalization?

8. Is there anything else that you would like to add which you believe is useful for our research?