UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

Online and Offline Resources in the Internationalization of an Online Marketplace: A Digital Alternative to Freight Forwarding

A Single Case Study of Adnavem

Department of Business Administration

International Business

Bachelor Thesis

Spring 2019

Authors:

Nyquist, Ingrid 1996.02.28

Starzmann, Antonia 1997.12.08

Tutor:

Ivarsson, Inge

Acknowledgements

Abstract

Technological change is considered one of the most important underlying roots for the globalization of economic activity. It has created the new economy online, and the internet has evolved to be a marketplace for traditional firms and given life to new types of companies. However, remarkably few studies have been conducted on the internationalization of digital-based born globals. Therefore, a qualitative single case study has been conducted on the digital born global Adnavem, a startup company offering a digital alternative to freight forwarding.

The authors have, with the help of the case company, researched how a digital born global within transport logistics internationalizes through online and offline resources. The authors have also examined how experiential knowledge and networks, that descend from the offline resources of human beings, can be considered as prerequisites for their internationalization.

The study has shown that the digital born global within transport logistics, Adnavem, utilizes both online and offline resources in its internationalization. The increasing utilization of online resources delimits its need of utilizing offline resources, as certain activities can be managed by themselves in the online space. However, its offline dependence is likely to increase in conjunction with the increasing establishment of offline infrastructure in local markets, which is sometimes even required by regulation. Experiential knowledge can be considered as a prerequisite for a digital born global within transport logistics' opportunity to "skip a step" in internationalization by entering and committing to distant markets early from its inception. Networks can in their turn be considered as a prerequisite for a digital born global within transport logistics' ability to realize a globally scalable business model, as well as for facilitated international market entry.

Reference: Nyquist, I., Starzmann, A. (2019). *Online and Offline Resources in the Internationalization of an Online Marketplace: A Digital Alternative to Freight Forwarding.* Bachelor Thesis. University of Gothenburg, School of Business, Economics and Law.

Table of Contents

List of Figures and Tables

List of Abbreviations and Definitions

AES = Advanced Encryption Standard

B2B = Business to Business

Cargo = Carried goods

CEO = Chief Executive Officer

CCO = Chief Communications Officer

CTO = Chief Technology Officer

Digitalization = The process of moving towards digital business, using digital technologies to change a business model.

Freight Forwarder = Intermediary in transport logistics services

ICTs = Information and Communication Technologies

Inbound Marketing = A strategy that focuses on attracting customers, or leads, via company-created Internet content

Maritime Carrier = Actor transporting goods by sea. Also called a shipping line.

MNEs = Multinational Enterprises

Procurement = The act of obtaining or buying goods and services.

Road Carrier = The actor transporting goods by road

SMEs = Small to Medium Sized Enterprises

TEU = Twenty-foot Equivalent Unit

VAT Identification Number = Value Added Tax Identification Number

Vessel = Ship

Chapter 1: Introduction

This first chapter aims to introduce a background description to the topic of this thesis, which will culminate in a problem discussion where the problem of examination will be specified. The purpose of this thesis will thereafter be clarified, as the discovered research gap related to the topic of investigation is described. Further on, the main- and the sub-research questions of this thesis will be outlined, and the delimitations of the research will be presented.

1.1 Background

One of the most important underlying roots for the globalization of economic activity, is with no doubt technological change (Dicken, 2015). Technology either facilitates or enables the generation of new structures, such as organizational and geographical arrangements of economic activity (ibid). The manner in which technologies are utilized, and even created, depends on its social and economic context (ibid). In a capitalist business environment, decisions regarding the use of technology are, for instance influenced by the drive for increased market shares, increased capital accumulations, and increased profits (ibid). Other than involving the invention of new things and new ways of doing things, technological change transforms an invention into something useful and deals with its subsequent adoption and diffusion (ibid).

In the beginning of the 1990's, the World Wide Web opened up (ITU, 2016). The World Wide Web has evolved into the huge digital phenomenon internet, which is used by approximately 50% of the world's population (ibid). Since the beginning of the digitalization era (Dicken, 2015), the internet has enabled global communication and has to an increasing extent become a marketplace for companies within various industries (Wentrup, 2016). Digitalization has created what has been described as the "new" economy online, and the "new" business logic related to this economy is strongly connected to speed (ibid). The internet has evolved to be a marketplace for traditional firms that produce services and goods, in addition to a sales channel for new types of companies (ibid). Accordingly, there have been few inventions with a similarly extensive impact on the world, the economy and everyday life as the internet (Malecki, 2002).

However, it should not be forgotten that there were innovations before the internet, that have had a massive impact on shrinking time and space (Dicken, 2015). For instance, the way materials and products have been transported from one place to another has changed, as the containerization of bulky and heavy ocean and land freight has facilitated the movement of freight from one transport mode to the other (ibid). It has increased the security of cargo as well as reduced the cost and time involved in transporting freight across longer distances (ibid). As of 2015, approximately 90 percent of all non-bulk cargo was transported in containers (ibid). However, despite the rapid trade growth, and the associated success of containerization that the world has seen, immense problems such as port congestion and over capacity have occurred (ibid). There are efficiency issues remaining in the industry that are yet to be solved.

The transport logistics industry is an industry that recently has been hit by the digitalization wave (Riedl et al. 2018). The industry itself can be described as the science of producing, obtaining and distributing products and materials from one location to another (Sabell, 2016). There are many layers involved in a logistics process (Dicken, 2015), and the different stakeholders in the transport logistics industry are searching for new technological solutions in order to make the process more efficient. Technological innovations can help the industry develop entirely new business models and strategies, while eliminating operational inefficiencies and improving customer experiences dramatically (Riedl et al. 2018).

1.2 Problem Discussion

Certain assume that the way transport and communication systems have shrunk geographical distance has solved the problems of getting a product from its point of production to its point of delivery (Dicken, 2015). However, the logistics industry is highly traditional (Adnavem, 2019), and major efficiency issues still remain (Dicken, 2015).

Logistics involves physical movement of material and goods, transferal and management of information, as well as the management and coordination of complex flows across increasingly extended geographical distances (Dicken, 2015). Consequently, the process of getting products to their final market typically consists of many stages (ibid). A typical door-

to-door cargo journey includes the interaction of roughly 25 separate stakeholders, creates approximately 30-40 documents, utilizes two to three different modes of transport and is managed in about 13-15 different physical locations (Dicken, 2015). As customer demand of speed, flexibility, and reliability increases, the optimization of this process consequently remains fundamental (ibid).

As a result of the increasing utilization of just in time procurement and delivery systems, the changing relationship between suppliers and customers, the emergence of new and flexible production methods, changing consumer preferences and increasing geographically complex production networks, technological innovations in the industry have come to life (Dicken, 2015). Some of these technological innovations have resulted in the transformation of existing intermediaries in logistic processes, such as freight forwarders, and others have resulted in the occurrence of completely new actors (ibid).

According to Boston Consulting Group, digital disruption is about to hit freight forwarders as digital technologies and new innovative business models utilized by startups, suppliers and even customers evolve (Riedl et al., 2018). Freight forwarders normally set prices through offline quotation and booking processes that are time consuming and complicated (ibid). It is not unthinkable that a shipper has to wait as long as 100 hours for a quote (ibid). Filling out and controlling the required shipping documents to transport goods from point A to point B takes time, as there is an unusually high degree of manual processes involved in freight forwarding (ibid). There are companies that still are heavily committed to email, personal handoffs, and even faxing to enable the transferal of required shipping documents (ibid). The traditional freight forwarding business model can consequently be described as multi-layered. It has a bundled strategy that eliminates visibility, control, choice and transparency for its customers (Adnavem, 2019).

The startup and tech-company Adnavem is a company that wishes to address this problem by disrupting the freight forwarding industry (Kjällgren, 2019-04-03). The company offers a B2B digital marketplace where transport buyers can get directly connected to logistic service providers, and vice versa, in order to buy and sell transport solutions (ibid). Adnavem aims to eliminate unnecessary intermediaries in transport logistics, by letting transport buyers purchase tailored transport solutions directly from the world's greatest logistic service

providers, providing customers with the transparency, time efficiency and control they demand (ibid). Rather than bringing freight forwarding online, Adnavem seeks to disrupt the industry by offering a digital alternative to freight forwarding (Adnavem, 2019). By reaching out to customers and service providers through an online marketplace, Adnavem has been able to enjoy a quick international expansion to markets in Northern Europe and Asia Pacific (Adnavem, 2019), making the company a digital born global.

Literature, however, suggests that although highly digital firms might enjoy a quick international expansion, due to the spatial reach that descends from a company's resources dedicated to develop in the online space, they are still faced with challenges in their internationalization processes that digital solutions on their own might not be able to solve (Wentrup, 2016). Research suggests that offlineness does matter (Zander, 2004), as there are physical limitations to internationalization. Offline resources, such as human beings and physical infrastructure (Wentrup, 2016), might therefore still be needed to conquer new markets and expand internationally.

1.3 Research Gap, Purpose and Research Question

1.3.1 Research Gap

In 1993, Michael W. Rennie introduced the born global term in the McKinsey Quarterly, describing small and young firms that internationalizes to distant markets early from their inception (Rennie, 1993). This phenomenon has since then been treated by several scholars, notably with different labels (e.g. McDougall and Oviatt, 1994; Cavusgil and Knight, 1996; Madsen and Servais, 1997). However, the area has been accused of being underdeveloped, as the main part of the research regarding born globals has focused on their definition, rather than their internationalization and general behavior (eg. Gabrielsson et al., 2005, 2008; Johanson and Martín, 2015).

The developments in information and communication technologies (ICTs) that have occurred since the early 1990s has, additionally, resulted in the emergence of completely new types of businesses (Dicken, 2015). Businesses that have been given increased attention by scholars during the last two decades. Certain have focused on the individual entrepreneurs and the

corporate entrepreneurship behind such firms, describing their entrepreneurial behavior (e.g. Zahra and George, 2002; Sarasvathy et al., 2013; Mainela et al., 2014). Others have described them using different labels such as Online Service Providers, iBusinesses, Digital Information Providers and Internet firms (Mahnke and Venzin, 2003; Brouthers et al., 2016; Hazarbassanova, 2016; Wentrup, 2016).

Despite arguing about their definition, several scholars suggest that the research regarding the technology-based firms that have emerged in conjunction with ICT developments is underdeveloped (e.g. Wentrup, 2016). Accordingly, there are remarkably few studies that have been conducted on the internationalization of these firms, despite the fact that there are indications that they may internationalize differently than others (Wentrup, 2016). One could claim that scholars have treated them as a part of born global theory, as a consequence of their tendency of internationalizing early (e.g. Madsen and Servais, 1997; Laanti et al., 2007). Yet, this research has referred to born globals on a general level, only partly focusing on their digital characteristics.

Based on these findings, it appears to be a need for researchers to investigate the internationalization of born globals further. More particularly, there seems to be a need of investigating the internationalization of born globals that to a high degree are digital-based, as they have been given limited attention on their own in previous research. Thus, a research gap regarding the internationalization of digital born globals is considered to have been identified.

1.3.2 Purpose

The purpose of this thesis is to contribute to filling the identified research gap mentioned above, by developing an understanding of a specified area of a digital born globals' internationalization. More specifically, the study will provide an understanding of how online and offline resources matter in the internationalization of a digital born global within transport logistics.

The purpose of this thesis is however not to create or introduce a new theoretical framework regarding digital born globals' internationalization. It is rather to use existing literature and theories to evolve an understanding of empirical findings regarding their internationalization.

1.3.3 Research Question

In order to restrict and specify this thesis' area of investigation, the following main- and sub-research questions have been formulated.

Research question:

How does a digital born global within transport logistics internationalize utilizing online and offline resources?

Sub-research question:

How can experiential knowledge and networks, descending from the offline resource of human beings, be considered as prerequisites for the internationalization of a digital born global within transport logistics?

1.4 Delimitations

This thesis' research gap allows for several potential case studies. However, in order to make a concrete contribution to research, delimitations had to be made.

Consequently, this thesis has been delimited to committing a single case study on the digital born global Adnavem. It is more particularly narrowed down to Adnavem's internationalization, focusing on its utilization of offline and online resources. Further, this thesis is narrowed down to focus on the experiential knowledge that employees at Adnavem possess, and the networks Adnavem is involved in, in conjunction with this thesis' sub-research question.

Chapter 2: Conceptual Framework

This chapter treats the chosen conceptual framework for this study. The chosen framework is based on literature considered necessary to understand the foundation of this study, as well as theories that are considered applicable to the thesis' main and sub-research question. It incorporates key contributions from several International Business scholars, as the empirical phenomenon of this study cannot be fully explained by one existing theory. By combining different theoretical aspects, treating the internationalization of firms, as well as theories treating the characteristics of being a born global and a digital firm, an explanatory tool has been created.

2.1 Research Relevancy

How firms internationalize has been a popular research topic for almost half a century, mainly treating the internationalization of SMEs and MNEs (Strandberg, 2018). In the 1970s Johanson and Vahlne introduced the frequently cited Uppsala-model of internationalization, introducing the idea that firms internationalize incrementally and dare to move further geographically, psychologically and culturally away, increasingly committing to markets, as they gain experiential knowledge (Johanson and Vahlne, 1977). Since then, scholars have been given increasing attention both to born globals and digital firms. Some describe born globals as a challenge to traditional internationalization theory (eg. Cavusgil and Knight, 1996). However, others argue that internationalization theories, such as Johanson and Vahlne's Uppsala-model of incremental internationalization, remain applicable to some extent for these firms (e.g. Madsen and Servais, 1997; Johanson and Martín, 2015). Explaining why a combination of traditional and new internationalization theory is utilized in this thesis' conceptual framework.

The conceptual framework is divided into five sub-chapters, considered to contribute with one important aspect each to this thesis' research area. The first two sub-chapters are dedicated to presenting the particularities of being a firm that internationalizes early and the particularities of being a firm that to a high degree is digital-based. These two chapters are considered as beneficial to include in this study, as they provide a way of describing the characteristics of the tech-firm Adnavem. These theories are included to strengthen the assumption that Adnavem is a digital born global, which is the foundation for this study.

They also provide a way for corporate readers of this thesis to identify whether they have similar characteristics as Adnavem, thereby giving them an indication of whether the conclusions of this thesis are applicable to them.

The following three sub-chapters are included in this thesis conceptual framework, to provide explanatory guidance for answering this thesis' main- and sub-research questions. Sub-chapter 2.4 introduces the important idea that digital firms utilizing online resources in their internationalization might be able to manage foreign markets through a spatial reach, delimiting their need of offline commitment. However, the sub-chapter additionally emphasizes how digital firms become increasingly dependent on offline resources in their internationalization. This particular part of the conceptual framework is included in this thesis' in order to facilitate the explanation of how a digital born global internationalizes utilizing online and offline resources. Moving on, sub-chapter 2.5 and 2.6 introduces two factors that in previous research have been considered important for firms' internationalization. They emphasize the importance of having experiential knowledge and network contacts when internationalizing. These concepts have originally been used to explain the internationalization of manufacturing firms. Yet, they have also been given attention in research considering both born globals and digital firms, indicating their relevance for this particular study. They are included in this thesis to investigate in what way they can be considered to be prerequisites for the internationalization of a digital born global within transport logistics.

2.2 Born Globals

The born global phenomenon has been treated by several scholars, remarkably with several different labels. Yet, they all have in common that they describe a type of firm that internationalizes early from its inception. "Born Globals" (e.g. Rennie, 1993; Madsen and Rasmussen, 2002), "International New Ventures" (e.g. McDougall and Oviatt, 1993; Madsen et al., 2012) and "Global Start-ups" (McDougall and Oviatt, 2005) are some examples of what these companies have been labelled. However, for facilitating purposes the concept as such will be referred to as Born Globals in this dissertation, which is the most widely used term to describe the phenomenon (Strandberg, 2018).

A born global is a new venture that aims to satisfy a global niche from the very beginning (Coviello et al., 2011). The degree of internationalization of the industry they operate in is positively associated with their extension (ibid). They have global visions (Knight, 1997; McDougall and Oviatt, 2000) and internationalize within two or three years from their establishment (Rennie, 1993; Cavusgil and Knight, 2004). Within that time period they must have entered multiple markets (at least two) in order to be considered a born global (McDougall and Oviatt, 2005). Additionally, the company must carry the risk on its own (Arenius et al., 2005; Zahra, 2005). Thus, the company cannot be a spinoff, of an already existing firm (ibid).

By utilizing electronic process technologies, born globals are able to compete with larger firms, both in terms of cost and quality, in most cases providing increased flexibility (Rennie, 1993). Moreover, born globals are often based on a high degree of technology and have innovative products, allowing them to act as pioneers in a small global market niche (Neubert, 2015).

2.3 Digital Firms

Several authors have paid attention to the emergence of the type of firms that to a high degree are digital-based. They have for instance been referred to as high technology start-ups (Alahuta et al., 1992), internet firms (Hazarbassanova, 2016), online service providers (Wentrup, 2016), digital information providers (Mahnke and Venzin, 2003) and iBusinesses (Brouthers et al., 2016). What characterizes this type of firms is that they offer a digital service or product (Strandberg, 2018), involving various degrees of physical and digital elements (Mahnke and Venzin, 2003; Gander et al., 2015). A firm might, for instance, offer a product that is completely digitally realized, such as social media (Gander et al., 2015). Another alternative could be having a digital interface for a digital product or mobile device, such as a smartphone (ibid). Digital elements could equally be incorporated into a physical product, such as a modern microwave (ibid). A physically conducted service could similarly be booked and bought digitally, for instance through an application such as Uber (ibid). Accordingly, the non-material and digitized nature of such goods and services is what makes them potentially scalable (Gander et al., 2015), which these types of firms try to prosper.

2.4 Online/Offline Resources

In Wentrup's (2016) study on digital firms, more particularly on the internationalization of online service providers, he describes how firms of a particular nature are able to control their foreign operations through the online space while having a limited amount of physical presence. They have a spatial reach (Wentrup, 2016). This is especially true in an early stage of internationalization (ibid). Wentrup, however, emphasizes that despite the fact that some firms have a high online proportion, most of these firms are still highly dependent on offline resources (ibid). Zander (2004) similarly explains that offlineness does matter, as entrepreneurs have a limited ability to move across geographical distances, involving a risk of not recognizing emerging opportunities in geographically distant locations.

By offline resources, Wentrup refers to human resources and offline infrastructure. Thus, physical devices and human beings are some examples (Wentrup, 2016). Online resources, on the other hand, are referred to by Wentrup as resources that are dedicated to allowing online service providers to develop in the online space (ibid).

According to Wentrup, online service providers can to various degrees be dependent on offline resources (2016). The principal part of online service providers has a regional internationalization pattern, establishing a regional presence rather than presence in every single entered market, indicating their ability to partly manage markets through online resources (Wentrup, 2016). Yet, Wentrup argues that despite the fact that the need of offline objects is likely to decrease as an effect of the increasing integration of advanced technology in a service, the offline dependence of a business model is oppositely likely to move in the other direction as a result of increasing offline commitment to local markets (ibid).

2.5 Experiential Knowledge

By studying Swedish manufacturing companies, Johanson and Vahlne (1977), introduced the idea that companies tend to internationalize their businesses by gradually spreading their activities further away from their home markets. Thus, international expansion tends to begin to markets to which companies experience a lower geographic, psychic and cultural distance, thereafter continuing with successive expansion to markets that they perceive as further away (Johanson and Vahlne, 1977). The scholars further suggested that firms increase their degree

of investments, hence their market commitment, as time passes by (Johanson and Vahlne, 1977). The incremental process that the two researchers describe is caused by uncertainty, which can only be overcome by gaining experiential knowledge (ibid). The experiential knowledge that a company gains when internationalizing their business will decrease uncertainty, giving the company the courage to further expand.

Born global theory has several times been described as oppositional to Johanson and Vahlne's internationalization theory (e.g. McDougall and Oviatt, 1993; Rennie, 1993; McDougall and Oviatt, 1997). However, there are scholars that state that the basic assumptions in the theory do not necessarily differ from the internationalization process that born globals follow (Madsen and Servais, 1997; Johanson and Martín, 2015). This is related to the fact that the underlying background of a Born Global is one or several entrepreneurs with strong international experience (Madsen and Servais, 1997, p.576). These entrepreneurs or founders may have prior experiential knowledge from the particular industry and from the particular market place, that decreases uncertainty, thereby making the decisions to commit further to additional market easier (Madsen and Servais, 1997). Market commitments do thus not necessarily have to be slow and incremental, but the driving forces behind commitment decisions are still the same. The same authors additionally suggest that born globals' geographical location of activities depends on the experiential knowledge of founders and partners, in addition to customer-related factors and economic capability (Madsen and Servais, 1997, p.577).

Madsen and Servais are not alone in emphasizing the importance of antecedent international experience (e.g. McDougall and Oviatt, 1997; Davis et al., 2000). Founders and managers together become an asset for a firm, as they possess knowledge that enables it to generate a competitive advantage by accessing inputs from several markets or sales (Bals et al., 2013). Accordingly, the aggressive pursuit of international growth is a function of the founders' competences from previous international experiences, their awareness of international growth opportunities and their vision (Bloodgood et al., 1996; Autio et al., 2000). International experiences provide firms with the advantage of knowing markets before entering them, making elements such as business norms, culture and regulations known to their founders, and the perception of the distance to markets decrease (Johanson and Vahlne, 1977). This allows companies possessing experiential knowledge to skip steps in their incremental

internationalization as they, although new from their inception, are not new in terms of their possession of experiential knowledge (Bals et al., 2013).

2.6 Networks

Apart from emphasizing the importance of possessing experiential knowledge, multiple scholars have also discussed the importance of business networks in connection to international growth (Johanson and Mattsson, 1988; Madsen and Servais, 1997; Bell and Loane, 2006; Johanson and Vahlne, 2009). Scholars have explained how managers of born globals use their own social or business networks to learn about and get access to international markets (Bell and Loane, 2006).

Johanson and Vahlne (2009) do in their revisited Uppsala model define business networks as "a set of different, close and lasting relationships with important suppliers and customers" (p.1414). The two scholars further explain that by being a part of such networks, companies are provided with opportunities, information, relationships of trust and partners on which they can rely on in their internationalization processes. Johanson and Vahlne additionally suggest that the issue for companies when internationalizing no longer is to engage in "the markets they can most easily understand" (p.1413), but to integrate into existing business networks where one or more members already are engaged and established internationally. "Hence insidership in relevant network(s) is necessary for successful internationalization" (Johanson and Vahlne, 2019, p.1411).

Other scholars have discussed the importance of a user-based network, which can have significance for digital products and firms in their internationalization processes, in what is called "Roger's Diffusion of Innovation Theory" (Rogers, 1962; Brouthers et al., 2016). The scholars are referring to a type of firm that offers digital-based platforms (ibid). The platforms enable users to connect with each other, and by creating a larger user base the platform generates value (ibid). Therefore, when such firms internationalize, it is considered important to increase the number of users, using effective methods to obtain a greater user network (See-To and Ho, 2014; Brouthers et al., 2016).

2.7 Explanatory Tool

Combined, the previously explained theoretical dimensions create the explanatory tool illustrated below (see Figure 1), constructed to facilitate the investigation of how a digital born global within transport logistics internationalizes utilizing online and offline resources, as well as an explanation of how experiential knowledge and networks, can be considered as prerequisites for the internationalization of a digital born global within transport logistics.

Figure 1: Explanatory Tool

The top two faded levels of the explanatory tool make up the foundation of this research. It illustrates how the study is based on the case-company Adnavem which is considered to be a digital born global within transport logistics. The assumption that Adnavem is a digital born global, is as Figure 1 illustrates, based on sub-chapter 2.2 and 2.3.

The following levels make up the part of the explanatory tool that will be utilized to answer this thesis' main- and sub-research question. In order to explain how a digital born global within transport logistics internationalizes utilizing online and offline resources, sub-chapter 2.4 regarding Online/Offline Resources will, as Figure 1 indicates, be utilized for explanatory guidance. Further on, sub-chapter 2.5 and 2.6, regarding Experiential Knowledge and Networks, will be utilized to explain how these factors can be considered as prerequisites for the internationalization of a digital born global within transport logistics.

Chapter 3: Methodology

This chapter is concerned with the research methodology behind this bachelor thesis. Thus, the process that has guided this thesis' development and design and produced knowledge about the given issue. It has the purpose of clarifying the specific process that has led up to this bachelor thesis' final conclusions.

3.1 Research Approach

The utilized research approach in this thesis can be described as abductive. A research approach that has become exceedingly popular among business researchers, as well as among researchers within other social scientific disciplines (Bryman and Bell, 2015). Accordingly, abduction can be considered as the logic of exploratory data analysis, where the research process generates new ideas or hypotheses (Eriksson and Kovalainen, 2016). An abductive research process starts off with a puzzle or a surprising fact, that the continued research seeks to explain (Bryman and Bell, 2015). As for this research, that would be the importance of online and offline resources in the internationalization of a digital born global disrupting the transport logistics industry. By explaining the discovered empirical phenomenon utilizing this thesis' explanatory tool, the thesis moves away from everyday descriptions and meanings given by people, to categories and concepts that generate the foundation of an understanding or an explanation to the described phenomenon (Eriksson and Kovalainen, 2016). An understanding or explanation that according to Eriksson and Kovalainen (2016), could be tested by other researchers through a deductive research approach or justified with empirical data by using an inductive research approach.

The abductive research approach utilized in this study can be described as an intermediate step between deduction and induction, as neither empirical data nor the conceptual framework alone has driven the research process. Consequently, the research process can be described as iterative (Bryman and Bell, 2015), meaning that it has weaved back and forth between this thesis' empirical data and conceptual framework. While weaving back and forth the research has strived to identify conditions that would make the investigated phenomenon less puzzling, making it a matter of course, in accordance with Bryman and Bell's (2015) definition of an abductive research approach.

3.2 Study Design

This study is designed as a qualitative single case study. Consequently, the research entails a detailed and intensive analysis of one single case (Bryman and Bell, 2015). When conducting a single case study, the case being studied can be referred to as an "object of interest" according to Bryman and Bell (2015, p.68). A case study enables an in-depth clarification of this object (Bryman and Bell, 2015). The object of interest behind this particular study was the internationalization of a digital born global within transport logistics. The thesis provides an in-depth clarification of this object of interest by explaining how Adnavem internationalizes utilizing online and offline resources, as well as how experiential knowledge and networks can be considered as prerequisites for its ability to internationalize in the way it has.

The case study is as mentioned above, qualitative, hence focusing on words rather than numbers in the thesis' data collection and analysis (Bryman and Bell, 2015). Qualitative research aims to examine processes, relations, symbols, and meanings, and has particular strengths in generating a comprehension of global issues, organizational culture, and developments of products and services (Gordon, 2011). Further, the research method provides a micro-level understanding, rather than an understanding of a macro-level phenomenon (Crossman, 2019). Accordingly, it is preferable to use a qualitative research method when performing a case study, as it facilitates the generation of an in-depth study of a case (Bryman and Bell, 2015). Based on this, implementing a qualitative case study has been considered a natural choice for this particular thesis, as this study aims to provide a micro-level understanding of a digital born global's internationalization, creating a deep and detailed analysis of the object of interest.

3.3 Research Process

The research behind this thesis was carried out through the following described process. Initially, the authors decided on a preliminary research area, focusing on digital actors in an international context. Thereafter, a literature review was made in order to obtain a holistic understanding and identify a research gap regarding the specific research area. When conducting the literature review the database of Gothenburg University was utilized, filtered

by selected keywords such as; *Digitalization, Born Globals, International Entrepreneurship, Internationalization, Online Service Providers, Digital Firms.*

After having identified a research gap through the literature review, the authors decided to focus on digital born globals and their internationalization. The authors thereafter contacted companies from several industries, that were imagined belonging to this category. It was, however, first after getting in contact with Adnavem, that the authors decided which company to conduct the particular case-study on. An initial meeting was set up, where Adnavem provided the authors with a first glimpse of their business model and internationalization and inspired the authors to investigate the tech-company's internationalization further. The decision was additionally based on the fact that it was considered of interest to apply the case on a digital born global from an otherwise traditional industry. Moreover, factors such as interview availability and location were decisive. A preliminary main- and sub-research question regarding the internationalization of a digital born global was thereafter formulated. Next, empirical data was collected in interaction with creating a conceptual framework. Finally, the data was analyzed utilizing different elements of this thesis' conceptual framework, as indicated by this thesis' explanatory tool. The outcomes were later utilized to draw this thesis' conclusions to its main- and sub-research question.

3.4 Data Collection and Analysis

The data that is presented in the empirical findings of this thesis consists of both primary and secondary data. The former has been collected through interviews with founders and employees at the case company Adnavem, as well as from employees at Maritime Carrier AB. The latter consists of extracts retrieved from carefully selected sources.

3.4.1 Primary Data

The primary data in this thesis has been collected from face-to-face interviews conducted with people working at Adnavem, as well as three respondents at a maritime carrier company. The maritime carrier company has expressed their wish to be anonymous in this thesis and will therefore be referred to as Maritime Carrier AB in this dissertation. The number of interviews amounted to seven with a total of eight different respondents. When choosing the

interviewees, the authors aimed to cover different perspectives of the case company Adnavem's international operations by conducting interviews with at least one person from each team of the company. The authors similarly wanted to include a different perspective from the transport logistics industry, therefore also including the external Maritime Carrier AB. By conducting the seven interviews with the eight different respondents, with various responsibilities and from different sides of the industry, the data outcome created a clear and comprehensive image of the case company as well as possible aspects connected to the problem of this thesis.

When interviewing the respondents, a semi-structured interview approach was used, in order to achieve an extended understanding, in line with Collis and Hussey's (2014) description of the approach. These scholars argue that it is appropriate to conduct semi-structured interviews for case study research, and when having an abductive research approach (Collis and Hussey, 2014). The reason for this is that semi-structured interviews generate flexible interviews, giving the respondents the possibility of providing additional information regarding the subject, by not only answering prepared questions (ibid). Having semi-structured interviews together with an abductive research approach, gave the authors of the thesis the possibility to develop a theoretical framework parallelly with the conduction of interviews. When discussing the definition of a semi-structured interview, Bryman and Bell (2015) argue that "it typically refers to a context in which the interviewer has a series of questions that are in the general form of an interview schedule but is able to vary the sequence of the questions" (Bryman and Bell, 2015, p. 213), which was the case in this study.

When creating the interview questions for the interview guide, some of the questions for the different respondents were identical and some specified depending on the respondent, for instance based on the respondent's team and responsibility. The argument for creating some identical questions to the different respondents was to achieve a broad picture and understanding of the industry, as well as the case company and its different teams and employees. By letting some questions be identical, triangulation could be achieved for certain statements, assuring their validity (Ghauri and Grønhaug, 2010; Collis and Hussey, 2014; Bryman and Bell, 2015).

The reason for not conducting any additional interviews with the remaining employees at Adnavem or other respondents was that the authors experienced saturation for the purpose of

this study, that according to Charmaz (2006) is described as the stage when new data does not contribute to further understandings. Bryman and Bell (2015) further describe that saturation is achievable when no additional new data regarding categories within the research area emerge during the collection of empirical findings. The authors recognized this during the later interviews, as a proportion of the responses were repetitive from earlier interviews. Conducting more interviews would have been likely to generate some new data. However, the collected data from the interviews was considered to have provided sufficient information to analyze and discuss in line with the thesis' main and sub-research question. Consequently, a decision was made to not conduct any further interviews.

The interviews were, as mentioned, held face-to-face, and recorded with the permission of the interviewees. According to Jacobsen et al. (2002), this facilitates a research process as it gives authors the ability to transcribe the conducted interviews, which was the case in this particular study. All important information from the conducted interviews was transcribed and stored, and the responses could further be analyzed and processed. The interviews were held in English to further facilitate the transcription process for the authors.

Interview	Respondents	Location	Interview Type	Length of Interview	Interview Reference (Date)
1	Rolf Kjällgren - *Chairman of the Board at Adnavem*	Adnavem, Gothenburg	Face-to-Face	60 minutes	2019-04-03
2	Linda Gårdlöv - *Founder and CCO at Adnavem*	Adnavem, Gothenburg	Face-to-Face	35 minutes	2019-04-23
3	3 Employees at Maritime Carrier AB - *Head of Sales, Sales Executive, Sales Representative*	Gothenburg	Face-to-Face	45 minutes	2019-04-24
4	Andreas Gustavsson - *Operations Specialist at Adnavem*	Adnavem, Gothenburg	Face-to-Face	65 minutes	2019-04-24
5	Rolf Kjällgren - *Chairman of the Board at Adnavem*	Adnavem, Gothenburg	Face-to-Face	35 minutes	2019-04-24
6	Andreas Wramsmyr - *Founder and CEO at Adnavem*	Adnavem, Gothenburg	Face-to-Face	70 minutes	2019-04-30
7	Mattias Sundström - *Founder and CTO at Adnavem*	Adnavem, Gothenburg	Face-to-Face	80 minutes	2019-04-30

Table 1: Conducted Interviews

3.4.2 Secondary Data

The thesis further includes secondary data, collected with the purpose of complementing the primary data, thereby providing a broader picture and understanding of the research topic. The secondary data which has been used in the thesis has been collected from Adnavem's website, a prospect created by Adnavem, articles regarding the subject, course literature, a podcast and additional web pages regarding the industry. By including secondary data in the thesis, in addition to primary data, triangulation was achieved for certain statements, as various sources stating the same thing indicated the validity of the subject (Ghauri and Grønhaug, 2010; Bryman and Bell, 2015). The collected secondary data, primarily was a tool for the authors to get a broad picture of the research area, the industry, and the interviewed companies before conducting the interviews. It has additionally facilitated the creation of a background description.

When collecting secondary data, questions as "who collected the data", "how was it collected" and "for what purpose" has been taken in consideration to assure that the data could be considered reliable and provide the research with accurate and relevant information as a complement to the primary data.

3.4.3 Data analysis

In order to conduct the qualitative data analysis for this study, the empirical findings of the thesis needed to be recorded and further transcribed, as mentioned previously. The transcribed interviews did in their own turn generate an internal database, where emerging patterns could be identified from the different interviewees by searching for different keywords such as: *Internationalization, Digital, Markets, Physical Presence, Experience, Knowledge, Network, Partners, Challenges, Prerequisites, Online and Offline.* When conducting the analysis further on, these emerging themes were manually examined in interaction with existing theories and literature to identify relevant connections and explanations.

3.5 Quality of the Study

This section includes a discussion of the quality of this thesis. A qualitative study should, according to Bryman and Bell (2015), have its trustworthiness evaluated through Lincoln and Guba's (1985) following four criteria; *Credibility, Transferability, Dependability, Confirmability.*

3.5.1 Credibility

According to Lincoln and Guba (1985), the criteria credibility touches on the truth-value of a study. The two researchers describe that there are different strategies to ensure the credibility of a study, such as persistent observation, prolonged engagement, member check and triangulation (Lincoln and Guba, 1985). When conducting a study, the researchers themselves must determine which strategy to use in order to ensure their research' credibility, as all of the strategies might not be suitable (Korstjens and Moser, 2018). In this thesis, triangulation has been utilized to ensure the credibility of the study, by letting different sources strengthen the credibility of important empirical findings.

3.5.2 Transferability

Lincoln and Guba (1985) describes the criteria of transferability as a criterion of applicability. Thus, a criterion utilized to evaluate whether the results of a study could be applied in a different context (Bryman and Bell, 2015). Hence, the authors bear a responsibility to create what some researchers define as a "thick description" (Geertz, 1973; Lincoln and Guba, 1985), enabling readers to conduct a transferability judgement. Thus, a judgement of whether the study's findings can be considered applicable to the reader's own setting (Lincoln and Guba, 1985; Korstjens and Moser, 2018). This is conducted in this thesis by discussing its limitations, theoretical contributions and outlook for future research.

3.5.3 Dependability

Bryman and Bell (2015) describe ensuring dependability as ensuring that the result of a study should be equal if the research were to be repeated. This is possible when authors use an "auditing" approach (Lincoln and Guba 1985), meaning that the authors conduct accessible records of all steps in the research process (ibid). The authors of this study have strived for dependability by documenting and describing the research process in detail. The authors did, for instance, keep rough copies of the thesis in different stages of its creation, for instance

including its different problem question formulations. Further, all transcripts from interviews, fieldwork notes, and data analysis decisions have been stored.

3.5.4 Confirmability

Confirmability is a criterion that touches on consistency (Lincoln and Guba, 1985). It assures that the authors behind a study have excluded subjective reflections and values that might affect the study's result (Bryman and Bell, 2015). However, Bryman and Bell (2015) indicate that business research almost never becomes completely objective. In order to come as close as possible, the authors of this thesis have, however, focused on maintaining an objective perspective throughout this research process. By conducting semi-structured interviews, the authors were, for instance, not able to influence the interview responses entirely on their own. Further, the transcription of interviews allowed for repetitive listening and interpretation of responses, thereby reducing the risk of misunderstandings based on personal values. Additionally, the eight involved interview respondents have read the thesis and confirmed that their statements have not been misinterpreted.

3.6 Research Ethics

According to Bryman and Bell (2015), it is important for scholars conducting research to identify and consider the potential ethical issues that may occur during such a process. Crandall and Diener (1978) particularly suggest that there are four ethical dimensions to evaluate. Firstly, one should consider whether the research can cause any harm to its participants. Secondly, it is important to evaluate whether there is a lack of informed consent. Further, one should reflect on whether the research entails invasion of privacy. Finally, one must consider whether the research involves deception.

The four dimensions have in this research been addressed by taking different measures. Before conducting interviews, the respondents were, for instance, informed about the purpose of this study, allowing them to consider whether they would like to participate. Further, as mentioned in sub-chapter 3.5.4, all respondents were thereafter given the opportunity to read the thesis prior to its publication. This enabled them to state whether there was anything they wished to exclude from the thesis, or if there was anything, they found to be misinterpreted included in it. The respondents' consent to utilize the empirical data in the way it has been done in this thesis, was thereafter given. The respondents were additionally given the

opportunity to remain anonymous, which was taken by one of the participating companies. Prior to signing University of Gothenburg's agreement of e-publication, the respondents from the case-company Adnavem were additionally given the opportunity to read through the thesis one additional time and take a stand on e-publication, with respect of their decision not to be anonymous. Similarly, the authors' own integrity has been taken into consideration before signing.

3.7 Limitations

This thesis includes particular limitations that must be taken into consideration. To begin with, the study is designed as a single case study and solely investigates the internationalization of the tech-company, Adnavem. As conclusions are drawn from one particular case, it is difficult to argue whether the same conclusions would hold, for instance for a digital born global in another industry. This is a typical limitation of a qualitative study as its scope is limited, resulting in findings that usually are not widely generalizable (Crossman, 2019). It is even imaginable that the conclusions on how a digital born global internationalizes utilizing online and offline resources and how experiential knowledge and networks can be considered prerequisites for its ability to do so, wouldn't hold for a digital born global within the same industry, due to the disruptive nature of Adnavem's business model. However, conclusions are drawn on a general level with the purpose of not denying the possibility that they might hold for similar companies.

Another limitation of performing qualitative research, is that personal bias may occur (Crossman, 2019). As complete objectivity in business research is almost impossible to obtain (Bryman and Bell, 2015), there is a risk that the data included in this study to some degree has been influenced by personal opinions. As mentioned in chapter 3.5 and 3.6, measures have however been taken to decrease this bias.

Further, it might be regarded as a limitation that Adnavem as a company is quite newly established (approximately two years old). This makes the examples of how experiential knowledge and networks can be considered as prerequisites for their internationalization limited to a certain extent. It is imaginable that they can be considered to be prerequisites in a

way that has not yet been detected. The conclusions drawn from this study might therefore not be applicable for a similar company, that has existed for a longer period of time.

Considering that Adnavem is a startup, there is additionally a limited amount of published information about the company. This could be considered to be a limitation as the principal part of the information about Adnavem is gathered from Adnavem's own sources, including a risk of angled information. The fact that five out of eight respondents additionally descend from the same company involves the same risk, as their responses are likely to be affected by the same vision and strategy. However, additional sources have been utilized when possible and perspectives from an external actor within the same industry have been gathered through involving external respondents. Employees from several parts of the company have additionally been interviewed, most likely decreasing the bias by triangulating important information by including different understandings of the firm.

There is additionally a limited amount of information available regarding the particular type of investigated company. The digital service Adnavem is offering is rather unique and does not have many competitors as of today. Thereby, there is a lack of research regarding digital born globals within the transport logistic industry. However, this is where this thesis will be contributing to research by filling the identified research gap regarding digital born globals firms by studying a particular example from the transport logistics industry.

Finally, the given time frame of this study, of approximately eight weeks, can be considered a limitation, as a bigger timeframe would allow for a deeper study and analysis.

Chapter 4: Empirical Findings

This chapter consists of the empirical findings of this thesis. The primary and secondary data introduced in this chapter will be presented combinedly. Initially, a presentation of freight forwarding will be made, in order to present the part of the transport logistics industry Adnavem wishes to disrupt. Moving on, a presentation of Adnavem and its business model as a digital alternative to freight forwarding will be conducted. Later, to create a deeper understanding of how Adnavem has and is planning to internationalize, a dissertation of Adnavem's internationalization will be made. Finally, three sub-chapters inspired by this thesis' explanatory tool (see Figure 1), will be presented. These sub-chapters are particularly meant to facilitate the analysis that will take place in the next chapter.

4.1 Freight Forwarding

In order to understand the antecedent of Adnavem's business model, it is first important to understand the part of the transport logistics industry it wishes to disrupt. Explaining why traditional freight forwarding will initially be presented.

A group of actors, that frequently is involved in cargo transport, is freight forwarders. Freight forwarders, also called forwarders, specialize in easing exporting processes for companies (Export.gov, 2016). They manage and oversee the transport of cargo from its point of origin to its point of delivery (Baker, Croucher and Rushton, 2014). Forwarders offer finished packages with bundled offerings from different logistic service providers (Head of Sales, 2019-04-24), including different modes of transport, customs clearance, documentation, and direct handling of cargo (Baker, Croucher and Rushton, 2014). A freight forwarder does not transport freight itself (Vineyard, 2014). Their business model is rather based on third-party management that simplifies the transport process, that in this dissertation will be presented in seven steps (see Figure 2), for facilitating purposes.

Figure 2: The 7 steps of Freight Forwarding (Source: Wramsmyr, 2018)

For cargo to get from its exporter to its importer, the seven illustrated steps above (see Figure 2) would typically be included. Firstly, the cargo needs to get picked up from its point of origin by a road carrier (Wramsmyr, 2018). Secondly, a statement declaring the details of the goods that will be exported must be prepared (ibid). Next, a handling agent has to make sure

that the cargo actually gets onboard on the vessel or on the plane (ibid). The same agent also makes sure that the required documents for the shipping such as a bill of lading, an insurance policy, and an invoice exists (ibid). Further on, the cargo gets transported by the actual carrier (ibid). Upon arrival to the importing destination, a destination agent similarly has to make sure that the cargo gets off the vessel or plane, and that documentation requirements are met (ibid). An import declaration stating what has been imported to the given destination and what duty has to be paid will thereafter be created (ibid). Finally, a road carrier picks up the cargo and gets it to its point of delivery (ibid).
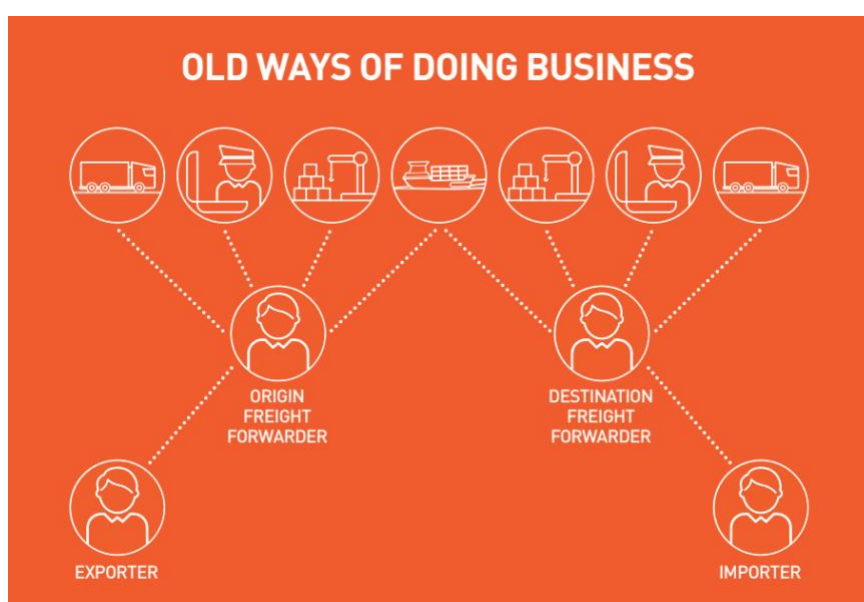
Figure 3: The Freight Forwarding Business Model (Source: Adnavem, 2019)

Freight forwarders make up the layer between transport buyers and transport service providers (see Figure 3) by helping them to interact and indirectly conduct business with one another. They can in other terms be described as brokers who get orders from transport buyers and help them to require the necessary freight services to transport their goods from point A to point B (Baker, Croucher and Rushton, 2014), as illustrated by the seven steps (see Figure 2).

Due to the complexity of freight processes, many companies choose to involve freight forwarders (Baker, Croucher and Rushton, 2014). By combining the demand of several customers, freight forwarders themselves become big customers of carriers (Gustavsson, 2019-04-24), with a strong negotiation force descending from their ability to transport big

volumes (Head of Sales, 2019-04-24). Consequently, freight forwarders often have protected volumes on vessels (ibid).

The process of getting a container from point A to point B, is in an early stage of digitization (Egloff et al., 2018). The process is transaction intensive, and there are many people involved in the administrative part of the industry (Arnäs, 2018). Freight forwarders have traditionally been working with pen and paper, making phone calls to find available space on ships and planes, thereafter, getting back to their customers one to two days later (Wramsmyr, 2018). These offline quotations and booking processes are time-consuming and involve an unusually high degree of manual processes (Riedl et al., 2018).

Prices are set through a bundled pricing model, meaning that forwarders sell packages of combined offerings that allows a transport buyer to get their cargo sent from its point of origin to its destination (Wramsmyr, 2019-04-30). The transport buyer does in this case, however, not know who is actually conducting the final services (ibid). The transparency about the original prices from the actual logistics service providers is additionally low, partly due to regulatory compliance (Sales Representative, 2019-04-24). Carriers are not allowed to discuss any prices with their competitors and doing so can result in percentual penalties of these companies' annual turnovers (ibid). Consequently, it is difficult for transport buyers to know how much freight forwarders actually make on their transport purchase, as they do not know what each individual part of the transport chain costs (Wramsmyr, 2019-04-30).

When customers contact freight forwarders with their quotation request, they will have to wait for the forwarder to convey a quote estimation, as the forwarders themselves have to contact logistic service providers before getting back with an answer (Wramsmyr, 2018). In some cases, however, freight forwarders sell the package for a given price directly, thereafter, turning to the service providers to negotiate (Head of Sales, 2019-04-24). A risky approach, involving cases of both victory and loss (ibid). Despite of this, and due a strong bargaining power, freight forwarders gross profits are remarkably high compared to the once of other actors in the industry. Freight forwarders have gross profits on approximately 30 % (Wramsmyr, 2018), while haulages for instance, have gross profits around 2 % (Arnäs, 2018).

4.2 Adnavem

Hereby, the empirical findings, providing a general description of the case company and digital born global, Adnavem, and its approach to internationalization will be presented.

Adnavem was founded in 2017 in Gothenburg, Sweden, by Andreas Wramsmyr and Mattias Sundström (Kjällgren, 2019-04-03). The startup company offers a B2B digital marketplace within the transport logistics industry, where transport buyers can connect with logistics service providers online, in order to buy and sell freight transport (Adnavem, 2019; Kjällgren, 2019-04-03). Similarly, to a freight forwarder, Adnavem does not conduct the transport itself (Gustavsson, 2019-04-24), it rather provides a way to offer and book it. Adnavem was created as a result of the fact that Wramsmyr and Sundström identified a need of digitizing away the freight forwarding layer (Wramsmyr, 2018). Accordingly, the creation of Adnavem was enabled by the founders accumulated qualification, network contacts, and experiences from the transport logistics industry as well as from IT development (ibid).

As Adnavem is a startup and not a spinoff of an existing firm, it carries the risk of its own. Making it fulfil one of the prerequisites for being considered a born global (Arneius et al, 2005; Zahra, 2005). Further, the company can be considered digital (Strandberg, 2018) as it offers a digital service connecting transport buyers to logistic service providers. Adnavem offers a physically conducted service, that is booked and bought digitally (Gustavsson, 2019-04-24). However, Adnavem does not conduct the physical service itself (ibid), making it less physically involved (Manhke and Venzin, 2003; Gander et al., 2015).

The Adnavem marketplace is available in several languages and is based on new advanced technology (Adnavem, 2019). The marketplace offers door-to-door standard freights, including ocean freight, which today constitutes Adnavem's main focus (ibid). The idea of the marketplace is to connect companies wanting to buy transport directly with the best-suited companies providing transport, as well as the remaining service providers required to get cargo from its point of origin to its point of delivery. The marketplace creates a customized solution for companies demanding transport solutions without involving the third-party of a freight forwarder (ibid).

Adnavem currently consists of 10 co-workers located in Gothenburg and two additional partners working for the company on a consultancy basis in China (Gårdlöv, 2019-04-23; Wramsmyr, 2019-04-30). The Adnavem group further consists of three different teams being the operations team, the smarketing team, referring to sales and marketing, and the leadership team (Gårdlöv, 2019-04-23) as illustrated below (see Figure 4).
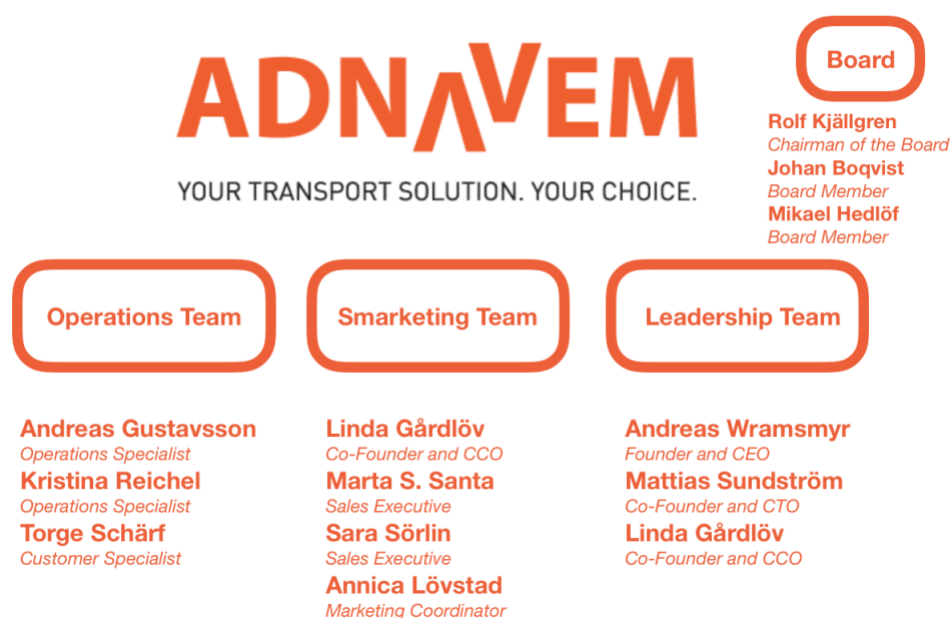
Figure 4: Organizational Chart

When it comes to internationalization, Adnavem has had a global vision from the very beginning (Gårdlöv, 2019-04-23; Kjällgren, 2019-04-24; Wramsmyr, 2019-04-30), which according to several scholars (eg. Knight, 1997; McDougall and Oviatt, 2000), is among the features that characterize a born global. Adnavem wants to become a globally leading marketplace for international transports (Kjällgren, 2019-04-24), thereby aiming to satisfy a global niche from the very beginning, as born globals do, according to Coviello et al. (2011).

According to Kjällgren (2019-04-24), they "think big, start small and scale fast". A potential that according to Gander et al. (2015) lies in the non-material nature digital firms have. As CEO Wramsmyr (2019-04-30) stated, it is simply not possible to do air and ocean transport solely in Gothenburg. When looking for solutions, approaches, value propositions and more, Adnavem therefore seeks solutions that will work globally and not only in Sweden (Kjällgren, 2019-04-24), corresponding well with Madsen and Servais (1997) allegation that

the extension of a born global is positively associated with the degree of internationalization of the industry it operates in.

4.2.1 Adnavem's Business Model

In order to understand how Adnavem internationalizes, it is initially important to understand their Business Model, creating the base for how their business is conducted both in Sweden and internationally.

Adnavem's business model differs from the one of freight forwarders (Adnavem, 2019). The tech-company wishes to digitize away the freight forwarding layer to the benefit of companies buying transport (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30), referred to as customers by Adnavem (Gårdlöv, 2019-04-23; Wramsmyr, 2019-04-30), as well as in this dissertation. Adnavem is currently targeting Swedish customers, hence Swedish transport buyers (Gårdlöv, 2019-04-23; Sundström, 2019-04-30).

Adnavem is offering an automated digital system that allows transport buyers to control their entire transport processes in a user-friendly matter (Kjällgren, 2019-04-03). In Adnavem's value proposition, Adnavem makes up for the layer that otherwise would be filled by a freight forwarder (compare Figure 3 and Figure 5) (Adnavem, 2019). Wramsmyr (2019-04-30) explains that, by offering an automated marketplace a scalable business model is created. The marketplace allows for 100% customer and supplier self-service, for instance, in terms of registration, bookings and follow ups, enabling the business to scale across the world (ibid).
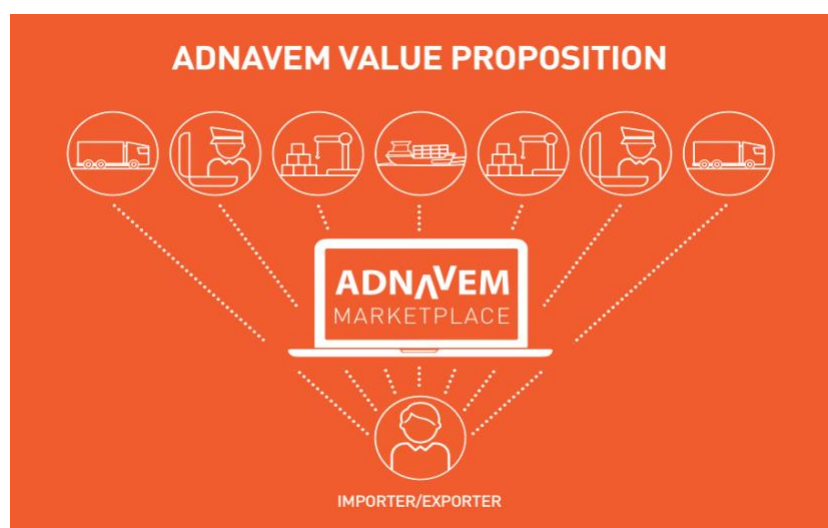

Figure 5: The Adnavem Business Model (Source: Adnavem, 2019)

When it comes to how responsibility is divided in the value chain, Gustavsson (2019-04-24) explains that nothing really changes for customers and logistic service providers when using Adnavem instead of a freight forwarder. Adnavem will not be taking any responsibility of the actual cargo (Kjällgren, 2019-04-03). When booking transport solutions through the Adnavem marketplace, the responsibility of the cargo will be divided, just as it otherwise would, trough incoterms (Gårdlöv, 2019-04-23). Incoterms are what ensures that the buyer and seller of transport solutions are aware of their agreed conditions, and different terms involve different responsibilities and determine at which point the risk passes from the seller to the buyer (Baker, Croucher and Rushton, 2014). According to Gustavsson (2019-04-24), a freight forwarder does neither take any actual responsibility of the cargo. It is rather a broker, that works as a mediator when problems occur (ibid).

For a transport buyer to become a customer and book transport solutions through Adnavem, they simply register on Adnavem's web page (Gustavsson, 2019-04-24). Automated credit checks are thereafter conducted on the newly registered customers, using their VAT identification numbers (ibid). This makes up a selling point when pitching the marketplace to potential logistic service providers, as they can be assured that the transport buyers with access to the platform have good credit ratings (Gustavsson, 2019-04-24). The customers with good credit ratings get access to the platform, allowing them to use the marketplace searching for transport solutions, receiving full transparency regarding actors and prices with multiple alternative route options to choose from (ibid). The marketplace gives the customer an overview, including worldwide carriers and other service providers it could involve, in order to get its cargo transported from the point of origin to the point of delivery it demands (Kjällgren, 2019-04-03). In contrast to the freight forwarding business model, the transport buyer can choose each and every actor it wants to involve in its transport chain itself, seeing their spot prices instead of a bundled offer (Wramsmyr, 2018). If wanting a finished package, the customer could, however, also choose to buy an automated optimal transport chain, but it would still be able to see each and every actor involved in that chain and what they charge (ibid). The Adnavem business model is based on spot pricing, enabling the customer to instantly obtain price information from all available actors (Kjällgren, 2019-04-03). The logistic service providers will however not be able to see each other's spot prices (Gustavsson, 2019-04-24) in compliance with the regulations regarding sharing prices with competitors mentioned in sub-chapter 4.1.

The customers using Adnavem, will additionally be exposed to customer ratings regarding each and every logistics service provider, provided by Adnavem itself through automatic ratings, as well as by customers (Wramsmyr, 2019-04-30). This indicates the quality of the earlier performance of each and every actor available on the platform (ibid). Through the combination of automated suggestions produced by algorithms, full transparency and the rating of suppliers, transport buyers are able to choose the customized solutions they demand, which, according to Adnavem is what distinguishes them from their competitors (Adnavem, 2019; Gårdlöv, 2019-04-23; Sundström, 2019-04-30; Wramsmyr, 2019-04-30). By eliminating all non-value adding middlemen, the customers retain full control of their shipments, supplier performance, cost development and even environmental figures (ibid). By utilizing electronic process technologies, Adnavem aims to compete with larger firms, providing increased flexibility, which, according to Rennie (1993) is what born globals tend to do.

Adnavem's paying customers are, however, its on-boarded logistic service providers (Gårdlöv, 2019-04-23). Despite of this, they will not be referred to as customers further in this dissertation (ibid). Gårdlöv (2019-04-23) explains that logistic service providers will pay Adnavem a sales commission for the sales make through the platform. However, they will not pay for uploading their rates at Adnavem (ibid). The marketplace simply works as an additional sales channel for them (ibid). Gustavsson (2019-04-24) describes that each provider uploads a price for each of the previously explained steps in a freight transport process, they want to provide (see Figure 2), meaning that a maritime carrier only would upload prices for sea freight if that is the only step it wishes to offer. He further explains that if the maritime carrier additionally wants to handle cargo at the port of destination, the maritime carrier would have to upload two different rates. Since no actor can upload a total rate, including all steps in a transport chain (see Figure 2), there exist no bundled price rates on Adnavem's webpage (Gustavsson, 2019-04-24). The reason for providing a marketplace with that sort of an arrangement is partly to offer transparency, and partly to make sure that the best providers for each of the seven segments are available (ibid). Gustavsson (2019-04-24) explains that Adnavem does, for instance, not believe that the best sea freight suppliers offer the best import clearance, and by separating the offers customers will avoid more expensive options with inferior quality. A carrier could offer its customer door-to-door to

delivery, but in that case, it would usually not own the services (Sales Executive, 2019-04-24). If a maritime carrier for instance, wants to do so, it would pay another actor to conduct the road haulage (ibid). However, the invoice and price would come from the maritime carrier (ibid). According to Gustavsson (2019-04-24), Adnavem allows service providers to focus on their core activities instead, improving them rather than offering additional services through third parties.

When marketing the service to logistic service providers, Adnavem points out that the marketplace is a win-win situation (Wramsmyr, 2018). By cutting away the freight forwarding layer, reducing their piece of the cake, logistic service providers would be able to charge a higher price that would still appear lower to the once of a freight forwarder, according to Gustavsson (2019-04-24), Sundström (2019-04-30), and Wramsmyr (2019-04-30). Wramsmyr (2019-04-30) additionally mentions that an important selling point is that a tool like Adnavem supports transport providers' demand driven pricing, as prices can be adjusted instantly on the website.

When a transport buyer has been connected with the most suitable logistic service providers for its request and transport has been booked, the Adnavem business model further controls and follows the shipment every step of the way to ensure that every step of the value chain works as it should (Gustavsson, 2019-04-24). This not only provides more transparency and security for the customer but also a pressure for improved productivity that a freight forwarding business model would not provide in the same way (ibid). The Adnavem system follows the cargo based on the maritime carrier's track and trace, as well as the vessel's AES position (ibid). When following the shipments carefully, the system is able to identify eventual deviations at an early stage, this way, enabling rescheduling of the following steps of the transport (ibid). By sending out alerts, all concerned parties are informed in the case of a delay (ibid). Adnavem continuously works on automating their system enabling it to monitor itself and notify the interested parties in case of deviations (ibid).

Adnavem embraces the fact that there are other players within transport logistics that work actively on bringing new solutions to the market (Adnavem, 2019). There are, for instance, several actors that are taking initiatives to bring freight forwarding online (ibid). Adnavem, however, seeks to go beyond bringing freight forwarding online, by offering full transparency

to transport buyers, allowing them to choose who to involve in each step of a transport chain and get full price information, rather than getting a bundled offer for a given price. According to Sundström (2019-04-30), this is what distinguishes Adnavem from its competitors. Making it safe to assume that Adnavem is able to act a pioneer in a small global market niche, in line with Neubert's (2015) definition of a born global.

4.2.2 Adnavem's Internationalization

The former sub-chapter paid attention to Adnavem's business model, thereby providing an understanding of how Adnavem conducts its business. This sub-chapter seeks to extend that understanding, by focusing on Adnavem's internationalization. Consequently, the markets Adnavem currently operates in, the company's market entry decision reasoning and its future international expansion plans will be presented next.

Adnavem currently focuses on in- and outbound transport flows between the Nordics and Asia. As of April 2019, the company had made shipments to and from China, Taiwan, Hong Kong, Vietnam, Cambodia and Burma, and shipments to Sweden, Norway, Finland and Lithuania through its on-boarded service providers (Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30). Thus, the company has entered multiple markets within two years from their establishment, in line with several scholars' description of a born global (Rennie, 1993; Cavusgil and Knight, 2004; McDougall and Oviatt, 2005). Wramsmyr (2019-04-30), however, does not consider Adnavem to be global yet, but constantly growing in terms of customers and providers, operating perfectly in China, Vietnam and Sweden so far. Adnavem is able to manage these current markets through its legal entity in Sweden, and its consultancy-based employees in China (Wramsmyr, 2019-04-30).

When choosing which markets to expand to Adnavem, first of all, focuses on where factories are located, as there must be produced goods that need to be exported or imported from a market in order for customers to demand the service provided by Adnavem in that given market (Gårdlöv, 2019-04-23). Gårdlöv further describes that there must be a good flow of containers to and from a specific market in order for Adnavem to go there. Adnavem would for example not go to Africa or Iceland because of these countries' low involvement in container shipping (Gårdlöv, 2019-04-23).

Another important aspect when choosing which market Adnavem will expand to is its customers (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30). Wramsmyr (2019-04-30) mentions that as long as Adnavem remains true to its vision "to connect the ecosystem of the world's best logistics service providers for the benefit of the transport buyers", the company is quite supportive of finding ways of integrating suppliers and customers. Adnavem focuses on where their current customers are sending goods from, and to where, and tries to grow with their existing customers, which might lead them to expand internationally by getting new logistic service providers in those locations (Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30). Gustavsson (2019-04-24) explains that Adnavem, for instance, expanded to Norway because of the fact that one of their biggest customers had shipments to Norway, and that they want their customers to use Adnavem for all of their shipments and not just 80%. Gustavsson (2019-04-24) describes that it is quite easy for Adnavem to expand to a country such as Norway. They just need suppliers there in order for them to open the market (ibid). He mentions that carriers are pretty much the same in different countries and that the additional suppliers needed is quite easy to achieve, as they rarely deny transport opportunities (ibid).

Even though it is quite simple for Adnavem to open new markets, it cannot be ignored that Adnavem is a startup company (Gustavsson, 2019-04-24). Explaining their choice to delimitate their current focus to the Nordics and Asia (ibid). As a result, if a transport buyer for instance, would demand transport to or from South America, Adnavem would probably turn that opportunity down for now, because of their early international expansion stage (ibid).

Adnavem do have a rough plan of which markets to enter next (Gårdlöv, 2019-04-23; Kjällgren, 2019-04-24; Wramsmyr, 2019-04-30). They know where they need to be due to the nature of the industry, for instance, in consideration of the infrastructure of transport logistics (Gårdlöv, 2019-04-23). Their next big plan is to establish themselves in Germany, which is a huge market with many big harbors, a large flow of goods to and from Asia, as well an approximately ten times bigger container traffic than the one to and from Sweden (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Kjällgren, 2019-04-24; Wramsmyr, 2019-04-30). They further describe that there exist many freight forwarders in Germany who does a lot of their business there, indicating that there are existing market shares that can be taken

over by Adnavem by disrupting the industry (ibid). Another aspect which is included in Adnavem's rough plan is to establish themselves in Southeast Asia (Gårdlöv, 2019-04-23; Sundström, 2019-04-30; Wramsmyr, 2019-04-30).

4.2.3 Online/Offline Balance

In order to understand how Adnavem utilizes online and offline resources in their internationalization, Adnavem's online/offline balance must be described. This sub-chapter generates an understanding of to what extent Adnavem can operate solely digitally, and to what extent it has to make physical efforts. Additionally, a deeper explanation of Adnavem's future international expansion plan with reference to physical presence will be presented. This is done with the overall purpose of identifying how a digital born global within transport logistics utilizes online and offline resources in its internationalization.

Gårdlöv (2019-04-23) and Gustavsson (2019-04-24) believes that being a digital-based tech-company makes it is easier for Adnavem to find new markets, new customers and new logistic service providers as everyone can reach their marketplace through the Internet. This enables them to start their marketing efforts and track target groups in markets before actually having entered them (Gårdlöv, 2019-04-23).

Even though the product's digital nature enables advantages in conjunction with Adnavem's internationalization, it does however, exist challenges with being solely digital-based which Adnavem must address, according to Gustavsson (2019-04-24). The industry is still very traditional, making it difficult to influence its traditional players to use a new type of technology (ibid). The industry still depends a lot on personal connections in order to build trust, making physical efforts necessary in order to on-board certain actors to the platform (Gustavsson, 2019-04-24). Gårdlöv (2019-04-23) similarly believes that personal marketing efforts and activities are necessary to attract brand awareness and trust in an early internationalization stage.

Marketing is important for Adnavem to attract customers and suppliers and Adnavem tries to utilize it in an effective matter using inbound marketing and spreading the word through different channels (Gårdlöv, 2019-04-23; Kjällgren, 2019-04-24). In order to attract both younger and older generations to the platform, Adnavem is driving a sales process that is both online and offline (Kjällgren, 2019-04-03). Kjällgren (2019-04-24) explains that they will engage in doing so at an early stage of business development. However, the hope is that

customers in the future will turn to the marketplace directly, rather than Adnavem needing to hunt them down (Kjällgren, 2019-04-24). Gustavsson (2019-04-24) emphasizes the importance of this, as Adnavem would like to stay away from the "physical-side" as much as possible. When it comes to managing logistic service providers, Adnavem's Chinese staff currently manages Chinese suppliers (Gårdlöv, 2019-04-23). They guide them through the marketplace and on-board them on the fact that Adnavem is another sales channel for them (ibid). However, Gårdlöv (2019-04-23) states that when the Swedish staff need to go to China themselves, they do, in order to meet suppliers, introduce Adnavem and communicate the customer base that is coming in to ensure them that it a good sales channel for them. Similarly, in Sweden, the operations team makes sure to meet suppliers in order to show them the value of Adnavem and convince them to join their marketplace (ibid).

Sundström (2019-04-30) further explains that the business due to its nature is complicated and that the industry as of today is digital to a very low degree. However, the timing is convenient as digitalization is an industry trend and a conversation topic in many boardrooms (ibid). Despite this, it must be taken into consideration that Adnavem is driving behavioral change among customers and suppliers, making them choose to utilize a digital marketplace instead of for instance personal business contacts (ibid). This behavioral change is necessary as Adnavem's customers today have leadership positions managed by a workforce generation that is used to a more traditional way of working (ibid). This makes the implementation of the digital marketplace that Adnavem provides more difficult, as this generation needs more hand-holding throughout the booking process (ibid). However, Sundström (2019-04-30) mentions that by the year 2020, approximately 20% of the global workforce will consist of millennials, which successively will take over management positions. The millennials will therefore be the ones making future business decisions (ibid). Millennials are changing the way the society does e-commerce, and the physical presence required by Adnavem is therefore likely to decrease in conjunction with millennials taking over management positions (ibid).

The interviewees from Adnavem further describe their business model as scalable. The supply chain is self-going, meaning that as Adnavem grows and develops its business, as well as when the industry becomes more digital in its way of doing business, the degree of

digitalness will increase and the degree of physical presence will decrease (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30).

The Adnavem respondents do however agree that Adnavem will not operate entirely digitally in the future and that there must exist physical presence to some extent for Adnavem to operate internationally (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Kjällgren, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30). Despite this, they also agree that they will not need to be physically present to the same extent that a regular firm would (ibid). In the long run, Adnavem will operate in strategic teams from carefully selected markets, where physical presence will be established, and from there control remaining markets (Gårdlöv, 2019-04-23; Kjällgren, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30). Thus, Adnavem plans to invest in additional physical operational offices in international key markets (Adnavem, 2019; Wramsmyr, 2019-04-30). Sundström (2019-04-30) explains that in order to manage suppliers or bigger customers, it is beneficial for Adnavem to be in the right time zone, and within reasonable flight distance to them. As Gårdlöv explained, Adnavem travels to meet logistic service providers when needed to show them the value of Adnavem (2019-04-23). Explaining why physical proximity is convenient when wanting to open new markets.

This partly explains Adnavem's choice to establish regional physical market presence. Adnavem considers Sweden, Germany, China, and Singapore to qualify as key markets (see Figure 6) (Adnavem, 2019). From Sweden, Adnavem plans to cover shipments to and from Denmark, Norway, Finland, and the UK (ibid). From Germany, they plan to cover shipments to and from the Netherlands, Belgium, Poland, Austria, and the Czech Republic (ibid). From China, they plan to cover shipments to and from South Korea, Taiwan, and Hong Kong (ibid). From the last key market, Singapore, they plan to cover shipments to and from Thailand, Malaysia, Indonesia, Burma, India and Bangladesh (ibid). By having these carefully selected physically hubs in key markets, Adnavem avoids being physically present in every market it enters, enabling Adnavem to realize the scalable business that Adnavem is built to be (Kjällgren, 2019-04-24).

Figure 6: The Key Markets (Source: Adnavem, 2019)

Additionally, there are certain regulatory barriers to internationalization, that in a way determines how Adnavem is able to operate abroad (Gårdlöv 2019-04-23; Gustavsson, 2019-04-24; Kjällgren, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30).

One example of a regulatory barrier that applies to Adnavem is the need of establishing legal entities in certain countries for tax reasons, for instance, in order to avoid bank charges (Wramsmyr, 2019-04-30). Legal entities are additionally required in every country Adnavem employs people, in order to pay salaries (ibid). This explains why Adnavem's co-workers in China currently are consultancy based (ibid). Another example of when legal entities are required, is when a company wants to set up a We-chat account in China (Gårdlöv, 2019-04-23), which, according to employees at Adnavem, is pretty much necessary in order to conduct business in China today (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Sundström 2019-04-30).

Another example is the fact that in northern parts of China, a Chinese forwarder must be utilized when making a booking from Shanghai (Gustavsson, 2019-04-24). However, in southern China, you could make a booking directly with carriers (ibid). Despite the fact that Adnavem has to use forwarders in certain places, Adnavem does not want to use them (Gustavsson, 2019-04-24). Adnavem's business model is based on taking them out of business, so they might not be particularly helpful if, and when, Adnavem goes big (ibid).

Moreover, Sundström (2019-04-30) states that China is quite restrictive with their great firewall. Physical office presence in South-East Asia might, therefore, be necessary in order to facilitate global communication, decreasing the risk of Adnavem being banned or blacklisted in China (Sundström, 2019-04-30)

4.2.4 Experiential Knowledge

This sub-chapter introduces experiential knowledge that the five interviewees from the case-company Adnavem possess, which might have had importance for their internationalization. The presented experiential knowledge is considered relevant for their internationalization as it descends from different international markets, as well as from the transport logistics industry in general. Since this study partly aims to answer how experiential knowledge can be considered a prerequisite for the internationalization of a digital born global within transport logistics, this sub-chapter is considered necessary to include, as it describes what experiential knowledge the case-company actually possesses.

Andreas Gustavsson (2019-04-24) is a part of Adnavem's operations team and has worked as a Logistics Manager for four years at the international company TTS Marine AB, before coming to Adnavem. He explains that the company manufactured equipment for vessels and that he worked frequently with China, Korea, Japan and Germany. Gustavsson (2019-04-24) has additionally been employed as a freight forwarder at Panalpina and Heckscher working with different sorts of freight, both buying and selling it.

Linda Gårdlöv (2019-04-23) is a part of Adnavem's smarketing team as well as its leadership team and explains that she has more or less constantly been working for international companies throughout her professional life. Before coming to Adnavem, she did for instance work for Gunnebo Security Group. A company with sales companies within 33 countries (ibid). Gårdlöv (2019-04-23) further explains that she has been working in multicultural environments, crossing multinational teams, both during her time at Gunnebo Security Group as well as during previous employments.

Andreas Wramsmyr (2019-04-30) is one of the founders of Adnavem and part of the company's leadership team. He explains his career as being international almost from the very beginning, as he has been dealing with international trade most of his career. He describes that he started his career within transport logistics at ABB where he did

procurement and supply chain management which in its nature is quite global. For a long time, he did procurements in air and ocean freight working in a global team doing air and ocean negotiations, consequently working with global freight forwarders both in Europe and the rest of the world. Later, Wramsmyr worked at Gunnebo Security Group, where he was responsible for the logistics group (Wramsmyr, 2019-04-30). They had their central warehouse in Germany, where he travelled every week (ibid). Further, they had sales companies in 26 different countries, where they did procurements and flows from different parts of the world such as the US, Asia and Europe to companies in different countries (Wramsmyr, 2019-04-30). Additionally, Wramsmyr worked for a couple of years in the freight forwarding industry (ibid).

Mattias Sundström (2019-04-30) is one of the founders of Adnavem and part of the leadership team. Regarding his international experience, he stated that he, up until 2008, did not have any international exposure. In 2008, however, he moved to Dubai where he was exposed to a professional international environment for the first time, and where he gained a new understanding of what working internationally means. He further shares that he has worked in Asia, for instance, in Singapore and Indonesia, and that he believes that Singapore is a very international country providing the perfect blend between East and West.

Rolf Kjällgren (2019-04-24) is the chairman of Adnavem's board. He has been working most of his professional life in an international context. For instance, he has worked in Sweden, Norway, US, Brazil, China, India and Switzerland. He worked 15 years with the international group ABB which, according to Kjällgren, is truly global. He further explains that he worked at Gunnebo Security Group before coming to Adnavem, where he worked very internationally as a result of being responsible for manufacturing divisions located in Indonesia, India, South Africa, France, Germany, Holland and the US.

4.2.5 Networks

As this study partly aims to answer how networks can be considered a prerequisite for the internationalization of a digital born global within transport logistics, a sub-chapter emphasizing how they have been described to matter for the case-study company is included in this thesis. The presented empirical findings in this sub-chapter are based on the Adnavem interviewees' description of how networks matter for the company's internationalization in different ways.

The interviewees at Adnavem seemingly agree that networks have significance and will continue to matter in terms of Adnavem's internationalization. Adnavem's two consultancy-based co-workers, based in China, were for instance achieved through network contacts (Gårdlöv, 2019-04-23; Wramsmyr, 2019-04-30). Wramsmyr has been back and forth in China for the past 15-20 years (Gårdlöv, 2019-04-23), and according to Wramsmyr himself the colleges in China originates from his personal business network from a long term relationship with a consultancy company utilized at Gunnebo, Wramsmyr's previous employer, for setting up a Chinese source center (Wramsmyr, 2019-04-30).

According to Wramsmyr (2019-04-30), connections and networks are everything. As a result, when recruiting new employees, what important network contacts candidates can provide Adnavem with, is kept in mind (Wramsmyr, 2019-04-30). However, according to Wramsmyr, people do not do business, because they are friends, they get trust because they are (ibid). Even if Adnavem has good connections, for instance with carriers in Sweden, that does not mean that the company has good connections with the same carriers in Vietnam, or where carriers have their headquarters and decision makers (ibid). Explaining why Wramsmyr (2019-04-30) believes that having the right contacts is important, but it is important to remain humble.

Moreover, network contacts have turned out to be important for Adnavem in terms of financing. Adnavem has so far primarily been financed by business angels (Kjällgren, 2019-04-24). Thus, investors who invest their private fundings into potentially profitable business projects (ibid). These investors are situated in China, Finland, Sweden, Switzerland and the UK, and have been achieved primarily through the team's personal networks and previous business experiences, as well as through the business networks that Adnavem is a part of (ibid). According to Kjällgren (2019-04-24), it should be noted that in terms of financing,

personal network contacts have been particularly important for Adnavem in an introductory phase. As of today, Adnavem is talking more to venture capital companies as a result of having come further in the business development of the company (ibid).

Gustavsson (2019-04-24), agrees that network contacts are particularly important at the beginning of an internationalization process when being a startup, as startups lack trust capital. People that do not know the company, might know the people behind it, which generates trust in its own turn (ibid). For instance, a lot of people know Adnavem's CEO Wramsmyr, who has been working with both selling and buying freight (ibid). The fact that he has been working on both sides of the industry, has not only provided him with several contacts that he can reach out to within the industry, but also a certain credibility within these networks (ibid).

Besides having different network contacts through its employees, the Adnavem marketplace additionally works as a network itself, bringing customers closer to suppliers (Sundström, 2019-04-30). The potential profitability in Adnavem's business concept lies in its scalability, partly based on the network effect that occurs when transport buyers and logistic service providers on-board the platform (Kjällgren, 2019-04-24). Thus, Adnavem needs to get both customers and service providers on board to validate the market place (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Kjällgren, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30). Accordingly, a challenge when generating such a network is the fact that intermediaries such as freight forwarders are likely to want to access this network, thereby getting access to local service providers in different countries (Wramsmyr, 2019-04-30). Explaining why Adnavem currently strictly controls which actors are able to join the network (ibid).

As of March 24th, 2019, Adnavem had 10 on-boarded customers, 45 on-boarded logistic service providers and 70 interested customers in the pipeline waiting to board the Adnavem marketplace and network (Kjällgren, 2019-04-03). Some of which have been achieved through network contacts and word of mouth, others by digital inbound marketing activities, and some by more traditional marketing activities such as phone calls and meetings (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30). In order to protect this network, Adnavem has an interactive relationship with both customers and suppliers

(Gustavsson, 2019-04-24), and hosts network events such as seminars and workshops, for instance, to show customers new features to the platform, or ensure suppliers of the new customer base coming in (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24).

By virtue of the skills of Adnavem's team-members and their network contacts, Adnavem is additionally able to open a new market quite quickly (Wramsmyr, 2019-04-30). According to Wramsmyr (2019-04-30), Adnavem can open a new country on the platform within 2 hours of time. It simply requires an addition of postal codes and an inclusion of one or two key players that can conduct the actual trade lane, which naturally is facilitated by having network contacts (ibid).

As of today, Adnavem primarily focuses on marketing itself to Swedish customers. Thus, to Swedish transport buyers (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Sundström, 2019-04-30). Kjällgren (2019-04-24) stated that this is a way for Adnavem to prove their case by building a strong customer base in the home market before expanding abroad. A decision made both in consideration to risk and return, and the fact that the Adnavem team has network contacts in the Swedish market, that it would be a shame to not take advantage of in order to grow (ibid). Kjällgren (2019-04-24), further emphasizes the importance of doing so, by describing the transport logistics industry as a network-based, fragmented and traditional.

Adnavem's paying customers, being its on-boarded logistic service providers are, however, situated beyond national borders (Wramsmyr, 2018; Gårdlöv, 2019-04-23). Which international markets Adnavem is able to open on its platform is determined by which suppliers choose to board the Adnavem network, as it is the service providers that actually make sure that cargo gets from A to B (Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30).

According to Gustavsson (2019-04-24) suppliers in China are very positive towards Adnavem and have started to utilize and understand the platform very quickly, making it interesting to see if European suppliers will react the same way. To explore this further, and to achieve an understanding of the potential challenges of generating a network consisting of customers and suppliers, an interview has been conducted with sales employees at Maritime Carrier AB. When asked about the benefits and potential disadvantages of using a platform such as Adnavem as a sales channel, sales employees at Maritime Carrier AB stated that all

sales channels are positive, as everything that leads to sales is beneficial for the company (Sales Executive, 2019-04-24). However, according to the Sales Executive (2019-04-24), it is necessary to wait and see how much such a solution would cost in the end, comparing the company's own efforts with the sales it could receive through the marketplace. Maritime Carrier AB's Head of Sales (2019-04-24) explains that the industry might not be ready for Adnavem right now. Accordingly, there is room for it and unless someone pushes it, it will not happen, but there will probably be a transition period (Head of Sales, 2019-04-24). Maritime Carrier AB's Sales Executive (2019-04-24) seemingly agrees, but clarifies that if Adnavem finds a way through, there will not be anyone standing on the outside just looking. Strengthening Kjällgren's (2019-04-24) statement about the importance of generating a network effect by getting transport buyers and logistics service providers to join the platform.

Further, Maritime Carrier AB's the Head of Sales (2019-04-24) states that there is not much that comes out of the way transport services are actually sold and produced today, which is where a company like Adnavem would come into the picture. In the Head of Sales' opinion, it will, however, take a long time to change the behavior in the industry (ibid). The sales employees at Maritime Carrier AB, for instance, agree that freight forwarders will always be there. Adnavem would, according to them, not take over for forwarders, it would just be a new venue for transport booking (Head of Sales, 2019-04-24; Sales Executive, 2019-04-24, Sales Representative, 2019-04-24). What currently distinguishes a freight forwarder from Adnavem is, according to Maritime Carrier AB's Head of Sales (2019-04-24), purchase power. As an example, one could look at the freight forwarding company Kuehne Nagel. They control more TEUs than quite a lot of shipping lines, which naturally brings a negotiation force (Head of Sales, 2019-04-24). The negotiation process is a race to zero, which in combination with huge hardware costs, is why most maritime carriers are making huge losses today (ibid). There is an overcapacity in the industry, meaning that the only thing that carriers can control is their costs (ibid). For a carrying company to join the Adnavem network, the benefits must, therefore, outweigh the costs.

When asked if believing that Maritime Carriers could raise their prices using a platform like Adnavem, considering that freight forwarders have a 30% gross profit and the forwarding layer will be cut away, the sales employees explained that they, unfortunately, do not believe that the prices that freight forwarders take are 30% higher than what Maritime Carriers sell

for (Head of Sales, 2019-04-24; Sales Executive, 2019-04-24, Sales Representative, 2019-04-24). It has to be kept in mind that forwarders sell a package, and when the elements included in that package are summarized it generates a gross profit of 30% (Sales Executive, 2019-04-24). However, when looking at the ocean freight part of that package separately, there will not be a 30% margin added by freight forwarders to carriers' original prices (Sales Executive, 2019-04-24). The Head of Sales (2019-04-24) continues by saying that when working at a previous employer buying ocean freight, quite a lot of flows from forwarders were taken over and controlled. When doing so they would rather see a margin on approximately 10% (ibid). There is additionally a lot of heavy scrutinization in the industry (Head of Sales, 2019-04-24), apparently complicating the change of prices. If wanting to ship a container from or to the US, for example, it is necessary to register the rate for it with the federal Maritime Committee (Head of Sales, 2019-04-24). Similarly, in China, if a carrier wants to change in surcharges, the Administry of transport requires a 30-day notice (ibid). Maritime Carrier AB's Head of Sales (2019-04-24) therefore believes that it is important for Adnavem to prove their case, in order to get logistic service providers to join their network.

When Adnavem employees in their turn were asked about the biggest challenges of getting carriers to join the Adnavem network, the following arguments were presented: It becomes a bit of a "*What comes first? The chicken or the egg situation?*" (Sundström, 2019-04-30; Wramsmyr, 2019-04-30). According to Sundström (2019-04-30), it is not until there is a network that a full service can be offered (Sundström, 2019-04-30). However, in order for there to be a network both customers and supplier need to join (ibid). Wramsmyr (2019-04-30) further argues that Adnavem is progressing step by step, making new customers and suppliers, and at one point of time, Wramsmyr believes that the Adnavem network will reach a size that makes it difficult for people to turn down the opportunity to join it (ibid). Gustavsson (2019-04-24) additionally explains that the relationship between the carrier and the forwarder is quite tricky, as they are currently depending on each other. Carriers might therefore be careful to be very positive about Adnavem publicly, as forwarders often are their biggest customers buying a huge amount of the container space on their vessels (Gustavsson, 2019-04-24).

Chapter 5: Analysis

This chapter aims to analyze this thesis' empirical findings in line with its explanatory tool (see Figure 1). It is the outcomes of the analysis performed in this chapter that will further be utilized to answer this thesis' main- and sub-research question.

5.1 Online and Offline Resources in Adnavem's internationalization

In order to answer how a digital born global within transport logistics internationalizes utilizing online and offline resources, Adnavem's internationalization will be analyzed. More particularly, Adnavem's operations in current foreign markets and planned market entries will be analyzed with reference to online and offline resources. As indicated in this thesis' explanatory tool (see Figure 1), the empirical findings included in this analytical sub-chapter will be analyzed with the help of sub-chapter 2.4, regarding online and offline resources, from this thesis' conceptual framework.

Adnavem currently operates in the markets China, Taiwan, Hong Kong, Vietnam, Cambodia, Burma, Sweden, Norway, Finland and Lithuania (Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30). This does, however, not mean that Adnavem is physically present in all of the mentioned markets. As of today, Adnavem is able to operate in the markets it does, by having offline presence in Sweden, where the company has a legal entity, and in China, where it has two employees working for the company through a consultancy agency (Gårdlöv, 2019-04-23; Wramsmyr, 2019-04-30).

What makes this possible is the fact that certain activities can be managed through what Wentrup (2016) calls a spatial reach, which Adnavem has been able to enjoy a quick internationalization by leveraging. As of today, Adnavem does, for instance, not need to utilize offline resources in a transactional point of view, as the online marketplace allows for self-service for all actors that have boarded the platform (Sundström, 2019-04-30). The tech-company does, moreover, continuously focus on automating its system, allowing it to monitor itself, for instance by utilizing vessels' AES positions (Gustavsson, 2019-04-24). By utilizing the online resource of a self-monitoring system, Adnavem makes sure to delimit its need of offline resources, as certain activities in the value chain can be managed themselves.

Furthermore, the online resource of a digital marketplace enables Adnavem to reach out to everybody with internet (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24). According to Gårdlöv (2019-04-23), this enables Adnavem to start their marketing efforts and track target groups in markets before actually having entered them. Gårdlöv (2019-04-23) and Gustavsson (2019-04-24) further indicate that the online resource of an online marketplace makes it easier to find customers and providers, as well as potential markets. Additionally, having an online marketplace makes it possible for transport buyers and logistic service providers to find and join the platform themselves, thereby potentially directly providing Adnavem with customers and suppliers, decreasing the need of utilizing offline resources to hunt them down (Kjällgren, 2019-04-24). Additionally, Adnavem utilizes online resources to reach out to its customers through different channels, utilizing inbound marketing (Gårdlöv, 2019-04-23; Kjällgren, 2019-04-24).

However, Adnavem is driving a sales process that is both online and offline (Adnavem, 2019). The offline resource of human beings is still actively involved in Adnavem's internationalization, as employees, both in Sweden and China make physical efforts to board customers and suppliers to the platform. Adnavem is driving behavioral change among customer and suppliers, making them choose to utilize a digital marketplace, rather than utilizing the intermediary of a freight forwarder (Sundström, 2019-04-30). The industry is to a high-degree dependent on personal connections (Gustavsson, 2019-04-24; Kjällgren, 2019-04-24), explaining why personal marketing efforts are necessary in an introductory stage, in order to generate brand awareness and trust (Gårdlöv, 2019-04-23).

Adnavem's Chinese staff currently manages Adnavem's Chinese suppliers, by guiding them through the marketplace and board them on the fact that Adnavem is another sales channel for them (2019-04-23). However, Gårdlöv (2019-04-23) states that when the Swedish employees need to go there, they do, in order to introduce Adnavem and communicate the customer base that is coming in. Similarly, in Sweden, Adnavem's operations team makes sure to meet suppliers to show them the value of the marketplace and convince them to join (ibid). Traditional marketing activities such as phone calls and meetings are, likewise, utilized to achieve customers (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Wramsmyr, 2019-04-30). The hope for the future, however, is that customers and service providers themselves will turn directly to Adnavem (Kjällgren, 2019-04-24). A development that

perhaps will be provoked by millennials taking over management positions (Sundström, 2019-04-30), reducing the need of offline resources in international operations. Gustavsson (2019-04-24) emphasizes the importance of this as Adnavem would like to stay away from the physical-side as much as possible, utilizing offline resources as little as possible, allowing the business model to be scalable.

Wentrup (2016), however, argues that despite the fact that the need of offline objects is likely to decrease as an effect of the increasing integration of advanced technology in a service, the offline dependence of a business model is likely to move in the other direction as a result of increasing offline commitment to local markets (ibid). To this, the Adnavem respondents seemingly agree. Accordingly, there must be some kind of physical presence for Adnavem to operate internationally, and this is likely to increase as Adnavem internationalizes further (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Kjällgren, 2019-04-24; Sundström, 2019-04-30, Wramsmyr, 2019-04-30).

In the long run, Adnavem will operate in strategic teams from carefully selected key markets, where physical presence will be established (Gårdlöv, 2019-04-23; Kjällgren, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30). Adnavem plans to invest in operational offices in international markets such as Germany, China and Singapore (Adnavem, 2019), strengthening Wentrup's (2016) allegation that most online service providers have regional internationalization patterns. From Germany, China and Singapore Adnavem imagines controlling markets such as Denmark, Norway, Finland, UK, Netherlands, Belgium, Poland, Austria, Czech Republic, South Korea, Taiwan, Hong Kong, Thailand, Malaysia, Indonesia, Burma, India and Bangladesh, through regional presence (ibid).

According to Kjällgren (2019-04-24), having carefully selected physical hubs in key markets, rather than in every single entered market, will enable Adnavem to realize the scalable business that the company aims to be. In other terms, it is not considered necessary to commit to every single market Adnavem opens on its platform, by establishing offline infrastructure there. Yet, as the number of markets opened increases, more offline resources are likewise likely to be required. Sundström (2019-04-30) explains this by saying that when it comes to managing suppliers, or bigger customers, it is beneficial to be within reasonable physical reach. It is, for instance, reasonable to be within the same time zone and have a limited flight

distance to the markets where physical presence has not been established (ibid), seemingly agreeing with Zander (2004) that offlineness does matter, as entrepreneurs have a limited ability to move across geographical distances, involving a risk of not recognizing emerging opportunities in geographically distant locations.

In certain cases, it is even required by regulation that a company utilizes offline resources in a given market. Legal entities are, for instance, required for tax reasons, in order to employ people, and to pay salaries in a given country (Wramsmyr, 2019-04-30). Utilizing offline resources by establishing offline infrastructure is equally required for a company to set up a We-chat account in China (Gårdlöv, 2019-04-23) which, according to employees at Adnavem, is pretty much necessary in order to conduct business in China today (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Sundström 2019-04-30). Further, in northern parts of China, a Chinese forwarder must be utilized when making a transport booking (Gustavsson, 2019-04-24), forcing Adnavem to use the offline resource of an external freight forwarder when customers make transport bookings there. Physical presence in South-East Asia might further be necessary to facilitate global communication, decreasing the risk of being banned or blacklisted by the Great Firewall of China (Sundström, 2019-04-30).

5.2 Experiential Knowledge and Network as Prerequisites

In order to answer the study's sub-research question regarding how experiential knowledge and networks can be considered prerequisites for the internationalization of a digital born global within transport logistics, this sub-chapter will analyze the experiential knowledge and network relations Adnavem possesses, as well as in what way they have mattered for their internationalization. This will be performed utilizing sub-chapter 2.5, regarding experiential knowledge, and sub-chapter 2.6, regarding networks, from this thesis' conceptual framework, for explanatory guidance, as this thesis' explanatory tool (see Figure 1) indicates.

5.2.1 Experiential Knowledge
According to Wramsmyr (2019-04-30), the creation of Adnavem has been enabled by its founders accumulated qualification, network contacts, and experiences from the transport logistics industry as well as from IT development. Evidently, the experiential knowledge that the offline resource of human beings at Adnavem possess has thus been important for the digital born global.

When it comes to its international expansion, Gårdlöv (2019-04-23) states that Adnavem knows where it needs to be due to the nature of the industry, for instance in consideration to the infrastructure of transport logistics. They do, for instance, know that Germany is a huge market with many big harbors, with large flows of goods to and from Asia, and many freight forwarders possessing market shares that could be taken over (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Kjällgren, 2019-04-24; Wramsmyr, 2019-04-30). However, this would perhaps not be as obvious for a company possessing less experiential knowledge from the transport logistics industry. Making it possible to imagine that experiential knowledge makes it easier for a company to decide which markets to enter, and decreases the experienced uncertainty of entering it, as Johanson and Vahlne (1977) suggest.

Based on Johanson and Vahlne's (1977) rationale, it may be considered as a natural first incremental step of internationalization to enter markets such as Norway and Finland, which Adnavem has done, as these markets are geographically close and can be considered psychologically and culturally close to the company's home market Sweden. Consequently, Adnavem probably does not experience a high uncertainty associated with entering these markets. Gustavsson (2019-04-24) strengthens this assumption by describing that it in fact is quite easy for Adnavem to enter a country as Norway, as the logistic service providers there are pretty much the same as in Sweden.

However, the fact that Adnavem early on in its internationalization has entered markets such as China and Vietnam, and is planning to establish physical presence in markets such as Germany, China and Singapore, may not be considered to follow Johanson and Vahlne's (1977) rationale of incremental market entry and market commitment, as one would expect a newly founded company to associate a high uncertainty with doing so.

The experiential knowledge sub-chapter of this thesis' conceptual framework, however, suggests that the uncertainty of entering these markets may not be perceived that high by the company, as it despite being new from inception, has founders and employees that possess prior experiential knowledge from the industry and its international markets (Bals et al., 2013). As result, internationalization does not necessarily have to be slow and incremental (Madsen and Servais, 1997). However, the driving forces behind it remain the same (ibid).

Accordingly, a born global consists of one or several entrepreneurs with strong international experience (Madsen and Servais, 1997, p.576), that may descend from a particular industry or particular markets and decrease the perceived uncertainty associated with entering these markets. This can be considered to be applicable for Adnavem, as all its interviewed employees have had some sort of international exposure during their careers, some of which is descended from the transport logistics industry. Wramsmyr (2019-04-30) has for instance been dealing with international trade most of his career, and Gustavsson (2019-04-24) has been working with both buying and selling freight before coming to Adnavem.

Regarding the interviewed employees formal international market experience, there are several examples to emphasize, when trying to explain their internationalization and how experiential knowledge has been a prerequisite for this internationalization. Gårdlöv (2019-04-23) has for instance been working in multicultural environments, crossing multinational teams, for most of her professional life. Furthermore, Wramsmyr does, for instance, have significant experience from the market China, where he has traveled back and forth for the past 15-20 years of his career (Gårdlöv, 2019-04-23). Additionally, he has been working with procurements and flows from different parts of the world such as the USA, Asia and Europe (Wramsmyr, 2019-04-30). Gustavsson (2019-04-24) has also been working frequently with actors in Asian markets such as China, Korea, and Japan, and Sundström (2019-04-30) explains that he gained a new understanding of what working internationally means, when working in Dubai. Similarly to his colleges, Sundström additionally has experience with working with Asian markets such as Singapore and India. Having experiences from South-East Asian countries is thus not uncommon among the Adnavem respondents, and Kjällgren is no exception, as he has working experiences from both China and India (ibid).

Moreover, employees at Adnavem have in common that they possess experiential knowledge from working with the German market. Kjällgren (2019-04-24) has, for instance, been responsible for manufacturing divisions located in Germany, while working for Gunnebo Security Group. Similarly, at the same employer, Wramsmyr worked as responsible for the logistics group, and travelled to Germany every week, as the company had its central warehouse there (Wramsmyr, 2019-04-30). Gustavsson (2019-04-24), does in his turn have experience from the market from manufacturing vessel equipment.

That Adnavem has been able to enter, and additionally is making plans to establish physical presence in, markets that are distant and different to Adnavem's home market in an early stage of its internationalization, might therefore be explained by the fact that they possess experiential knowledge directly from these entered markets, or from markets that are geographically, physiologically and culturally close to them. As the employees have experiential knowledge from South-East Asian markets, and as customers demand transport from these countries due to the fact that they, for instance, have factories there (Gårdlöv; 2019-04-23), it may therefore not be considered as an unnatural step for the company to take early in its internationalization after all. It is probably neither regarded as particularly frightening to establish physical presence in markets such as China, Singapore and Germany, as employees at Adnavem possess experiential knowledge from these particular markets. Strengthening Madsen and Servais' (1997) suggestion that born globals' geographical location of activities among other things depends on experiential knowledge and customer-related factors.

Due to the previous mentioned experiences that the human resources at Adnavem possess, the perceived distance to and associated uncertainty with entering certain markets might decrease as a result of the fact that elements such as business norms, culture and regulations already is known to the company's founders and employees (Johanson and Vahlne, 1977), possibly explaining why Adnavem already has entered markets that are far away. This can additionally explain why Adnavem, already in an early stage, is making plans to physically establish itself in markets such as China, Singapore and Germany.

Possessing experiential knowledge does in a way allow the company to skip a step in its internationalization, as Bals et al. (2013) suggest. While other firms are likely to engage in slowly accumulating experiential knowledge for years in order to eventually take on distant markets, Adnavem rather engages in making expansion plans, as it already possesses experiential knowledge through the offline resource of its employees. Although Adnavem is new from inception, the people behind it are not new to the industry or to South-East Asia and Germany, explaining why the company might be able to enter markets that are geographically, psychologically and culturally distant in an early stage of their internationalization.

5.2.2 Networks

Multiple scholars have emphasized the importance of networks in terms of internationalization (Johanson and Mattsson, 1988; Madsen and Servais, 1997; Johanson and Vahlne, 2009), which in their turn are can be considered to be created through the interaction of the offline resource of human beings. Bell and Loane (2006) have, for instance, described that managers utilize their own social or business networks to learn about and get access to international markets. Based on the way the interviewed employees at Adnavem have described networks, they seemingly agree with the scholars that networks matter in terms of internationalization. As mentioned in the previous sub-chapter, Wramsmyr (2019-04-30) did, for instance, explain it as one of the preconditions for the creation of Adnavem.

Networks do in a way allow Adnavem's business model to function. Brouthers et al. (2016), emphasizes how user-networks are particularly important for firms with digital-based platforms, that in conjunction with increasing their number of users generate value. Considering that Adnavem is offering a platform of this kind, created to connect transport buyers and logistic service providers (Adnavem, 2019), this can be considered to be the case. Adnavem is a network of its own that generates value by connecting customers and suppliers. Thus, Adnavem needs to get both customers and service providers to join their network to validate its market place (Gårdlöv, 2019-04-23; Gustavsson, 2019-04-24; Kjällgren, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30). According to Kjällgren (2019-04-24), as the potential profitability in Adnavem's business concept lies in its scalability, partly based on the network effect that occurs when transport buyers and logistic service providers join the Adnavem network (Kjällgren, 2019-04-24).

If logistic service providers from certain markets will not join the Adnavem network, it is neither possible to open those markets on the Adnavem platform (Gustavsson, 2019-04-24; Gårdlöv, 2019-04-23; Kjällgren, 2019-04-24; Sundström, 2019-04-30; Wramsmyr, 2019-04-30). This is connected to the fact that that the services that are booked through Adnavem, in the end needs to be conducted physically by these providers. Generating a network with logistic service providers in different countries can thus be considered to facilitate international expansion as that is the minimum of what is required for Adnavem to open those markets on its platform. The reason that Adnavem is currently able to open a market

quite quickly, is partly that Adnavem has network contacts from the industry (Wramsmyr, 2019-04-30), most likely making it easier to attract and on-board the needed logistic service providers to open a market.

However, there is an overcapacity in the industry, resulting in having to convince certain actors that the benefits of joining the network outweigh the costs (Head of Sales, 2019-04-24). A challenge when convincing these actors that this is the case, is that it becomes a bit of a "what comes first, the chicken or the egg" situation (Sundström, 2019-04-30, Wramsmyr, 2019-04-30). It is not until there is a network that a full service can be offered (Sundström, 2019-04-30). However, in order for there to be a network both customers and supplier need to join (ibid). If Adnavem manages to make them do so there will, according to the Sales Executive (2019-04-24) at Maritime Carrier AB, however, not be anyone standing on the outside just looking. Continuing to build a network, step by step, is therefore essential for Adnavem, as it can be considered to enable their business model to function and facilitate their internationalization.

According to Johanson and Vahlne (2009), being a part of business networks provides companies with relationships of trust and partners, opportunities, and information on which they can rely in their internationalization. One could thus consider networks to have the ability to facilitate internationalization. Gustavsson (2019-04-24) strengthens this assertion by explaining that people that do not know Adnavem, might know the people behind it, thereby giving it a certain credibility. He describes networks as particularly important in the beginning of internationalization, as Adnavem is a startup company, thereby lacking trust capital (ibid). He further emphasizes the importance of relationships of trust by explaining that the transport logistics industry still depends a lot on personal connections (ibid). Kjällgren (2019-04-24) similarly describes the industry as network-based, fragmented and traditional.

Business networks have additionally provided Adnavem with partners, as the company's two consultancy-based employees descend from Wramsmyr's personal business network from a long-term relationship with a consultancy company, utilized at his previous employer, Gunnebo (Wramsmyr, 2019-04-30). This indicates that Adnavem benefits from already existing business networks, which the company gets indirectly included in, through the

54

people that has been a part of them prior to Adnavem's inception. It is also possible to imagine that Adnavem's existing partners and networks provide the company with information that makes internationalization less intimidating.

As to how Adnavem is financed, network contacts can once again be explained to have had importance. The investors that Adnavem has as of today has been achieved primarily through the teams' networks and previous business experiences, as well as from the business networks that Adnavem is a part of (Kjällgren, 2019-04-24). Network contacts can be considered to have been particularly important in the introductory phase of financing (ibid), for Adnavem to come a step further in its internationalization.

Furthermore, as networks have turned out to be important in Adnavem's internationalization, what networks potential new employees can provide Adnavem with is kept in mind when recruiting new employees (Wramsmyr, 2019-04-30). Indicating that the company considers networks as something that facilitates the digital born global's development and expansion, in line with Johanson and Vahlne's (2009) reasoning that networks ensures the success of international expansion and provide companies with something to rely on.

Chapter 6: Conclusion and Outlook

In this chapter the thesis' main and sub-research question will be answered based on the outcomes of the analysis in the previous chapter. A brief presentation of this thesis' contributions and limitations will thereafter be made, leaving implications for future research.

6.1 Conclusions

The analysis of different elements in Adnavem's internationalization has been utilized to draw the following conclusions, on the following main- and sub-research question:

How does a digital born global internationalize utilizing online and offline resources?

Adnavem utilizes both online and offline resources in its internationalization. Its web-page and online marketplace is an online resource, allowing transport buyers and logistic service providers in foreign markets to serve themselves in a transactional point of view, reaching out to them through a spatial reach. Further, Adnavem utilizes online resources such as a self-monitoring system and inbound marketing through different channels, imaginibly delimiting the digital born global's need of offline resources. The company further, imagines that its need of offline resources in international operations will be reduced, as a consequence of millennials taking over management positions. However, Adnavem is still dependent on offline resources to internationalize. First of all, the company needs to make physical efforts to on-board both customers and logistic service providers to their marketplace, particularly in an introductory phase. Secondly, Adnavem considers it necessary to establish regional physical presence in chosen key markets, in order to be within reasonable reach from its customers and suppliers. Finally, the utilization of offline resources is sometimes even required by regulation.

Based on these findings, one could conclude that a digital born global within transport logistics' increasing utilization of online resources in its internationalization, delimits its need of utilizing offline resources as certain internationalization activities can manage themselves in the online space. A transition that is imagined to be facilitated by millennials taking over

management positions. However, the offline dependence of a digital born global within transport logistics is similarly likely to increase in conjunction with the establishment of offline infrastructure in local markets, which is sometimes even required by regulation.

How can experiential knowledge and networks, descending from the offline resource of human beings, be considered prerequisites for the internationalization of a digital born global?

Adnavem has been able to internationalize to markets that can be considered geographically, psychologically and culturally distant to its home market, Sweden, in an early stage of its internationalization. The digital born global has similarly made plans to establish physical presence in markets that by these measures could be considered far away. However, the employees at Adnavem possess experiential knowledge from the international markets, or nearby markets, that Adnavem has and is planning to internationalize to, as well as from the transport logistics industry. Accordingly, the prior experiential knowledge, is likely to lower Adnavem's experienced uncertainty of entering specific markets, enabling them to internationalize to these markets relatively early. Slowly accumulating experiential knowledge, that other firms are likely to engage in for years to take on more distant markets, is not necessary for the company, as it already possesses experiential through the offline resource of its employees. Although Adnavem is new from inception, the people behind it are not new to the industry or to South-East Asia and Germany, explaining why the company might be able to enter markets that are geographically, psychologically and culturally distant in an early stage of their internationalization.

Experiential knowledge can therefore be considered as a prerequisite for a digital born global within transport logistics' opportunity to "skip a step" in internationalization by entering and committing to distant markets early from its inception.

Networks do in a way allow Adnavem's business model to function, as the digital born global's marketplace is based on a network that connects customers and suppliers. Increasing the size of this user-network is what makes Adnavem generate value. Making the user-network a prerequisite to realize a globally scalable business model.

Furthermore, networks have provided Adnavem with relationships of trust, which can be considered particularly important as the company lack trust-capital as a result of their short existence. Moreover, networks have provided Adnavem with its partners in China, which in their turn are imagined providing the digital born global with information allowing it to recognize opportunities. Finally, networks have provided Adnavem with potential investors, customers and suppliers, thereby giving the company something to rely on when entering international markets.

Networks can, therefore, be considered as a prerequisite for a digital born global within transport logistics' ability to realize a globally scalable business model, as well as for facilitated international market entry.

6.2 Theoretical Contributions

This thesis contributes to the existing research in the International Business field, by providing a single case-study of how a digital born global internationalizes. More particularly, it contributes by explaining how a digital born global within transport logistics internationalizes utilizing online and offline resources. Several scholars have treated born globals and digital firms as separate phenomena. However, this thesis contributes by treating them as one combined concept, thereby contributing to filling an identified research gap. By studying the tech-company, Adnavem, researchers' allegations about how offline resources remain important for the internationalization of firms that to a high degree are digital-based in their internationalization could be strengthened. Further, by taking on this thesis' sub research question, regarding in what way experiential knowledge and networks can be considered as prerequisites for a digital born global's internationalization, this thesis could contribute to research by emphasizing the importance of these elements, which in their turn descend from offline resources, due to their connections to human resources and human interactions. This contributes to research by acknowledging how elements emphasized as important in early internationalization theory regarding manufacturing firms, remains applicable to some extent for digital born globals. Thus, additionally strengthening the proposals of particular scholars explaining the concepts' applicability on digital firms and born globals.

6.3 Research Outlook

It is discussable how far the conclusions of this thesis' can be stretched, considering that they are drawn from a single case study performed on the tech-company Adnavem. Although Adnavem is a digital born global within transport logistics, it is imaginable that the conclusions drawn in this case study will not be applicable for digital born globals within transport logistics on a general level. It is for instance imaginable that the outcomes of the study are not applicable for other types of digital born globals in the industry, such as companies bringing freight forwarding online. However, it is imaginable that the need of offline resources would be somewhat similar for such a firm in its internationalization, considering the industry's long historical dependence of personal connections. Moreover, it is imaginable that digital born globals in other industries with similar characteristics would be able to learn from this study. Adnavem could for instance be considered a representative for digital born globals that are platform-based and generate value through increasing their user-networks, rather than for their industry. However, this will be left for future research to investigate. Consequently, a suggestion for future research is to investigate how digital born globals within transport logistics, or another particular group of digital born globals, internationalize utilizing online and offline resources further, by conducting a multiple case study allowing for wider generalizability. In order to strengthen the outcomes of such research, a further suggestion is to utilize a deductive research approach to test them on a larger research sample or to justify the outcomes of such research with empirical data utilizing an inductive research approach.

References

Adnavem. (2019). *Your Transport Solution. Your Choice. Prospect 2019*. Adnavem.

Alahuta, M., Jeannet, J-P., Jolly, V.K. (1992). *Challenging the Incumbents: How High Technology Start-ups Compete Globally.* Journal of Strategic Change. Available at: https://onlinelibrary.wiley.com/doi/abs/10.1002/jsc.4240010203 [Retrieved: 2019/05/09]

Arenius, P., Gabrielsson, M., Sasi, V. (2005). *Rapid Internationalization Enabled by the Internet: The Case of a Knowledge Intensive Company*. Journal of International Entrepreneurship.

Arnäs, P.O. (2018, 25 October). *Andreas Wramsmyr, Episode 90.* Logistikpodden - Per Olof Arnäs. Available at: https://logistikpodden.se/avsnitt/avsnitt-90-andreas-wramsmyr/ [Retrieved: 2019/04/10]

Autio, E., Sapienza, H., Almedia, J. (2000). *Effects of Age at Entry, Knowledge Intensity, and Imitability on International Growth*. Academy of Management Journal. Volume 43.

Baker, P., Croucher, P., Rushton, A. (2014). *The Handbook of Logistics and Distribution Management. Understanding the Supply Chain.* Kogan Page. 4th Edition. London.

Bals, L., Berry, H., Hartmann, E., Raettich, G. (2013). *What Do We Know About Going Global Early?: Liabilities of Foreignness and Early Internationalizing Firms.* Bingley: Emerald Group Publishing. Copenhagen Business School. Volume 26.

Bell, J., Loane, S. (2006). *Rapid internationalization among entrepreneurial firms in Australia, Canada, Ireland and New Zealand: An extension to the network approach.* International Marketing Review, Volume 23.

Bloodgood, J.M., Sapienza, H.J., Almedia, J.G. (1996). *The Internationalization of New High-Potential U.S. Ventures: Antecedents and Outcomes.* Entrepreneurship Theory and Practice. Volume 20.

Brouthers, K. D., Geisser, K. D., & Rothlauf, F. (2016). *Explaining the Internationalization of iBusiness Firms.* Journal of International Business Studies. Volume 47.

Bryman, A. & Bell, E. (2015). *Business Research Methods.* Fourth Edition. United States of America: Oxford University Press, p.68, p.3-155, p.213, p.391-622.

Cavusgil, S.T., Knight, G. A. (1996). *The Born Global Firm: A Challenge to Traditional Internationalization Theory*. Advances in International Marketing. Volume 8.

Cavusgil, S.T., Knight, G.A. (2004). *Innovation, Organizational Capabilities, and the Born-Global Firm*. Journal of International Business Studies. Volume 35.

Charmaz, K. (2006). *Constructing Grounded Theory. A Practical Guide through Qualitative Analysis.* London: SAGE Publications.

Collis, J. and Hussey, R. (2014). *Business Research: A Practical Guide for Undergraduate and Postgraduate Students. 4th Edition.* New York: Palgrave Macmillan. Available at: https://www-dawsonera-com.ezproxy.ub.gu.se/readonline/9781137037480 [Retrieved: 2019/04/22]

Coviello, N., Jones, M.V., Kwan Tang, Y. (2011). *International Entrepreneurship Research (1989–2009): A Domain Ontology and Thematic Analysis*. Journal of Business Venturing.

Crandall, R, Diener, E. (1978). *Ethics in social and behavioral research.* Oxford, England: U Chicago Press.

Crossman, A. (2019). *An Overview of Qualitative Research Methods*. ThoughtCo. Available at: https://www.thoughtco.com/qualitative-research-methods-3026555
[Retrieved: 2019/04/22]

Davis P.S., Harvetson, P.D., Kedia, B.L. (2000). *Internationalization of born global and gradual globalizing firms: The impact of the manager*. Advances in Competitiveness Research. Volume 8.

Dicken, P. (2015). *Global Shift: Mapping the Changing Contours of the World Economy. 7th Edition.* London: SAGE Publications Ltd.

Egloff, C. Sanders, U. Sanijaya, M. Konstantina, G. (2018, February 2). *The Digital Imperative in Container Shipping.* Boston Consulting Group. Available at: https://www.bcg.com/publications/2018/digital-imperative-container-shipping.aspx
[Retrieved: 2019/04/09]

Eriksson, P., Kovalainen, A. (2016). *Qualitative Methods in Business Research.* Second edition. London, United Kingdom: SAGE Publications Ltd.

Export.gov. (2016). *Freight Forwarder.* Export.gov. Available at: https://www.export.gov/article?id=Freight-Forwarders-and-Shipping-Companies
[Retrieved: 2019/04/17]

Gabrielsson M., Kirpalani, M.V.H., Dimitratos, P., Solberg, C.A., Zuchellah, A. (2008). *Born Globals: Propositions to Help Advance the Theory.* International Business review.

Gander, J., Lichtenstein, Y., Zhang, J.J. (2015). *Designing Scalable Digital Business Models*. Advances in Strategic Management. Volume 33.

Geertz, C. (1973). *Thick Description: Toward an Interpretive Theory of Culture,* in Geertz, C., *The Interpretation of Cultures.* New York: Basic Books.

Ghauri, P., Grønhaug, K. (2010). *Research Methods in Business Studies. 4th Edition.* England, Pearson.

Gordon. (2011). *Behavioural Economics and Qualitative Research – A Marriage Made in Heaven?* International Journal of Market Research. Available at: https://journals.sagepub.com/doi/pdf/10.2501/IJMR-53-2-171-186
[Retrieved: 2019/05/09]

Gustavsson, A. (2019). *Operations Specialist, Adnavem.* Interview 2019-04-24

Gårdlöv, L. (2019). *Founder and CCO, Adnavem.* Interview 2019-04-23

Hazarbassanova, D.B. (2016). *The Value Creation Logic and the Internationalisation of Internet Firms.* Review of International Business and Strategy. Frederiksberg: Emerald Group Publishing Limited. Volume 26.

Head of Sales. (2019). *Maritime Carrier Company.* Interview 2019-04-24

ITU. (International Telecommunication Union) (2016). *Measuring the Information Society Report 2016*, ITU, Geneva, Switzerland. Available at: http://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2016/MISR2016-w4.pdf [Retrieved: 2019/04/20]

Jacobsen, D.I., Sandin, G., Hellström, C. (2002). *Vad, Hur och Varför : Om Metodval i Företagsekonomi och Andra Samhällsvetenskapliga Ämnen.* Lund: Studentlitteratur.

Johanson, J. Mattsson, L-G. (1988). *Internationalization in Industrial Systems - A Network Approach*. In Strategies for Global Competition.

Johanson, J., Vahlne, J-E. (1977). *The Internationalization Process of the Firm – A Model of Knowledge Development and Increasing Foreign Market Commitments.* Journal of International Business Studies.

Johanson, J., Vahlne J-E. (2009). *The Uppsala Internationalization Process Model Revisited: From Liability of Foreignness to Liability of Outsidership.* Journal of International Business Studies.

Johanson, M., Martín, O.M. (2015). *The incremental expansion of Born Internationals: A comparison of new and old Born Internationals*. International Business Review.

Kjällgren, R. (2019). *Chairman of the Board, Adnavem*. Interview 2019-04-03; 2019-04-24

Knight, G.A. (1997). *Emerging Paradigm for International Marketing: The Born Global Firm.* Michigan State University.

Korstjens, I., Moser, A. (2018). *Series: Practical Guidance to Qualitative Research. Part 4: Trustworthiness and Publishing.* European Journal of General Practice, 24:1, 120-124 Available at: https://doi.org/10.1080/13814788.2017.1375092 [Retrieved: 2019/05/10]

Laanti, R., Gabrielsson, M., Gabrielsson, P. (2007). T*he globalization strategies of business-to-business born global firms in the wireless technology industry.* Industrial Marketing Management. Volume 36.

Lincoln, Y.S., Guba, E.G. (1985). *Naturalistic inquiry.* Beverly Hills, CA: SAGE Publications.

Madsen, T.K., Rasmussen, E.S. (2002). *The Born Global Concept.* Paper for the EIBA conference December 2002. Available at: https://www.biblioteca.fundacionicbc.edu.ar/images/c/c5/Estrategia_internacionalizacion_1.pdf [Retrieved: 2019/05/12]

Madsen, T.K., Servais, P. (1997). *The Internationalization of Born Globals: An Evolutionary Process?* International Business Review.

Madsen, S., Rasmussen, E., Servais, T. (2012). *On the foundation and early development of domestic and international new ventures*. Journal of Management & Governance. Volume 16.

Mahnke, V., Venzin, M. (2003). *The Internationalization Process of Digital Information Good Providers*. Management International Review.

Mainela, T., Puhakka, V.J., Servais, P. (2014). *The Concept of International Opportunity in International Entrepreneurship: A Review and a Research Agenda.* International Journal of Management Review.

Malecki, E.J. (2002). *"The Economic Geography of the Internet's Infrastructure".* Economic Geography. Volume 78. No. 4, pp. 399–424.

McDougall, P.P., Oviatt, B.M. (1993). *Toward a Theory of International New Ventures.* Journal of International Business Studies.

McDougall, P.P., Oviatt, B.M. (1997). *Challenges for internationalization process theory: the case of international new ventures.* Management International Review.

McDougall, P.P., Oviatt, B.M. (2000). *International entrepreneurship: the intersection of two research paths.* Academy of Management Journal.

McDougall, P.P., Oviatt, B.M. (2005). *Defining International Entrepreneurship and Modeling the Speed of Internationalization.* Journal of International Business Studies.

Neubert, M. (2015). *Early Internationalization of High-tech Firms: Past Accomplishments and Future Directions.* International Journal of Teaching and Case Studies.

Rennie, M.W. (1993). *Born Global.* The McKinsey Quarterly. Available at: https://www.questia.com/read/1G1-15424561/born-global
[Retrieved: 2019/04/01]

Riedl, J., Chan, T., Schöndorfer, S., Schröder, F., Sønderby, M. (2018). *The Digital Imperative in Freight Forwarding.* Boston Consulting Group. Available at: https://www.bcg.com/publications/2018/digital-imperative-freight-forwarding.aspx?utm_source=hs_email&utm_medium=email&utm_content=2&_hsenc=p2A Nqtz-9OUnq-M-7WYcyg63_iy47x4c2JQTfXMIdSVNymO_KlAyn0ndaXhhiH_hJpva0RqlKZB4k7fpjKJOms TQ3p7s-1eB9GUg&_hsmi=2&redir=true
[Retrieved: 2019/04/18]

Rogers, E. M. (1962). *Diffusion of Innovations.* New York: Free Press of Glencoe.

Sabell, H. (2016, 23 March). *What is the Difference Between the Logistics Industry and Transportation?* The College for Adult Learning. Available at: https://collegeforadultlearning.edu.au/category/logistics-management/
[Retrieved: 2019/04/18]

Sarasvathy, S.D., York, J.G., Kumar, K., Bhagavatula, S. (2013). *An Effectual Approach to International Entrepreneurship: Overlaps, Challenges and Provocative Possibilities.* Entrepreneurship: Theory and Practice.

Strandberg, A. (2018) T*he Internationalization of Digital Born Global Firms. Contextual Factors and Behavioral Implications.* Chalmers University of Technology. Available at: http://publications.lib.chalmers.se/records/fulltext/254887/254887.pdf
[Retrieved: 2019/04/12]

Sales Executive. (2019). *Maritime Carrier Company.* Interview 2019-04-24

Sales Representative. (2019). *Maritime Carrier Company.* Interview 2019-04-24

See-To, E.W.K., & Ho, K.K.W. (2014). *Value Co-creation and Purchase Intention in Social Network Sites: The Role of Electronic Word-of-Mouth and Trust – A Theoretical Analysis.* Computers in Human Behavior.

Sundström, M. (2019). *Founder and CTO, Adnavem*. Interview 2019/04/30

Tech Target. (2014). *Definition Inbound Marketing.* Available at: https://searchcustomerexperience.techtarget.com/definition/inbound-marketing
[Retrieved: 2019/06/02]

Vineyard, J. (2014). *What Does a Freight Forwarder Do & Do You Need One?* Universal Cargo. Available at: https://www.universalcargo.com/what-does-a-freight-forwarder-do-do-you-need-one/ [Retrieved: 2019/04/17]

Wentrup, R. (2016). *The Internationalization Process of Online Service Providers Geographical Perspectives on the Emerging Online Economy.* Gothenburg: School of Business, Economics and Law, University of Gothenburg.

Wramsmyr, A. (2018, 25 October). *Andreas Wramsmyr, Episode 90.* Logistikpodden - Per Olof Arnäs. Available at: https://logistikpodden.se/avsnitt/avsnitt-90-andreas-wramsmyr/ [Retrieved: 2019/04/10]

Wramsmyr, A. (2019). *Founder and CEO, Adnavem.* Interview 2019-04-30

Zahra, S.A., George, G. (2002). *International Entrepreneurship: The Current Status of the Field and Future Research Agenda, in Strategic Entrepreneurship: Creating an Integrated Mindset.* Strategic Management Series.

Zahra, S.A. (2005) *A Theory of International New Ventures: A Decade of Research.* Journal of International Business Studies.

Zander, I. (2004). *The microfoundations of cluster stickiness - walking in the shoes of the entrepreneur. J*ournal of International Management. Volume 10.

Appendices

Date: 2019/04/23
Location: Adnavem
Respondent: CCO and Co-founder Linda Gårdlöv

Background:
o   How would you describe a typical day at work for you at Adnavem?
o   Can you tell us a bit about your previous international experience from your personal career?
o   What importance do you think that your previous international experience has for Adnavem as a company?
o   In what extent do you feel like you can influence and affect the internationalization decisions made at Adnavem?

Market and communication:
o   How would you describe Adnavem's use of technology in its communication? (internally and externally)
o   Adnavem offers a Business to Business marketplace, how does that affect the way Adnavem has to market itself and communicate?
o   How do your coworkers/partners in China contribute to your international operations as of today?
o   How did you achieve your partners/coworkers China?
o   How do you communicate with them?
o   To which extent would you say that partnerships and network contacts have played an important role in Adnavem's internationalization?
o   How does Adnavem work in order to attract logistics service providers to its platform?
o   How does Adnavem work in order to attract logistics service buyers to its platform?
o   Where are your customers located as of today?
o   How likely is it for Adnavem to adapt its market choices, depending on the companies that are interested in its marketplace?
o   What factors affect the market entry decisions Adnavem make?
o   Do you adapt your service depending on the markets you enter? If so, in what way?
o   What requirements are there for Adnavem to enter a new market?
o   What main challenges would you say that Adnavem has faced in its internationalization so far?
o   Would you say that it is easier for a digital marketplace to internationalize than what it is for a freight forwarder?
o   How come?

- How would you describe the significance of being digital from the very beginning when internationalizing?
- Is it challenging not being physically present in the markets you enter, in terms of access to market knowledge and information?
- How would you describe the importance of market knowledge when internationalizing?
- Are there any institutional/regulatory obstacles that you find particularly challenging when internationalizing, being a digital startup in the logistics industry?

Date: 2019/04/24
Location: Maritime Carrier AB
Respondents: Head of Sales, Sales Executive and Sales Representative

Company background - Maritime Carrier AB

- What kind of freight services do you offer as of today?
- You all work in Maritime Carrier AB's sales department, how do you work with selling your transport solutions?
- Which kind of customers do you sell your transport services to?
- Do you contact your customers, or do they contact you?
- Let's say we work at a bigger firm such as SKF, how would we have to act to buy your transport services?
- Now let's say we work at a smaller company, that aren't able to send nowhere near the same volumes. How would we have to act to buy your transport services?
- Can all types of companies buy your services? Do you, for instance, offer transport to customers with both full container loads and less than container loads?
- How are the prices for your services set?
- How would you describe the transparency regarding your prices?
- Considering that a vessel is almost full, how do you prioritize customers demanding freight transport?
- Adnavem describes a typical freight transport chain as divided into the following steps: (See Figure 1). Which of these steps would you say that Maritime Carrier AB is a part of?
- From which countries are your customers?

Reflections regarding utilizing a digital B2B marketplace
- What advantages do you think a digital B2B marketplace has of being a digital actor in the industry?
- Are there any disadvantages of being a digital actor in the industry?
- Are there cases where an actor as such would have to be physically present?
- Do you consider there to be any benefits for Maritime Carrier AB of selling its transport solutions through a digital marketplace?
- Have you ever heard of the marketplace Adnavem? If so, what was your first impression?
- Do you see any benefits for the industry as a whole with a digital B2B marketplace?

- o What challenges would you imagine a marketplace as such to face?
- o Are there any disadvantages of it from Maritime Carrier AB's point of view?
- o Do you have any suggestions on how a solution as such could be improved in your point of view?

Date: 2019/04/24
Location: Adnavem
Respondent: Operations Specialist Andreas Gustavsson

Background:
- o How would you describe a typical day at work for you at Adnavem?
- o Can you tell us a bit about your previous international experience from your personal career?
- o What importance do you think that your previous international experience has for Adnavem as a company?
- o In what extent do you feel like you can influence and affect the internationalization decisions made at Adnavem?

Operations:
- o How does Adnavem use new technology in its operations?
- o How do you work with technology in day to day business at Adnavem?
- o How does the fact that Adnavem is a tech-company facilitate its internationalization? Does it complicate it in any way?
- o Would you say that it is easier for a digital company like Adnavem to find customers?
- o What are the main obstacles for Adnavem when finding and achieving customers as a digital actor?
- o If a customer chooses to utilize different actors in its transport link, who will own the actual containers that will be transported?

Markets:
- o How would you describe the market for your product?
- o Which markets does Adnavem operate in?
- o What factors influence the decisions of opening a new market on your platform?
- o What requirements are there for Adnavem to enter a new market?
- o Are the markets that Adnavem currently operates in regulated in a way that affects your product and operations?
- o Do you imagine that customer demand is heterogeneous for your product across national borders?
- o Do you have to make local adoptions to your product, due to local specificities?
- o Is it challenging not being physically present in the markets you enter, in terms of access to market knowledge and information?
- o Are you planning to invest in more operative offices internationally?

- o What is the goal of your internationalization?
- o How have network contacts affected the internationalization Adnavem has seen so far?
- o What main challenges would you say that Adnavem faces in its internationalization?
- o How has that kind of challenges affected Adnavem's opportunity to internationalize as of today?
- o How would you describe the significance of being digital from the very beginning when internationalizing?

Date: 2019/04/24
Location: Adnavem
Respondent: Chairman of the board Rolf Kjällgren

Background:
- o How would you describe a typical day for you as a Chairman of the Board of Adnavem?
- o How do you work with technology in day to day business at Adnavem?
- o Can you tell us a bit about your previous international experience from your personal career?
- o What importance do you think that your previous international experience has for Adnavem as a company?
- o In what extent do you feel like you can influence and affect the internationalization decisions made at Adnavem?

Financing:
- o What are the most common questions you get when conducting financing rounds?
- o What are the main arguments for investing in Adnavem's digital marketplace?
- o Do investors have any doubts of your digital solution?
- o What is the most common question you receive at financing rounds?
- o How does Adnavem attract financing as of today?
- o Do you use technology in order to attract and acquire financing?

Internationalization:
- o What customers does Adnavem target?
- o How does the fact that Adnavem is a tech-company, in your opinion, facilitate its internationalization? Does it complicate it in any way?
- o What is the goal of Adnavem's internationalization?
- o How have network contacts affected Adnavem's internationalization as of today?
- o How would you describe the internationalization process Adnavem has seen so far?
- o Do you imagine that customer demand is heterogeneous for your product across national borders?
- o How does Adnavem work with attracting international customers?
- o Is it challenging not being physically present in the markets you enter, in terms of access to market knowledge and information?

- o What main challenges would you say that Adnavem faces in its internationalization?
- o How has that kind of challenges affected Adnavem's opportunity to internationalize as of today?
- o How would you describe the significance of being digital from the very beginning when internationalizing?

Date: 2019/04/30
Location: Adnavem
Respondent: CEO and Founder Andreas Wramsmyr

Background:
- o How would you describe a typical day at work for you at Adnavem?
- o Can you tell us a bit about your previous international experience from your personal career?
- o What importance do you think that your previous international experience has for Adnavem as a company?

Business Model:
- o How does a freight forwarding business model differ from Adnavem's business model?
- o How can Adnavem's digital alternative to freight forwarding disrupt the transport logistics industry?
- o The transport logistics industry is highly traditional, and still depending on a huge amount of manual processes. What kind of resistance do you expect to meet in the industry due to its nature?
- o You have worked with forwarding yourself. How do you imagine that freight forwarders will argue that they can't be digitized away?

Operations:
- o How is technology used at Adnavem in day to day Business?
- o How would you describe the balance between the utilization of technology and manual processes in Adnavem's operations?

Markets:
- o How would you describe the market for your product?
- o Which markets does Adnavem operate in?
- o Which of these are you physically present in?
- o What factors influences the decisions of opening a new market on the Adnavem platform?
- o What requirements are there for Adnavem to enter a new market?
- o Are the markets that Adnavem currently operates in regulated in a way that affects your product and operations?
- o If so, in what way?

o Do you imagine that customer demand is heterogeneous for your product across national borders?
o Do you have to make local adaptations to your product, due to local specificities?
o Is it challenging not being physically present in the markets you enter, in terms of access to market knowledge and information?
o Are you planning to invest in more operative offices internationally?
o What is the goal of your internationalization?
o How have network contacts affected the internationalization Adnavem has seen so far?
o Do you consider network contacts to be an asset/a resource for Adnavem as a company?
o What main challenges would you say that Adnavem faces in its internationalization?
o How has that kind of challenges affected Adnavem's opportunity to internationalize as of today?
o How would you describe the significance of being digital from the very beginning when internationalizing?
o How do you reckon that the newly established Digital Container Shipping Association will affect Adnavem's opportunity to expand further?
o Do you believe that it will make it facilitate/complicate the onboarding of service providers to your platform?
o You mentioned in *Logistikpodden* that you have certain competitors. Who are they?
o You also seem to have a pretty positive attitude towards your competitors? How come?
o A lot of carriers have red numbers in their annual reports. How are you planning to make money in an industry where a lot of actors currently does not?

Date: 2019/04/30
Location: Adnavem
Respondent: CTO and Co-founder Mattias Sundström

Background:
o How would you describe a typical day at work for you at Adnavem?
o Can you tell us a bit about your previous international experience from your personal career?
o What importance do you think that your previous international experience has for Adnavem as a company?
o In what extent do you feel like you can influence and affect the internationalization decisions made at Adnavem?

Technology:
o How does Adnavem use new technology in its operations?
o Can you tell us more about the Adnavem Actions tool and the Adnavem BI tool?
o How does technology contribute in the internationalization of Adnavem? Does the fact that Adnavem is a tech-company facilitate or complicate the internationalization in any way?

o   Would you say that it is easier for a digital company like Adnavem to find customers?
o   What are the main obstacles for Adnavem when finding and achieving customers and suppliers as a digital actor?
o   Is it challenging not being physically present in the markets you enter, in terms of access to market knowledge and information?
o   How would you describe the significance of being digital from the very beginning when internationalizing?
o   Are you planning to invest in more operative offices internationally?
o   Do you believe it is required for Adnavem as a digital actor to be physically present/make physical efforts to any extent? When is that required and because of what?
o   What challenges do you expect to meet by introducing a digital solution in a rather traditional industry?
o   Have you met any resistance as of today?
o   How come freight forwarding can be digitized away?
o   How are you planning to utilize the big data generated through your service in order to improve the service itself?
o   Do you have to make local adoptions to your product, due to local specificities?
o   Are the markets that Adnavem currently operates in regulated in a way that affects your product and operations?
o   If so, in what way?
o   What kind of technologies are used at Adnavem, internally versus externally?
o   How do you reckon that the newly established Digital Container Shipping Association will affect Adnavem's opportunity to further expand?
o   Do you believe that it will make it easier/complicate the process of attracting carriers to join your platform?

Timing

The world is changing and the timing is NOW!

Due to digitalization we have the opportunity to handle and buy transportation and logistics services in a more efficient and effective way.

The freight forwarding industry as we know it today is currently attacked from five type of companies, one of these areas are Logistics Start-up*

3.3 BUSD were invested in Logistics Start-up in 2017*

Adnavem is on a mission to connect and transform the logistics eco-system to the benefit of the transport buyer with the vision is to be the most sought after, transparent and effective logistics marketplace in the world.

*Source:
https://www.bcg.com/publications/2018/digital-imperative-freight-forwarding.aspx

---

Benefits for the importer/exporter

Procurement

- Lower transport cost
- Invoice control
- Full transparency in
  - Price
  - Performance
  - Reliability
- Flexibility to replace carriers or logistics providers if needed
- Statistics and reports

Operations

- Full control of all information and data in order to manage your shipments
- Direct access to the logistics providers that can manage and solve any deviations
- Never again having to wait for someone else to finalize their part in your supply chain
- Having the ability to modify the set-up when needed, for each shipment.
- Proactivity in goods arrival and deviations

Benefits for the Logistics Provider

- Additional Channel/Route to Market
- Access to new customers /markets
- Lower cost through digitalization
- Better margins for best suppliers

Our "Blue Ocean"

We focus on the transport buyer
  Independent and transparent
  Pick and choose (unbundling)
Work with best of breed logistics providers
We do the business for 6%
  Because we can – truly digital
  More attractive to suppliers

Network effect

- As we grow trade-lanes we increase revenue to all existing markets and can grow with current customer base
- Sum of several local suppliers increase the benefit for the customer – Best of breed
- Automation and self service – Scalable at a very low cost
- Solid revenue from basic offering and opportunities with value added services

---

3 Customer Acquisition Channels

Marketing	Sales	Organic Growth
Public relations	Direct sales	Word of mouth
Social selling	Web-meetings	Self- buying
Education	Fairs and events	Growth of network tradelanes
Logistics thought leader		

Growth Plan

- Next phase is to ramp up business with more customers and more trade-lanes
- Product development will be strengthened to ensure full automation and growth support
- Sales, marketing and operational functions will be established in key markets to handle shipments to and from Sweden, Germany, China and Singapore.
- The four key markets will each cover their surrounding markets, on demand

---

Competitors and players in our space

Adnavem's business model goes beyond bringing freight forwarding online. This gives us a disruptive advantage when it comes to transparency and objectivity within the industry.

Adnavem's focus remains the customers' needs. We are fully committed to being the most disruptive platform of all, with algorithms minimizing any manual interaction in each shipment.
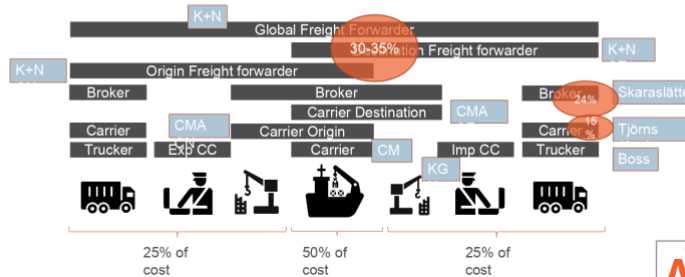
Business Model

- Our fully automated system will steer the process, from bookings made by cargo owners, to the fulfilment of shipments by the logistics providers.

- With very small marginal costs for adding shipments and transactions, we can scale up the business with a very high gross profit margin.

- Adnavem charges a commission fee to the logistics providers that are awarded business.

- The logistics providers also conduct business directly with customers including being responsible for the risk.

- Several other opportunities for valueadding services will be offered to cargo owners and logistics providers as we develop the marketplace. One example is insurance sold to cargo owners.

Transport layers

Gross profit margin analyses

| 25% of cost | 50% of cost | 25% of cost |

Activities to grow business

Marketing & sales

We acknowledge that we live in a world where the younger generations spend large parts of their lives online. To attract both the younger and older generations we are driving our sales process both online and offline. We analyse our data online to better understand our prospects and customer needs. We strive to provide best-in-class service and support.

We believe that after a few years in business we will generate 30-50% of our business solely online and, at a very low cost, the customer base will grow. The two main sources for generating new leads and business are organic search (SEO) and multi-channel activities i.e. social media. Remaining sales activities will happen through traditional sales and networking.

Operations

The operations team is crucial for making sure we deliver on our customer promise of full transparency, increased control and lower cost. General support and claims handling are also a part of this function.

For every shipment, we will have relevant choices available, with competitive prices to match and challenge offers from the big global freight forwarders. On top of that, we will have an easier way of booking transport and world-class BI-tools to follow up all shipments. Everyone that is using the marketplace will be thrilled to use it repeatedly and recommend it to friends.

Work is on going to add logistics providers to the marketplace and support the already connected logistics providers. We are also working closely with IT to further develop the product.

Marketplace

We will continue to fine-tune the current product and balance additional functionality with the need to add new products and services like:

- Insurances
- payment solutions
- airfreight and
- rail freight

We plan to achieve all this over the next couple of years. We strive to reach a point where the marketplace is delivering full self-service to customers and suppliers.

Over time new revenue streams will emerge as the marketplace will hold more and more data and functionality.