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A PERSPECTIVE ON CULTURES ROLE IN INTERNATIONALIZATION:

- LEVERAGING CANADIAN CULTURAL TIES TO EUROPE AS AN ENTRY
STRATEGY TO THE NORTH AMERICAN MARKET



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ABSTRACT

Where to internationalize is one of the least researched topics in international business. For market seeking internationalization the American market is often considered “The Holy Grail” due to its large consumer base. In this study the choice of location is considered in relation to cultural distance, specifically cultures influence in market entries. This is done under the hypothesis that cultural similarity can provide advantages in entering a market. This is investigated in relation to Canada and if Canada’s culture can serve as an alternative entry point to the North American Market for Danish companies.

Through several measures of cultural distance and qualitative interviews, it is found that there is substantial evidence suggesting that Canada and Denmark are culturally closer to each other than Denmark and the U.S. Cultures influence on internationalization is investigated in respect to the Network Business Model. It is found to be a complex relationship with many moderating factors and personal bias. It concludes that culture likely influences the internationalization process in two ways: 1) Through inter-personal relationship development and the building of network and 2) through the degree of cultural sensitivity of the company’s product.

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INTRODUCTION

Globalization has been growing with advancements in technology. At the core of globalization is trade, which for hundreds of years has allowed people to interact with different cultures around the world. To some extent, globalization is obvious with global products such as Coca Cola and Colgate. Many of these products are modified on a regional basis to fit their consumers taste. Such customization requires in-depth understanding of not only the market, but also the firm's customers. Some argue that globalization means the convergence of different cultures; observations from the real world suggest that this is only a partial truth, and that cultural understanding is still relevant for companies internationalizing.

When companies internationalize, they have to decide on where, when and how to internationalize. These three elements are interdependent with the strategy they choose (Narula, 2010), but also depend on the motive for internationalization. There are two general motives for companies internationalizing 1) resource seeking and 2) market seeking (Ghemawat, *Distance Still Matters: the hard reality of global expansion*, 2001). Resource seeking internationalization is dictated by the resources which are sought out, such as cheap capital, cheap labour, raw material or knowledge. Specific resources are often industry dependant and/or only available in selected countries and regions. This would be resources such as gold in South Africa, cheap labour for production in Asia and technology knowledge in Silicon Valley etc. With restrictions in terms of where to internationalize, companies have to adapt when and how they internationalize according to the circumstances.

Market seeking motives, on the other hand, do not have this same limitation on where to internationalize. In this case, companies need to find the most suitable market for their product/service, as well as for any other company characteristics of relevance. Large markets in terms of GDP per capital and purchasing power is an upside potential for future revenue. In this perspective, the US market is considered "The Holy Grail" of markets to many companies. Most research focuses on entry mode or entry timing (Ahsan & Musteen, 2011), with relatively little focused on where to enter. Where to enter is often dictated by industry and company resource and capabilities (Lou, 2000). Empirical evidence on where to enter suggests that distance from the domestic market is a primary factor in choice of markets, though it is also moderated by language, currency and trade agreements (Ghemawat, *Distance Still Matters: the hard reality of global expansion*, 2001). Theory would suggest that the importance of distance is driven primarily by market knowledge and the perceived risk (Johanson & Vahlne, 1977). This also suggests a substantial element of behavioural bias might be implicit in the decision in terms of forms of bounded rationality, as all choices cannot be assessed. This suggests the importance of a study which focuses on culture, independent of dis-

tance, and its influence on the internationalization process. Understanding the underlying mechanics for the role of culture in internationalization will have the potential to benefit industries in general and make the choice of market a more informed choice.

A typical market analysis would consist of a well known framework, such as Porters Five Forces or SWOT analysis, looking at the competitive factors influencing a business venture. They are industry level analyses and cannot be generalized for knowledge creation outside that industry. They also assumes a predetermined choice of country, but offers no guidance in choice of country.

A market analysis would consist of relevant legal aspects, cultural aspects, macroeconomic indicators, political stability and other variables of relevance. This would reflect the so-called institutional based view and compared with company specific factors, the so-called resource based view. In the institutional based view, all but one of these institutions are explicit data, which can be obtained from secondary sources. Culture on the other hand cannot. Many have tried to empirically describe culture (Schein, 1984; Taras, Rowney, & Steel, 2009) and cultural distance (Håkanson & Ambos, 2010; House, 2004; Kogut & Singh, 1988) though empirical evidence shows that it is, at best, partially descriptive (Drogendijk & Slangen, 2006; Taras, Rowney, & Steel, 2009). Empirical research has tried to use such measures of culture to find links between cultural distance, the empirical measure of cultural difference between two countries, and choice of entry mode (Kogut & Singh, 1988; Gollnhofer & Turkina, 2015). This has resulted in mixed and inconclusive results (Morschett, Schramm-Klein, & Swoboda, 2010). Another group of researchers has focused on the matter of psychic distance, which is described as the assumed or implicit distance between two countries, with the argument that this is what managers actually base their decision on. An interesting property of this is its non-symmetrical form, bringing the insight of not assuming equal length from country A to country B as from B to A due to differences in foreign market knowledge. No unanimous research methodology has prevailed, though Hofstede's method has been widely used, partially due to lack of alternatives and habit (Morschett, Schramm-Klein, & Swoboda, 2010), however comparison between Hofstede methodology and alternatives suggest it might still be relevant (Drogendijk & Slangen, 2006).

Real world evidence of the importance of culture is not scarce. Companies have ignored cultural differences and struggled or failed in their market entries, for example IKEA (Moon, 2004) and Target (Whaba, 2015), Common for these companies is that they are all MNE, with billions invested in their respective market entries, and still failed. These failures have been, at least, partially attributed to culture and lack of cultural understanding. In 2005 McKinsey&Company estimated that 1 of 4 entry attempts succeeded (Horn, Lovallo, & Vigue, 2005)

Many have tried to create cultural guidelines to countries by describing feature such as considerations to personal distance, methods of greeting and so forth, though neither of them are exhaustive, especially as the boundaries of culture are not generally defined, nor are they necessarily transferable across country borders. Several problems with culture in internationalization exist, such as availability of data and its tacit nature.

In market seeking internationalization, your product can vary greatly. The importance of understanding and awareness of cultures influence on market entries is highlighted in these cases. Due to the impossibility of knowing what is relevant on forehand, it implicitly suggests there is a lower risk option in entering countries which have cultures which are more familiar to your own. In the case of gaining access to the US market, Canada is a likely candidate given its geographical closeness and its strong ties to Europe. Canada also conducts substantial trade with the US which is facilitated by the North American Free Trade Agreement (NAFTA). The pending free trade agreement between Canada and the EU (CETA) can further be expected to make Canada an attractive alternative to directly entering the US market.

THE NORTH AMERICAN MARKET

The US market has the largest upside potential as a market, with the worlds second highest GDP of \$17.35 trillion, and population of 321 million, which gives a GDP per capita of \$54,400 for 2014. Similarly, Canada has a GDP of \$1.596 trillion, a population of 35 million and GDP per capital of \$45,000 in 2014. Canada's largest import and export partner is the US, and similarly the largest export market for US products is Canada. For Imports to the US, Canada is the second largest, surpassed by imports from China (Central Intelligence Agency, 2016).

The US has a strong and sophisticated consumer market and it was one of the fastest to recover during the financial crisis (Siddiqui, 2014). Canada was also influenced by the Global Financial Crisis, particularly because of its exports to the US. In addition, the Canadian banks and mortgage market was greatly unaffected (The Economist, 2010).

The US market is considered to be a highly competitive market which, according to Michael E. Porter, can create competitive advantages for companies in the long run. For new companies it can make the initial entry harder as it increases entry barriers (Porter, 1990). According to Michael Porters framework, Canada has a less competitive market, which should then make market entries easier. There has been criticism of Porters framework for not working on smaller trading nations. The criticism suggests you need to see it in light of its competitive market according to the so-called Double Diamond framework (Rugman & D'Cruz, 1993). In the case of Canada, the NAFTA expands its competitive market outside of its domestic borders.

This suggests that Canadian competitiveness should be seen in a dual perspective with the American market as their integrated economies put them in direct competition with each other and they are not solely dependent on their own national market.

Despite arguing the proximity of the two markets, Target Inc. failed entering Canada from the US in 2014. There is a great deal of consensus on the cause of this failure, which resulted in a complete scale back from Canada. There were three major causes of the failure. Firstly, consumer expectations were not met. Canadian consumers did not see the Canadian Target to be as good as the American Target which 70% of the Canadian shoppers reportedly had had experience with (Whaba, 2015). This shows, despite the failure in entry, how integrated the two markets are, at least for the bordering areas. Secondly, the size of the entry was over scaled with the opening of 124 stores in 18 months (Whaba, 2015). This goes against most best practise techniques on market entry, most of which suggest to not make irreversible investments until uncertainty is overcome (Ahsan & Musteen, 2011). This also shows that despite similarities between the two markets, there are great differences. Thirdly, employing a new logistical system which left shelves empty across the country, created bad consumer experiences and harm to the Target brand. This was further complicated by the geographical spread (Whaba, 2015).

A BRIEF HISTORY OF CANADA AND THE USA

Canada has strong historic ties to Europe, especially its former colonizing powers of the UK and France. Opposite, the USA has been more distancing of its European ancestors. The United States of America (USA) fought the British colonization in 1775 and signed the declaration of independence in 1776. Canada's independence has been slower, more peaceful and significantly later. It has been transitioned in several stages. The earliest date is 1867, which is the legal foundation for Canada, with the first Canadian constitution. This did not create full independence due to the United Kingdom retaining legislative and foreign policy power over Canada. Autonomy was not officially achieved until 1931, and even the final degree of sovereignty was not until 1982, where the ability to amend the constitution was passed over from the UK to Canada. Even today the official head of state in Canada is Queen Elizabeth II: *"the power to govern is vested in the Crown but is entrusted to the government to exercise on behalf and in the interest of the people"* (Government of Canada, 2015) This is evidence of not only a closer relationship between the two countries, but also a more embracing approach to its heritage than the US has taken. This, in effect, creates two very different paths to develop society and culture.

Canada is the second largest country in the world based on sq. km. It is split into 10 provinces and 3 territories. The provinces are similar to American states with provincial governments and legislation, whereas the

territories are under federal control. The territories are located in the northern parts of Canada and are sparsely populated. The political capital of Canada is Ottawa, located on the border between the provinces of French speaking Quebec and English speaking Ontario. In foreign policy matters Canada is a member of the G7, which shows its economic status in the world.

Canada had a population of 35.8 million in 2015 (Statistics Canada, 2015). The vast majority of the Canadian population lives close to the US border. This is probably due to climate, as well as an urbanization process which to a large degree has prospered on trade with the US. The Canadian economy is driven by the service sector, as most other developed countries, although its economy has a comparatively large dependence on natural resources such as oil and wood due to large availability of these resources. When this was initially written it was in the middle of the 2016 oil-crisis, with oil prices just below the USD 30 mark and a threat to the Canadian Economy. Several months later the price is scraping USD 45, which is good for global markets, however forest fires in North-western Canada have shut down some of the world's largest oil fields. When they will reopen is currently unknown. Similarly, the fire also has impacted the foresting industry. When the fire will be under control could be very important to these industries and Canadian economy in the medium-short run.

The demographics of Canada are a complicated matter as many identify themselves as Canadian, but also strongly with their immigration country. The CIA Factbook has the following description: Canadian 32.2%, English 19.8%, French 15.5%, Scottish 14.4%, Irish 13.8%, German 9.8%, Italian 4.5%, Chinese 4.5%, North American Indian 4.2%, other 50.9% (Central Intelligence Agency, 2016) - Note that it does not add up to 100% showing the multifaceted cultural identification in Canada. This also reflects a very open society to different cultures, though this diversification is highly dependent on provinces or even cities. One of the most diverse areas is Toronto, which is the largest city in Canada. The Greater Toronto Area is estimated to have almost 50 % of its 6 million inhabitants being born outside of Canada (City of Toronto, 2016).

RESEARCH QUESTION

This study investigates cultures influence in market entries. This is done by investigating the potential benefits of culture to Danish companies entering the North American market through Canada rather than the U.S..

This scope of study has two primary hypotheses in it. 1) That correctly measured Canada is culturally closer to Denmark than the USA 2) That culture is a relevant factor in market entries. Furthermore there is an implicit assumption of interconnection between the two markets, so that knowledge obtained in one market can be applied in the other. Due to the NAFTA and trade between the two countries this is assumed true. The validity of such an assumption is discussed, but not investigated separately.

This study will therefore focus on a definition and understanding of the concept of culture, the cultural measure of Canada, the USA and Denmark, and exploring cultural distance concepts. This knowledge of culture will then be explored in the context of the Network Business Model of Internationalization (NBM). This model relates culture to entry-strategies and the underlying assumptions of market knowledge, risk and uncertainty.

LIMITATIONS

The study is explorative in nature, and the evidence presented is suggestive. It consists of a combination of 3rd party data and in-depth interviews. The interviews are conducted with consultants at the Danish consulates in the USA and Canada, which mostly represent SME. Similar Interviews with companies are SME. Therefore the study is done in a context of SME, and its applicability outside of that is unknown.

The study focuses on the choice of location for entry strategies, with emphasis on market seeking internationalization and the role of culture. Internationalization has many reasons, and specific business, industry and product considerations must be expected to overrule any generalizations made in this study, which focuses on a more generalizable level.

The literature on culture is biased towards a management disciplinary definition – despite attempts to widen the scope. Research on culture is extensive and interdisciplinary, and this study will by no means pretend to have a holistic coverage of such, as that would require an individual research effort. Thereby there is a risk of bias in choice of literature as well as neglect of significant findings across other disciplines of relevance to the topic. To adjust for this, there has been a focus on influential studies and studies of reviewing nature to develop as eclectic a view as possible. Some studies of literature frequently mixes concepts of organizational and national culture, whereas others suggest methodologies for the

separation of such. In this study the focus has been on national culture. Confusion in terminology and limitations of the concept is a risk to the understanding of the concept culture and its boundaries.

The study of culture inherently creates interpretative bias from the author. Culture is itself a matter of perspective, so a study on others perspective contains a implicit bias. This bias extends on to all areas of the assignment, particularly the execution and interpretation of interviews must be considered vulnerable. In order to offset this bias there has been an emphasis on the literatures perspective on interpretations.

The author has biased interests in the study of Canada as an alternative entry point. The authors bias in this regards is both a bias, but also a recognition of the opportunity of the study. In order to eliminate the bias to the greatest extent possible a solid methodology and a comparative nature of culture rather than an individual assessment of culture traits has been chosen.

DEFINITIONS AND READING GUIDELINE

The study starts out with an overview of the literature on culture and cultural measuring, as well as literature on internationalization. The literature review is the foundation, which the following 3 chapters build upon. Chapter 1 focuses on different measures for Cultural Distance, corresponding to hypothesis 1. Chapter 2 deal with the role of culture in entry strategies, corresponding to hypothesis 2. As this is done through In-depth interviews it also offers a qualitative interpretation of cultural distance, in relation to hypothesis 1. Chapter 3 discusses findings, implications and key points from the interviews.

In order to create an easy and comparative view, all currency is presented in USD. If the original data was not in USD it has been converted at a USD price of DKK 6,5 and CAD 1,29. The study deals with risk and uncertainty. There is often an imprecise definition of such terms, and thereby feel the need to explicit define their meaning. This study takes a Knightian approach to uncertainty and risk. So that uncertainty is considered inherently immeasurable. Whereas risk is considered a calculated measure where there is a known degree.

The assignments focus on culture, means it has a vague definition of its scope and definitions, as culture is badly defined in the literature. The following is an outline of a few key concepts and their interpretation. Culture is in its widest form considered the collective value set in a group.

- National Culture: the collection of cultural values, which is common among people of a certain country.
- Organizational Culture: the collection of cultural values, which is common among people of a certain organization.

- Cultural distance: Is the cultural equivalent of the concept of geographical distance between two countries, measuring their cultural difference.

THEORY/LITERATURE REVIEW

A HISTORIC VIEW ON CULTURE AND ITS DIFFERENT PERSPECTIVES

In 1952, Kroeber and Kluckhohn, American anthropologists, found 164 different definitions of culture (Spencer-Oatey, 2012). This did not lead to a unified definition and definitions vary depending on context scope and discipline. Three broad applications of culture have been identified; one of the earliest origins is in so-called high-culture where it was used to refer to the arts. Later on, it was used in an anthropological setting describing the evolution of civilization into a higher degree of sophistication. The last use of culture is also founded in anthropology but employs a more descriptive, birds eye perspective, on different cultures across the globe. This later use of culture deviates from the earlier definitions in its lack of judgement between high-low, or degrees of civilization, but rather an appreciative view of cultural differences. (Spencer-Oatey, 2012). This perspective is the one which is employed in this study.

In 2009, Taras et al. did a review of quantitative measures of culture. They find that quantification of culture was not attempted until the mid twentieth century, but became popularized with Hofstede's 1980 publication "Culture's Consequences". The review identifies 121 different instruments for measuring culture split across 5 disciplines: anthropology, psychology, archaeology, sociology and management. They also find that the difference in disciplines has resulted in an inconsistent terminology in the field (Taras, Rowney, & Steel, 2009). They further expand on this to include a sub-categorization of culture into national cultures, organizational cultures and culture on a group level. They find that there is a conceptual overlap between the term culture and other terms such as value orientation, basic beliefs, schemas, philosophy of life and world outlook, depending on the discipline. (Taras, Rowney, & Steel, 2009). This suggests that the body of knowledge on the topic is much larger than the management discipline, hindered by terminology and different definitions.

DEFINITIONS OF CULTURE:

The lack of precision of definitions is easily visible from these selected definitions from some of the most influential scholars across disciplines:

By anthropologist Victor Barnouw: *"A way of life of a group of people, the configuration of all other more or less stereotyped patterns of learned behaviour, which are handed down from one generation to the next through means of language and imitation"*

Victor Barnouw 1985; as cited by Peng and Meyer: p 69

By social psychologist T.Schwartz: *"Culture consists of the derivatives of experience, more or less organized, learned or created by the individuals of a population, including those images or encodements and their interpretations (meanings) transmitted from past generations, from contemporaries, or formed by individuals themselves."*

T.Schwartz 1992; as cited by Spencer-Oatley 2012: p. 2

By social psychologist G. Hofstede: *"Culture is often defined as the homogeneity of characteristics that separate one human group from another. Each culture incorporates inherent norms, values and institutions"*

G. Hofstede 1980; Cited from Gollenhofer and Turkina 2014: p. 24

Which was developed into: *"It is the collective programming of the mind, which distinguishes the members of one group or category of people from another."*

G. Hofstede 2011: p. 3

The definitions clearly show a lack of precision. Hofstedes dual inclusion is a result of his impact on the field and his development in definitions. Taras et al. review of definitions of culture finds four areas of consensus regarding culture and definitions of cultures (Taras, Rowney, & Steel, 2009):

- Complex and multilevel
- Shared among members of a group/society
- Formed over long periods of time
- Stable over time

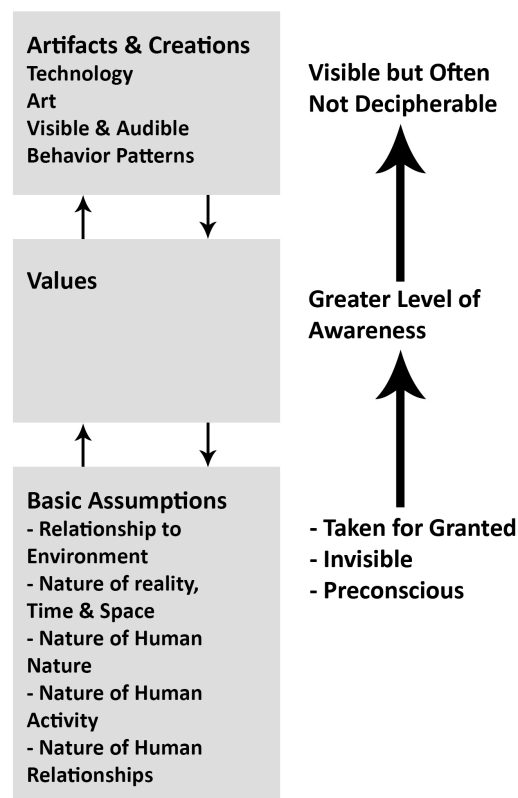
AGREEMENTS IN CULTURAL STUDIES - WHAT IS CULTURE?

Complexity in cultural studies has little further description in the literature, but it becomes clearer when exploring the other commonalities: multilevel, shared among members, formed and stable over time. The complexity of the topic is inherent in the difficulty in defining and limiting the concept of culture in definitions.

Multilevel

Multilevel is described in a similar manor by both G. Hofstede and also by MIT professor Edgar Schein. In a study of organizational culture, E. Schein presents multilevel as in figure 1. His study is built on a multitude of disciplines (Schein, 1984). Figure 1 describes culture as consisting of three levels; Artifacts, Values and Basic Assumptions. Values and Basic Assumptions are technically values – but deserve a separation based on their degree of awareness to people. We, as people, are aware of our values, whereas our basic assumptions we are unaware of (Schein, 1984). A very similar classification is done by E. Hall (1976), which he terms the cultural iceberg, representing how Artefacts are the visible areas of culture, but represents the minority of what constitutes culture. Artefacts are described as easy to observe and difficult to interpret, whereas values and basic assumptions are increasingly difficult to uncover. (Schein, 1984).

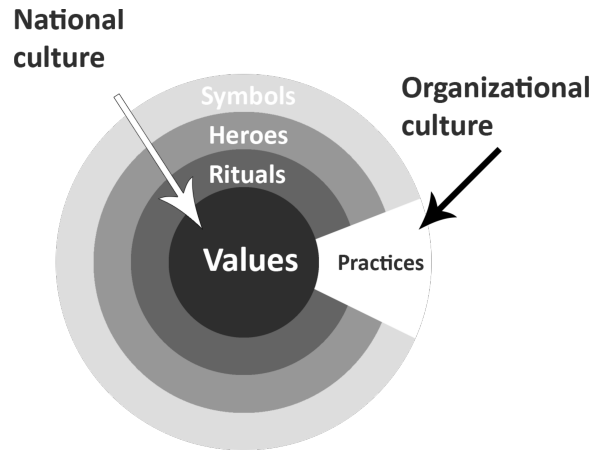
Figure 1: E. Schein's Levels of Culture



**Reproduced from (Schein, 1984)*

Hofstede's categorization of culture is distributed into 4 layers, as in figure 2; Values, Rituals, Heroes and Symbols. He also includes practises – something he found particularly relevant for organizational studies, whereas values were found to be more important on a national level (Waisfisz, 2015).

Figure 2: Hofstede's Levels of Culture

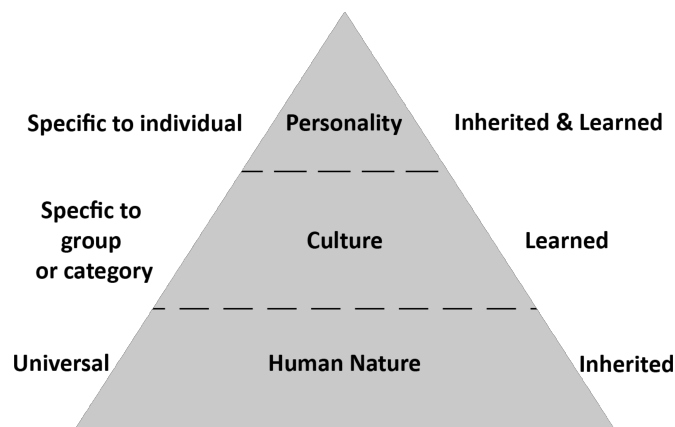


**Reproduced from (Waisfisz, 2015)*

Shared Among Members of a Group

Culture is defined as shared among a group of people, although no definition of the size of the group exists. This makes it a property of the collective group and not the individual, even though many of the values transcend both the group and personality level and are hard to distinguish (Schein, 1984). This is visualized in figure 3: Hofstede's Cultural Triangle. This highlights that the term culture, to a large degree, is an academic construct, and so are its boundaries. This has also been highlighted as one of the problems with measuring culture qualitatively, as you might measure personality as much as you measure culture (Taras, Rowney, & Steel, 2009). Opposite it is distinguished from Human nature which is attached to a genetic and universal level.

Figure 3: Hofstede's Cultural Triangle



**Reproduced from (Spencer-Oatey, 2012)*

Formed over long periods of time and stability.

Culture is formed over long periods of time, and is passed on in forms of learned behaviour through generations (Schein, 1984). Its stability has lead early researchers to associate it with heredity due to its stability over time, however modern studies attach it to a socially learned behaviour (Hofstede, 2011).

CULTURAL STUDIES IN MANAGEMENT LITERATURE

Hofstede study culture from a business and management perspective. The management literature started focusing on culture later than archaeology, anthropology, sociology and psychology. Artefacts and rituals have traditionally been studied by archaeologists, and sociologists have typically studied values (Taras, Roney, & Steel, 2009). Deep basic assumptions have been studied by psychologists (Schwartz, 2012), political scientists (World Value Survey Association, 2016) and anthropologists (Schein, 1984).

HOFSTEDE'S POPULARIZATION

Geert Hofstede's pioneering study not only popularized cultural studies, but it is also one of the most influential studies, particularly within management. From the 121 instruments identified by Taras et al., there was an overlap with one or more of Hofstede's original 4 dimensions in 97,5% of the cases (Taras, Roney, & Steel, 2009). Hofstede's Original four dimensions were: power distance, uncertainty avoidance, individualism and masculinity¹. The dimensions were developed based on questionnaires of 116.000 mid-level IBM employees between 1967-1973, across 70 countries and regions (Shi & Wang, 2011). The dimensions were statistically significant in explaining, cross-cultural variation in his study and were later verified by other researchers (Drogendijk & Slangen, 2006). The 4 dimensions were later extended with long-term orientation and indulgence vs. restraint. Hofstedes research was the first study of its kind in terms of its sample size, as well as the homogeneity of the sample (Shi & Wang, 2011).

Despite Hofstedes success there has also been substantial critique of his research, generalizations and assumptions. The use of Hofstedes cultural dimensions in academics has been claimed to be due to the lack of alternatives (Drogendijk & Slangen, 2006), convenience, popularity and habit (Taras, Roney, & Steel, 2009). Similarly it has been suggested that the continued use of Hofstedes work is due to lack of progress in the field of cross-cultural research (Drogendijk & Slangen, 2006). Hofstedes work has been criticized on the following points: 1) Lack of exhaustiveness in dimensions, as the survey used was not designed to identify cultural dimensions- a critique which was raised by Psychology Professor Schwartz. (Drogendijk & Slangen, 2006) 2) The sample of countries did not reflect a full spectrum of national cultures, which means

¹ In Hofstedes perspective masculinity and feminism is opposing, and thereby measuring masculinity indirectly measures femininity. Thereby saying you cannot be masculine and feminine at the same time.

the dimensions identified might have been incomplete or wrong. This argument is supported by the individual statistical significance of both Hofstede's measures and a study by House et al., but their lack of correlation with each other (Drogendijk & Slangen, 2006) suggests some kind of discrepancy in the measures.

3) Critique by Hofstede himself, which states that since cultural dimensions are themselves culturally dependent, there is a bias in identified dimensions. This critique is empirically supported by a high correlation between perception of cultural distance and cultural distance (measured by Kogut & Singh index) for countries geographically close to each other, but not for countries further away (Håkanson & Ambos, 2010).

4) The IBM employees surveyed do not reflect the general population and are thereby not warranting grounds for generalization on a national level (Drogendijk & Slangen, 2006).

5) Only measuring masculinity, and assuming masculinity and femininity as opposites, and that people cannot be both at once (Drogendijk & Slangen, 2006).

6) The age of the study, and therefore the risk of the study being out-dated (Drogendijk & Slangen, 2006).

7) The degree to which language differences create conceptually different understanding of dimensions among countries (Drogendijk & Slangen, 2006).

8) The degree to which the underlying values, which make up the dimensions, are emic (specific) or if there are etic (universal) dimensions or specific to some countries. If there are unique variables for certain countries it makes cross-country comparison impossible (Drogendijk & Slangen, 2006) (Spencer-Oatey, 2012).

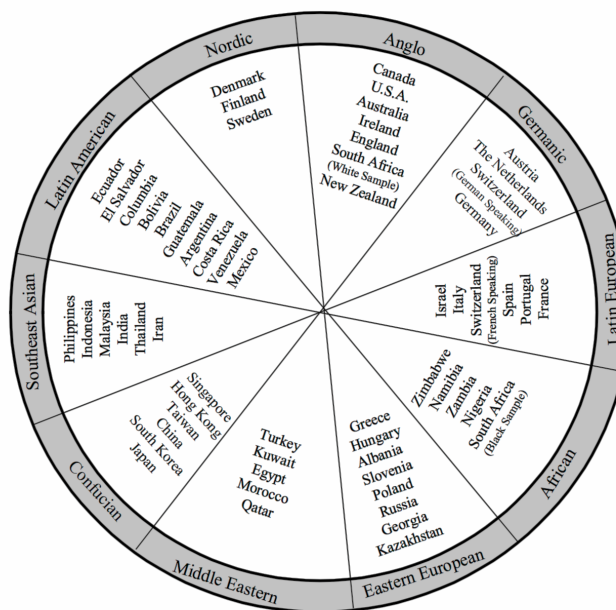
FROM CULTURAL MEASURING TO CULTURAL DISTANCE

In a study from 1988 in which the authors were trying to identify the effect of national culture on choice of entry mode, the authors created a cultural distance index which measures cultural distance from a home country. It bases itself on Hofstede's original 4 dimensions (Kogut & Singh, 1988). Since then it has been a commonly used methodology for cultural distance measuring (Drogendijk & Slangen, 2006). Their formula aggregates the 4 cultural dimensions into a single factor of cultural distance from the reference/home country. This takes Hofstede's 4 dimensional framework and makes it one-dimensional. Beyond the critique points of Hofstede's underlying measures, the index has also been criticized on its mathematical (Drogendijk & Slangen, 2006) and theoretical construct (Håkanson & Ambos, 2010). The mathematical criticism stems from the choice of weight distribution, which is based on the variance of the individual dimensions for which no theoretical reasoning is given (Drogendijk & Slangen, 2006). Håkanson et al. criticizes its theoretical construct, as it assumes a symmetric distance between two countries from a to b and b to a, partially due to emic qualities of culture. To accommodate this, they suggest a perceived measure of cultural distance called psychic distance.

Alternative Approaches to Cultural Measuring

Following the critique of Hofstede, several authors have developed alternative approaches to measuring culture. The Global Leadership and Organizational Behavior Effectiveness (GLOBE) Study, was developed in 1991 by professor Robert J House of Warton Business School (House, 2004). It is constructed on an aggregated knowledge of cultural studies, drawing on best practises. Its review of best practises leaves it with 9 dimensions, derived from collected findings from Hofstede (1980), Schwartz (1994), Inglehardt² (1997) and more (Hoppe, 2014). It has a stronger methodology, as it was both designed for the purpose of cultural measuring, thereby compensating for many of the critique points of Hofstede in terms of sample choice and dimensions (Shi & Wang, 2011). Criticism in regards to measuring culture vs. personality and the assumption to which there is a symmetric nature of culture still stands. The GLOBE study builds on a survey on leadership skills as foundation for their different dimensions. This allows them to cluster countries based on their view on good leadership competencies. The focus on leadership skills makes it particularly useful for management studies. Despite its presumable superiority in terms of methodology, research has found it to be very similar in results compared to Hofstede (Shi & Wang, 2011).

Figure 4: GLOBE Clustering of Countries



*Source (House, 2004)

² Inglehart is the director and inventor of the World value Survey.

A clustering approach is often employed in cultural studies as a tool to group samples together. Support for the use of clustering approaches are the familiarity of some cultural values rather than similarity of them (Spencer-Oatey, 2012). Alternative methodologies such as Hall (1976) and World Value Survey (2016) have taken a methodological approach based on categorizing along key dimensions, which are not exhaustive, but founded in the deep values and strongly culturally tied, thereby implicitly measuring culture more broadly. It categorizes countries based on a loose/tightness (the degree of implicit/explicit) of communication in societies (Hall, 1976).

Psychic Distance and Value Based Measures of Culture

The concept of psychic distance, first and foremost, removes the assumption of symmetry between groups/countries as it is based on the perception of distance. It is suggested that psychic distance is a more relevant measure than cultural distance for business decisions since managerial perception might not be grounded in facts, but impressions (Håkanson & Ambos, 2010). Such a premise would be partially supported by behavioural economics and concepts such as bounded rationality. In their article, *The Antecedents of Psychic Distance*, Håkanson et al. finds strong correlations between psychic distance and, in descending order, geographic distance, economic distance, cultural distance (culture is based on the Kogut/Singh index), with geographic distance being the most influential variable, 2,5 time more than economic distance.

The complexity in defining the complete cultural map and dimensions to accurately reflect culture has led a group of researchers to focus more on loosely defined value based surveys and surveys of axioms. This is founded in the idea that by focusing on the deepest values you have the greatest chance of uncovering differences on the deepest motivational level and covering culture as broad as possible.

Methodologically, the method of studying values has been pioneered by political science Professor Inglehart from Michigan University, who since 1981 has conducted and developed the World Value Survey, and founded the World Value Survey Association, which has continuously developed and carried out the survey since then. The World Value Survey has been conducted in 6 waves, where the latest finished in 2014. It takes a strong psychological perspective by focusing on value beliefs and opinions, and is frequently published in journals on psychology and political science based on peoples beliefs and changing beliefs (World Value Survey Association, 2016). One of the most prominent representations of the data is the Inglehart–Welzel cultural map of the world which has the two dimensions: 1) Survival values versus self-expression values and 2) Traditional values versus secular-rational values.

INTERNATIONALIZATION STRATEGIES

Entry strategies consists of where, when and how to internationalize. Empirical studies of internationalization have primarily focused on when and how to internationalize (Stevens & Dykes, 2013). Little literature on the first step of internationalization exists, and often it focuses on the time to internationalization (Chetty, Johanson, & Martín, 2014), such as in the case of International New ventures (McDougall, Shane, & Oviatt, 1994) or the most recent concept of Born-again global firms (Bell, McNaughton, & Young, 2001). Reasons for such can be that it is highly case or industry dependent, which renders it difficult to study on a macro –level. Empirical evidence in the form of FDI in- and outflows, and import and exports, shows that most trade is done with geographically closer countries. Beyond geographical distance, evidence of the importance of common language, currency, colonial-colonizer relationship and common borders impacts trade (Ghemawat, Distance Still Matters: the hard reality of global expansion, 2001). Culture is also a common factor listed, although its empirical evidence in entry strategies is mixed and has primarily been tied to the choice of entry mode (Drogendijk & Slangen, 2006; Kogut & Singh, 1988). On this point, two common interpretations exists: that increased cultural distance makes companies use entry modes with higher degree of control and directly opposing to this, that companies use modes of less control, often joint venture, with a local partner for market knowledge (Gollnhöfer & Turkina, 2015). Both of these have been found to be statistically significant. These studies often proxy culture with nationality, or the widely used Kogut and Singh index. This might be due to convenience and the complexity in culture and can be part of the reason for the mixed results.

FROM INCREMENTAL INTERNATIONALIZATION TO NETWORK BUSINESS MODEL

An early and widespread model for internationalization, which focuses on locational choice, is the Uppsala model, which is an incremental internationalization model. Incremental Internationalization has come in many variations such as Johanson and Widerheim-Paul (1975), Bilker and Tesar (1977), Cavusgil (1980), and Czinkota (1982) as collected by (Bell, McNaughton, & Young, 2001). They all share an element of graduate internationalization from early exporter of goods and service to overseas production/manufacturing through several steps. (Bell, McNaughton, & Young, 2001). The Uppsala model was published in 1977 in the Journal of International Business Studies. It too works as a model for incremental internationalization, but more importantly focuses on developing the underlying model to explain the pattern that was observed in internationalization behaviour among Swedish firms. Johanson and Vahlne labelled this pattern the establishment chain, which is another term for incremental internationalization. The model has a dynamic relationship between knowledge development and adjusted foreign market commitments. The model builds on uncertainty and bounded rationality, assuming that uncertainty is the result of lack of mar-

ket knowledge and the decision process is a result of bounded rationality rather than neoclassical economic ideals of optimal resource allocation. The difficulty in attaining market knowledge is a key reason why companies enter geographically closer markets, as their psychic distance is smaller. Psychic distance is defined as *“the sum of factors preventing the flow of information too and from the market”* (Johanson & Vahlne, 1977, p.24). This means a psychically closer market has an easier transfer of knowledge from the foreign market to the firm. Psychic distance is a result of differences in language, education, business practises, culture and industrial development. (Johanson & Vahlne, 1977). They therefore argue that culture is a factor in internationalization through its influence on knowledge development.

The 1977 model has received substantial criticism based on abnormalities in relation to the models predicted behaviour of companies in relation to the establishment chain (McDougall, Shane, & Oviatt, 1994). The Uppsala model tried to explain the establishment chain but did not explain the first internationalization effort of companies (Johanson & Vahlne, 2009). In 2009, the model was revised into what Johanson and Vahlne labeled the Business Network of Internationalization Process Model. The original model is updated with regards to many of the criticisms and 32 years of research (Johanson & Vahlne, 2009). The revised model changed its view from psychic distance to a network view of the market. This meant that the revised model included explanations for the first internationalization steps. Networks consist of all the relationships a company has and knowledge to the firm flows through the relations which makes up a network.

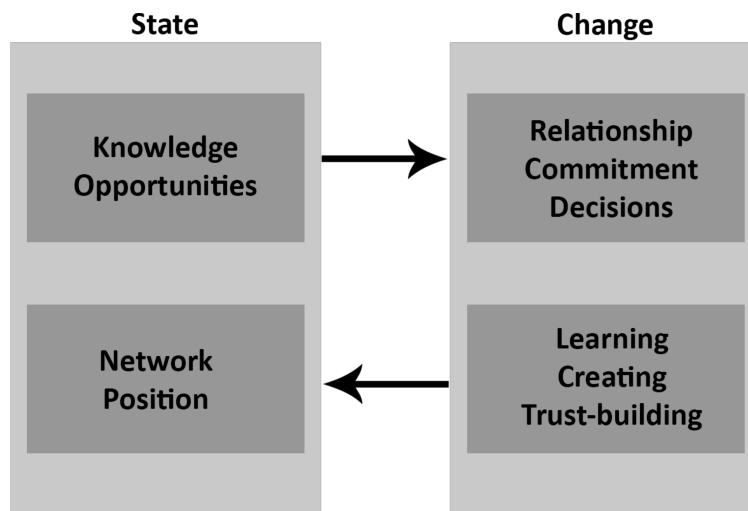
THE NETWORK BUSINESS MODEL (NBM)

The NBM consists of a state and change side. In the state side is Knowledge and Network position, see figure 5. Knowledge is comprised of general market knowledge and industry specific knowledge. Market Knowledge constitutes traditional formal institutions of a country such as laws, rules and language, similar to the institutional view. Market Specific knowledge is the specific market conditions, which you can only learn by interacting in the market. Market specific knowledge is comprised of the knowledge, which allows companies to recognize opportunities in the market. Network Position depicts the current position in the business network. The business network is a company's embeddedness in the industry, and its relationships. Thereby the Network position is the enabler of market knowledge. Changes to the state side can be created by investing in relationships and by creating new market knowledge.

The change side consists of Learning, Creating and Trust-building. Learning, Creating and Trust-building describes the interplay between players in the network and the outcome of such. Business activities with partners can create changes to mutual trust, knowledge of each others companies and show opportunities. It is important to notice that the relationship between Learning, Creating and Trust-building and Network

position and Knowledge is not path dependent and can both influence positively and negatively. The interplay is dynamic and highly interdependent. Lastly, relationship commitment decisions describe the increase or decrease in commitment to the network position such that a favourable assessment of the opportunities it will provide will lead the company to increase their investment.

Figure 5: The Network Business Model of Internationalization



**Reproduced from (Johanson & Vahlne, 2009)*

The revised model maintains the dynamic element of the original model, retaining its focus on knowledge and following commitment of resources. It deviates from the original mode in two key aspects:

1) The revised model changes the focus from Markets to Business Networks. The changing terminology is a reflection of a move from a neoclassical perception of the market as suppliers and customers into a market consisting of relationships among companies. This takes an approach with emphasis on Social Capital (Nahapiet & Ghoshal, 1998). Knowledge is seen as both co-developed and shared in relationships, and depends on the quality of the relationship and trust. Market knowledge is the specific market conditions upon which you can only learn by interacting in the market, for which you suffer from the liability of outsidership. Industry specific knowledge is considered the key information as it allows for the recognition of opportunities, but it is also privileged information to insiders of the network and availability of knowledge is dependent on your network position. If you aren't part of a network you are considered an outsider and you suffer from the liability of outsidership. This term is a modification of the liability of foreignness, emphasising outsidership of networks rather than markets. Outsidership is a matter of degree, where you can be essentially located in the business network or in the periphery.

2) The Network Business Model emphasis is on business opportunities instead of learning about institutional and cultural differences. Business opportunities are recognized based on industry specific knowledge. By learning of opportunities a company can assess the upside potential, risk and uncertainty of an opportunity, or a company can seek out further knowledge to improve their understanding of the opportunity, thereby keeping the fundamental dynamic of the model. A change to knowledge can both render an opportunity more or less relevant and does not imply path dependency even though there is causality between the two. The Uppsala model had an acknowledged neglect for the upside assessment of an opportunity (Johanson & Vahlne, 2009). Outsidership would not only have made it impossible to learn of the opportunity, but also to reliably judge the potential and associated risk of an opportunity. Your ability to assess the opportunity is dependent on your position in the network and the associated knowledge it gives you. Increases to globalization and technology increasingly make networks independent of geographical distance.

The model also emphasises borders less and the term internationalization is less relevant than expansion, as the model suggests the ability to assess business opportunity is the decisive factor in internationalization. This includes the first internationalization effort. This dynamic relationship between knowledge and ability to assess opportunity means the company progresses in incremental steps to balance risk and reward. Thereby Johanson and Vahlne redefine internationalization from being overcoming institutional differences to developing opportunities, national and international - a perspective they argue resembles entrepreneurship (Schweizer, Vahlne, & Johanson, 2010).

METHODOLOGY

In this study, Canada is investigated as an attractive alternative for entry strategies into North America due to its cultural and historic ties to Europe. The study builds on literature of culture, cultural measurement and cultural distance in relation to entry mode literature, supported by in-depth interviews.

The research design is iterative and deductive, though also has an element of explorative as many concepts do not have fixed definitions. It originated from authors' personal observations in Canada between August 2012 and March 2014. This slowly developed into a theory of cultural similarity and its potential benefits for internationalization into North America. The author thereby has a personal bias. The author's bias has resulted in a focus of a strong methodology, complicated by the complexity of culture. Initial emphasis was on quantitative measures from known frameworks such as Hofstede and Globe, due to its objective nature, although early data collection and analysis rendered such data inconclusive and insufficient. This iterated the methodology to also focus on underlying cultural understanding and a qualitative approach. Taking a step back from the quantitative frameworks gave further insight into the underlying research behind the models. Such is accounted for in the literature review. This resulted in the final research design consisting of a triangulation between literature on culture and cultural understanding, quantitative measures and qualitative measures.

ONTOLOGY AND EPISTEMOLOGY

The study mainly takes a subjective view on reality, particularly because culture is inherently socially constructed. However, due to the longevity of culture and its stability over time, it is considered to be in existence, supporting a conflicting objectivist view, and the employment of quantitative methods for measuring culture. The subjectivist view comes from the impossibility of observing it, which means any study will rely on observation and interpretation. Awareness to culture and cultural beliefs only comes when confronted with a different/conflicting value set. Culture is considered an element of a group but we are unaware of the causality here i.e. if the group is in existence because of culture or culture is developed as part of the group.

The research topic itself is also highly subjective in nature as cultures' influence on entry strategies could be null, but if managers believe it to be relevant, cultures' influence becomes self-fulfilling. Similarly the communication and interpretation of cultures' role in entry strategies is solely dependent on interpretation.

In relation to knowledge generation, the study has an interpretivist view, and therefore a large part of the study will be interpretative. However a longstanding tradition within business research to study this quanti-

tatively gives access to 3rd party data, which takes a more objective approach. Due to the inability to observe culture directly, and the underlying assumptions behind these frameworks, a considerable amount of interpretation goes into them and they are also considered interpretatively.

BIAS

The author has a biased view upon Canada due to personal relations. This could result in biased formulation of questions in interviews as well as interpretations. Thereby the author has substantial knowledge of Canada, but also impressions and assumed knowledge, which might not be true. The study is a reflection of these observations.

RESEARCH DESIGN:

Due to the complexity of the topic, a multiple approach is taken, relying on quantitative and qualitative data in the form of 3rd party and primary collected data in the form of interviews. The multitude of data secures multiple underlying research philosophies and interpretation of data, reducing the author's personal bias to infer. Furthermore, the different data source allows for triangulation of data.

Cultural distance is primarily studied through 3rd party data due to the availability of data and the size of data sets. Here Hofstede's data is used as studies show it is still a relevant measure (Shi & Wang, 2011), as is the Globe study, with its stronger methodology (Hoppe, 2014) and the World Value Survey which is taking a more value based perspective. Cultural distance is, however, also indicated in the qualitative interviews offering a secondary perspective. Cultures role in entry strategies and its ability to transfer across borders are studied through in-depth interviews with consultants at the consulates in Canada and the USA. These are supported by two company cases.

QUANTITATIVE DATA

Several researchers have undertaken the estimation of cultural distance through quantitative measures; these are datasets of size, however a multitude of assumption underlines the construction of them. Due to the multitude of assumption, the study uses several methods to estimate cultural distance.

Hofstede & Globe

G. Hofstede's research and the GLOBE study have overlapping theoretical framework and for this reason they are analyzed in the same way. They both have a quantitative scale and the distance from Denmark to Canada and the USA is calculated. Focus is on the closeness to Denmark, rather than relative across the different dimensions.

World Value Survey

The world Value Survey is conducted as interviews across the world, focusing on value based questions, thereby employing a fundamentally different methodology. Instead of trying to identify dimensions, it has identified questions of value-based nature focusing on the deepest values, considering this an implicit coverage of culture. As the questions are not based on a unified scale, the answers are compared in relation to similarity of responses. The USA, Canada and Denmark have never all been part of the same World Value Survey at the same time. The 5th wave had both the USA and Canada in it, therefore the study proxies Denmark by the use of Sweden.

FOCUSED INQUIRY

The role of culture in entry strategies is approached through in depth interviews. Focused inquiry was suggested as the best approach at uncovering cultural meaning, though difficult to execute as it requires an outsider who can ask the right questions and an insider who can answer them (Schein, 1984). Questions was prepared on forehand in regards to the literature in the form of an interview guide. The Interview guide was developed with focus on open-ended questions, which are non-leading in a combination of general and specific questions as suggested by Kristin Esterberg (2002) as a method for asking without revealing the objective and get the interviewee to reflect, while specifying questions on areas of particular relevance. The Interview guideline was not practices before the first interview, but slightly improved between interviews, particularly the removal of questions regarding national symbols. The personal experience of the researcher then provided grounds to develop the right questions and improvise questions in the interviews.

The interview was set up through e-mail. Attention was put into not revealing the true objective of the study. The interviewees were told the interviews were focused on culture, and how culture influences company's entry strategies. The questions were developed based on the literature review. A strong influence on neutrality in the questions was attempted, combined with a strong consideration to order of the questions in order to avoid bias in the subject. Later the interviews were transcribed in order to better analyse them. The analysis was done with open coding, as suggested by Kristin Esterberg (2002). First, the transcripts were read individually and different topics were identified. Secondly, the topics were compared with the Business Model of Internationalization.

It is suggested to choose a sample which is embedded into the society to study culture (Schein, 1984). The interviewees were chosen based on their geographical location and experience and as representatives for multiple entries thereby having extensive experience, and considered a good representative sample. Furthermore, the consultants have a higher degree of integration in their respective country which theoretical-

ly should give them a deeper insight into the cultural aspects, which are hard to uncover, thereby working as insider (Schein, 1984). A proportion of the questions were specifically developed to ask about 3rd person point of view in order to minimize interviewee's single response bias as suggested by (Drogendijk & Slangen, 2006). The interview guideline is attached in appendix 1. During the interviews, the interview guideline was used as a preferred structure, but often the order of questions was mixed up as interviewees answered questions in relation to other questions. Under such circumstances the interview continued on the topic after which the original structure was returned to.

The interviews were conducted through phone and transcribed on the following dates:

- Toronto: 7th April 2016 , 8th April 2016:
- Chicago: 26th April 2016 , 27th April 2016
- New York: 28th April 2016 , 29th April 2016

CHAPTER 1: USING 3RD PARTY DATA TO ESTIMATE CULTURAL DISTANCE

HOFSTEDE: USING HOFSTEDES DATA TO MEASURE DISTANCE TO USA AND CANADA FROM DENMARK

Hofstede's data gives measures on cultural position for different countries. Subtracting these measures from each other gives an estimate of distance, relative to one country. Using the most recent data set from December 2015 to compare cultural distance from Denmark to Canada and USA, see table 1. (Hofstede, Hofstede, & Minkov, Geert Hofstede & Gert Jan Hofstede, 2015).

Table 1: Hofstedes Cultural Distance Data for Canada (EN & FR), USA and Denmark:

	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long term Orientation	Indulgence
Denmark	18	74	16	23	35	70
Canada (English)	39	80	52	48	36	68
Canada (French)	54	73	45	60	-	-
U.S.A.	40	91	62	46	26	68
<i>*Data for French speaking Canada does not exist on long term orientation and indulgence</i>						
<i>Source: (Hofstede, Hofstede, & Minkov, Geert Hofstede & Gert Jan Hofstede, 2015)</i>						

The distance from Denmark to Canada and USA respectively is of interest, but also the difference between the distance to Canada and the distance to the USA from Denmark is of interest. In theory the difference in distance between USA and Canada, relative to Denmark, is the advantage one country has over the other in cultural distance.

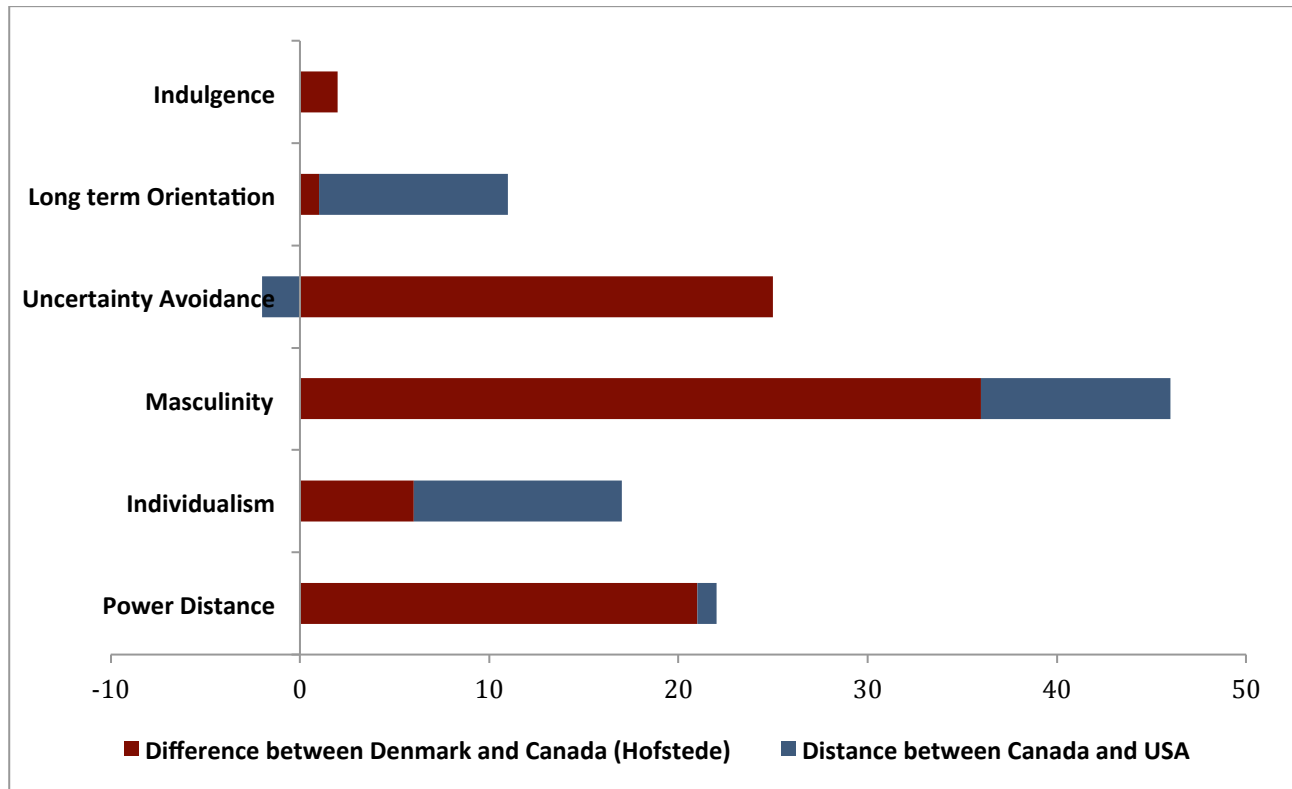
Table 2: Cultural Distance Difference to the USA from Canada, Relative to Denmark

Power Distance	+1
Individualism	+11
Masculinity	+10
Uncertainty Avoidance	-2
Long Term Orientation	+10
Indulgence	0

Graph 1 shows the distance from Denmark to Canada, represented with blue. The red represents the relative distance, longer or shorter, to the USA from Denmark in respect to Canada. The graph shows how Canada scores closer to Denmark on cultural measures in 4 out of 6 measures (Long-term orientation, Masculinity, Individualism, Power Distance).

linity, Individualism and Power Distance). The distance to USA and Canada are identical for Indulgence and the distance from Denmark to the USA is shorter on Uncertainty Avoidance. The relative advantage of Power Distance and Uncertainty Avoidance is minimal, at only 1 and 2 points difference between the USA and Canada. The difference between Canada and the USA is the biggest on Individualism, Long Term orientation and Masculinity, where Canada scores respectively 11,10,10 points less than the USA.

Graph 1 Cultural Distance Measure Using Hofstede Scores



KOGUT & SINGH INDEX CALCULATIONS:

Kogut & Singh Index builds on Hofstede's measure. It aggregates the different dimensions into a single factor of cultural distance from a reference country. This creates a ground for easy comparison, relative to comparing the 6 dimensions individually as above. Its main strength and application is in multivariable regressions where it offered an easy applicable measure of cultural distance (Harzing, 2003). The original Kogut & Singh index is from 1988 and only focused on the original 4 dimensions (Kogut & Singh, 1988). The index is applied in its original form and is updated to include all 6 dimensions, while keeping the original methodology Kogut & Singh applied.

The original formula for Kogut & Singh index:

$$CD_j = \sum_{i=1}^4 \frac{\left\{ \frac{(I_{ij} - I_{iu})^2}{V_i} \right\}}{4}$$

Calculating the Kogut & Singh index on the original 4 dimensions, as described in their 1988 study (Kogut & Singh, 1988) gives a Cultural distance measure from Denmark to Canada (English) of 1.51 and 2.19 for the USA. The original 4 dimensions have separate data for French speaking Canada, which gives a score of 2.01, suggesting that Canada is closer than the USA to Denmark, but also that significant differences existing within Canada, and that Danish companies would be worse of starting in Quebec province than an English speaking province in regards to culture.

The mathematical adaptation to include all 6 dimensions:

$$CD_j = \sum_{i=1}^4 \frac{\left\{ \frac{(I_{ij} - I_{iu})^2}{V_i} \right\}}{4} \rightarrow CD_j = \sum_{i=1}^6 \frac{\left\{ \frac{(I_{ij} - I_{iu})^2}{V_i} \right\}}{6}$$

Beyond the expansions to aggregate across 6 instead of 4 dimensions, it is also expanded to divide the final result by 6 instead of 4 dimensions. Adjusting the formula to accommodate for 6 variables gives a distance measure from Denmark to Canada of 1.01 and the USA of 1.48. Data on all 6 dimensions are not available for Canada (French). The adjustment for 6 variables reduces the measure in regards to distance for both Canada and the USA but does not change that Canada is closer to Denmark than the USA. The downward adjustment primarily comes from the change in weighing of the 6 dimensions. The two added dimensions have very low variance, and as variance serve as weight distribution, they put very little upward pressure on the distance measure. Furthermore, the addition of two variables means the individual dimensional differences are now divided by 6 and not 4 as in the original. This reduces the influence of some of the larger differences from the four original variables.

The introduction of two more dimensions was to more holistically describe culture. Hofstede's original data did not measure China, where China was simply an estimate between Taiwan and Hong-Kong (Shi & Wang, 2011). The dimension of Long-term orientations would assume to be particularly important in Asian cultures such as the Chinese where there is tradition for a very long term oriented view. That the two dimensions were not introduced along with the initial 4 dimensions can be explained by the small difference across western countries across both indulgence and long-term orientation. It serves as an example of re-

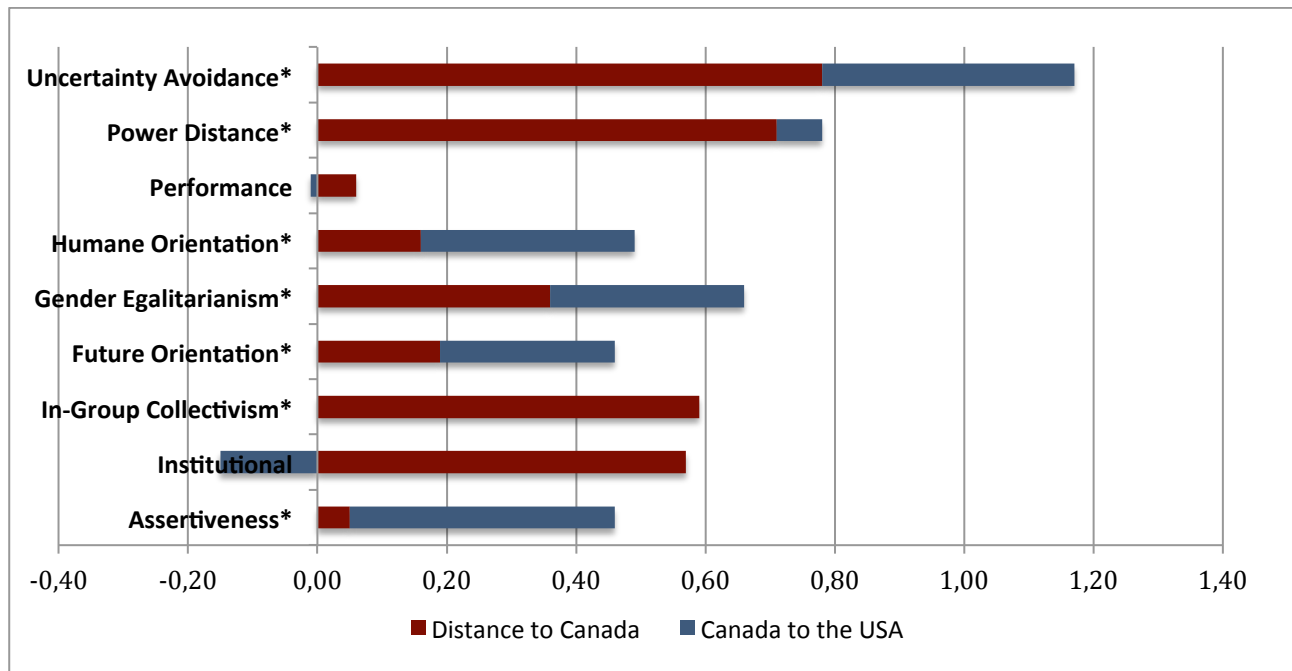
searchers own cultural bias and/or as a result of problems in the methodology of Hofstede's framework, as it was not designed with the intent of identifying dimensions. Lack of cross country difference makes it hard to identify a dimension, so lack of difference among western countries and potentially business culture at IBM could explain such lacks. This, of course, renders such dimensions less relevant when discussing countries in the western world. It does, however, open up for the potential for other factors to be missing. The two new measures measure a cultural aspect not previously included, thereby expanding the fit of the Hofstede model. In the observation of larger differences outside the boundaries initially set by the 4 dimensions, the previous measures will come to stand relatively closer to each other compared to the larger observed difference. Plainly said, when you include a country such as China into the perspective, the relative difference between Denmark and Canada becomes smaller according to the model. – however it does not change the reality of difference between two countries, merely the relative difference according to the most extreme countries and shows the vulnerability of the measure and the lack of scale measure.

THE GLOBE STUDY (GLOBE)

As accounted for in the literature review, it has been suggested that the GLOBES study has a stronger theoretical foundation than Hofstede's framework, but also strong foundation in Hofstede's initial work thereby developing on some of the criticisms of Hofstedes framework and a finer degree of measure. Despite this, there is still no evidence suggesting how much or little the GLOBE study measures of actual cultural difference, and it faces the same criticisms in terms of personal cultural bias and relativity. Compared to Hofstedes scale, which measures on a 0-100 scale, the Globe study measures on a 7-point scale.

The foundation is the same as Hofstedes, with more dimensions and a different scale. The distance can be compared in a similar manor to the Hofstede framework. The 9 dimensions are shown in graph 2. Blue indicates the difference from Denmark to Canada, and red indicates the relative higher or lower distance to the USA from Denmark.

Graph 2: Cultural Distance Measure Using GLOBE Scores



The graph shows how Canada scores closer to Denmark on 6 out of 9 dimensions, which are Uncertainty Avoidance, Power Distance, Humane Orientation, Gender Egalitarianism, Future Orientation, and Assertiveness. The distance from Denmark to the USA is shorter on Performance Orientation, and Institutional Collectivism, though Performance Orientation is a very small difference. The distance from Denmark to Canada and Denmark to the USA is the same for In-Group Collectivism.

Table 3: Difference to the USA from Canada, Relative to Denmark (GLOBE 1-7)

Uncertainty Avoidance	+.39
Power Distance	+0.07
Performance Orientation	-0.01
Humane Orientation	+0.33
Gender Egalitarianism	+0.3
Future Orientation	+0.27
In-Group collectivism	0
Institutional collectivism	-.15
Assertiveness	+0.41

COMPARING GLOBE AND HOFSTEDE RESULTS

Hofstede believed that Power Distance, Uncertainty Avoidance and Long-term Orientation (renamed Future Orientation in GLOBE) were equivalent dimensions to each other between Hofstede's model and the GLOBE Model (Shi & Wang, 2011). House et al., developer of the GLOBE study, said that 6 of the 9 dimensions were based on Hofstede's, but that Power Distance, Uncertainty Avoidance and Institutional Collectivism (Individualism in Hofstedes model) were identical to Hofstedes measures (Shi & Wang, 2011). Thereby Hofstede and House et al. is in consensus on Power distance and Uncertainty Avoidance and disagreement on Future Orientation/Long-term Orientation and Institutional Collectivism/Individualism. This means there are grounds for direct comparison on the dimensions of Power Distance and Uncertainty Avoidance. As both models are relative measures, comparison will be of a directional matter.

POWER DISTANCE

Power distance is the variable with the greatest consensus in terms of results between Hofstede and GLOBE, with both having a significant distance between Denmark and Canada and the USA a little further away still.

Table 4: Comparison of Power Distance Between Hofstede and GLOBE

Distance to:	Canada	USA
Power Distance Hofstede	21	22
Power Distance GLOBE	0.71	0.78

UNCERTAINTY AVOIDANCE

Uncertainty avoidance differs between them, with Hofstede projecting USA to be closer to DK, whereas GLOBE projects Canada to be closer to DK. The difference between USA and Canada is substantial in the Globe study and almost non-existing in the Hofstede study, which renders serious questions regarding reliability. The age of the data, therefore a shift in society, could be a reason, though such a dramatic shift seems unlikely due to the stability of culture. The data from Hofstede is the newest available, though dates of data collection for the individual countries are not published. That means we do not know the age of the data exactly. It is also a possibility that the introduction of more measures in the GLOBE study has shifted measures due to correlation between dimensions.

Table 5: Comparison of Uncertainty Avoidance Between Hofstede and GLOBE

Distance to, from Denmark:	Canada	USA
Uncertainty Avoidance Hofstede	25	23
Uncertainty Avoidance GLOBE	0.78	1.17

INSTITUTIONAL COLLECTIVISM/INDIVIDUALISM (HOUSE POINT OF VIEW)

House et al. are the methodological developers of the GLOBE study, and they say the two measures are conceptually identical. Comparing the two studies does not support that they measure the same thing. The two measures predicts cultural distance from Denmark to Canada and the USA to be opposites each other, with Hofstede predicting Canada closer to Denmark and GLOBE predicting USA closer. Collectivism is split in two different dimensions in the GLOBE study, respectively institutional collectivism and in-group collectivism. Institutional collectivism represents the tendency to show collectivists tendencies in society, and in-group collectivism show tendencies to show collectivist tendencies in social groups (Hoppe, 2014). Institutional collectivism shows closer relationship between Denmark and the USA than Canada. And in-group collectivism is identical for USA and Canada. Hofstede's measure of collectivism (which includes both of the GLOBE dimensions) shows Canada and Denmark to be closer and the USA to be significantly further away. This represents a discrepancy between the two measures, though the implications of such are unknown.

Table 6 Comparison of Institutional Collectivism/Individualism Between Hofstede and GLOBE

Distance to, from Denmark:	Canada	USA
Individualism Hofstede	6	17
Institutional collectivism GLOBE	0.57	0.42

Future Orientation/Long-term Orientation (Hofstede point of view)

Hofstede believed that Future Orientation/Long-term Orientation were two identical dimensions. Looking at their measures they agree in a directional matter, as both of them predict cultural distance from Denmark to Canada closer than the distance to USA.

Table 7 Comparison of Future Orientation/Long-Term Orientation Between Hofstede and GLOBE

Distance to, from Denmark:	Canada	USA
Long-term orientation Hofstede	1	11
Future orientation GLOBE	0,19	0,27

WORLD VALUE SURVEY: TO ESTIMATE FUNDAMENTAL VALUES AS A PROXY FOR CULTURAL DISTANCE

ABOUT WORLD VALUE SURVEY

The World Value Survey is a worldwide survey, developed by Ronald Inglehart and today it is organized by the World Value Survey Association. It has been conducted since 1981. The survey is conducted over several years due to its size and is undertaken by national research teams in the individual countries. It is conducted in waves, and currently wave number 7 is being prepared. The Survey consists of questions which are considered value based. The data from these surveys are publicly available for research purposes from the associations website (World Value Survey Association, 2015). The 5th wave data has data from both Canada and the USA. Unfortunately the Danish data is not published with the survey, but Sweden is available as a proxy for Denmark.

Constructing a Measure from the World Value Survey:

As the World Value Survey consists of raw data, there is no formula for the usage of it. The World Value Survey contains opinions, and thereby does not need the same layer of assumptions, whereas Hofstede and GLOBE study have to create dimensions. In essence it is a pure form of opinions of value-based nature. There is widespread agreement that values are an underlying fundamental of culture by leading researchers such as Hofstede (Waisfisz, 2015), House (House, 2004) and Schein (Schein, 1984). Thereby it offers an alternative measure of similarity of values between countries. The diversity of questions means that it cannot be compared, similar to the Hofstede and the GLOBE study. As the question of interest is whether the greatest similarity exists between respectively the USA and Canada to Denmark, by proxy of Sweden, they will be compared based on their similarity of answers.

The data set has 259 variables which are derived directly from the questionnaire, but there are a total of 372 variables. The remaining variables are control variables, constructed variables and variables for demographics. The questionnaire for Canada has 2164 responses, USA has 1249 responses and Sweden 1003 responses, and these numbers varies slightly across the individual questions due to no responses.

The data is compared in contingency tables between the individual variable/question and countries. The data is in general of ordinal nature, based on rankings or degrees of consent with the statement/question. This allows for comparing the degree of agreement among the different countries.

DATA

The data set is handled using SPSS 22. 81 variables were used. Variables are chosen based on their degree of fundamental value properties. Variables omitted are due to strong overlap between questions or having strong reasons to be highly country specific. See list of variable names in appendix 2.

ANALYSIS

As only data from Canada, USA and Sweden is of interest, the remaining answers were removed from the data set. Cases where the question was not asked to the interviewee, were not applicable or where there were no answers given were omitted. Contingency tables were generated for the variables and country variable. The table's results were binary coded based along two dimensions regarding degree of similarity between answers among the 3 countries. 1) Greater similarity in response between Sweden and Canada and 2) Greatest similarity in response between Canada and the USA. The results were entered into a two-by-two matrix with four scenario outcomes.

Table 8: Comparing Answers of Value Survey Between Canada, USA and Sweden.

Greater similarity in response between Sweden and Canada

		Yes: Most similar answer is SE and CA	No: Most similar answer is SE and USA
Overall most similar answer is between Canada and the USA	Yes	Quadrant 1 (33,5% of questions) Swedish responses are closer to Canadian responses than American. Though Canada and the USA has the overall most similarity in responses	Quadrant 2 (20% of questions) Swedish responses are closer to American responses than Canadian. Though Canada and the USA has the overall most similarity in responses
	No	Quadrant 3 (30,5% of questions) Sweden – Canadian has the most similar responses	Quadrant 4 (15% of questions) Sweden – U.S.A has the most similar responses

**Answers with don't know options has been omitted (never higher than 1% of total sample)*

**Answers based on Likert Scale are compared across all answers*

**Answers with two options only one response is used, due to a 100% correlation, to avoid a bias.*

**Answers based on 1-10 rating are evaluated on a weighted average*

**Answers with missing data is omitted*

**Answers with identical responses between CA and USA are omitted*

So under the assumption that the questions reflect culture in the different countries, and that entry strategies are dependent on cultural similarity and opinions to form networks and contacts, the 4 quadrant would have the following interpretations:

- 1) Quadrant 1: An entry strategy into Canada has greater cultural similarity than the USA, though the theoretical advantage is less significant as the distance to Canada from Sweden is greater than the difference between Canada and the USA.
- 2) Quadrant 2: An entry strategy into the USA has greater cultural similarity than the Canada, though the theoretical advantage is less significant as the distance to the USA from Sweden is greater than the difference between Canada and the USA.
- 3) Quadrant 3: Quadrant 3 is the quadrant where Canada has the greatest cultural advantage relative to the USA, as the similarity in answer between Sweden and Canada is greater than the similarity between Canada and the USA.
- 4) Quadrant 4: Quadrant 4 is the quadrant where The USA has the greatest cultural advantage relative to the Canada, as the similarity in answer between Sweden and USA is greater than the similarity between Canada and the USA.

DISCUSSION OF CHAPTER:

Criticisms of Hofstede's measures are substantial, which of course renders reliability issues of evidence based on it and suggests caution in interpretation. At the same time, evidence suggests that it does measure culture to some aspect, rendering the results indicative. Though we do not know how much or little of the entire "cultural map" it measures (Drogendijk & Slangen, 2006). A similar conclusion would stand from the measures of GLOBE, which also suggests that Canada is culturally closer to Denmark.

SUB-CONCLUSION

All the measures render support for the hypothesis of Canada being culturally closer to Denmark than the USA. In line with expected results, all the measures also suggest that Canada and the USA are the most similar countries. That the measures confirm that USA and Canada are the two closest countries confirms a generally accepted idea of the two countries being similar, and thereby renders support to some degree of accuracy of the measures. The data, however, gives interesting insights into inter-country cultural distance, where specific measures for English and French Canada shows significant difference, which will suggest that country basis might not be the right focus for measuring culture in internationalizations.

CHAPTER 2: CULTURES INFLUENCE ON MARKET ENTRIES.

SEMI STRUCTURED INTERVIEW WITH CONSULTANTS FROM EMBASSIES IN THE U.S. AND CANADA

Semi structured interviews have been used to understand the role of culture in entry strategies. These were conducted with consultants from the consulates in Toronto, Chicago and New York. In the following, the interviews are summarized and discussed. The main goal of the interviews is to explore the interplay between culture and internationalization. This is done in reference to the network business model as the framework of internationalization. The interviews are structured as focused inquiries; the interview guide is attached in appendix 1. The transcribed interviews are available in appendixes. Toronto Appendix 3, Chicago appendix 4 and New York appendix 5.

The interviews have been analysed through open coding, which revealed several topics and patterns among the interviews. Some patterns had great resemblance to the NBM and have been discussed in that framework. Other patterns were not directly applicable in the model but offered insight into the interplay of culture and internationalization.

CANADA/TORONTO

The interview was conducted with Deputy Head of Trade, Krista Damgaard Friis (KDF) from the Danish trade council at the consulate in Toronto.

KDF has lived in Canada for 10 years and worked both for the consulate and a Canadian management consultancy firm. This gives her long-standing market experience from multiple points of view in terms of work culture, but she is still anchored in her Danish background. KDF underlines the difference of the two workplaces in terms of culture. Furthermore, KDF has international experience from two years of studying in Paris, where she studied international relations.

INTERVIEW SUMMARY: KRISTA DAMGAARD FRIIS, CONSULATE IN TORONTO, CA

KDF describe, the most surprising things in Canada (Toronto) as being its large degree of multiculturalism and how easy it made it to integrate into society as a Danish person. The ease of immigration into Canadian society is a combination of Canadian society, multiculturalism, how used they are to immigration and the fact that she is Danish which means that there are common cultural and social structures making it less of a cultural shock. She found the integration into Canada a lot easier than the integration into Paris.

KDF sees companies' entry into Canada as a result of either a client request or industry specifics, particularly for industries involved in any kind of primary industry where Canada has vast resources. It is an attractive

market because you can get by with English and there are a lot of similar regulations and market conditions. Companies might have a broader interest in the North American Market, but the Canadian market might be a softer start. The biggest barriers are the distance and time difference, even though globalization has made such easier. It, therefore, requires a lot of resources to be adequately present; sometimes Danes forget how large Canada is. In certain industries there are specific certifications, specifications and rules and special market conditions that you need to know.

In Canada, Danish companies tend to focus on the economic hubs of Toronto and Montreal. They have close connections with major US cities such as NY and Chicago, making them attractive locations. The choice between USA and Canada is sometimes a conscious choice due to market and strategic reasons, but often it depends on early contacts or a partner company entering the market and their nationality, which dictates their choice. Companies entering Canada first stand favourable to entering the US market as they already know the “North American way of doing business” due to their large degree of interconnectedness and vice versa. Another reason they stand beneficially is that they have already shown their ability to do business in North America. On the other hand, differences in the legal system between Canada and the USA can be difficult for Danish companies.

KDF describes the considerations to culture in entering Canada as minor, to none existing mostly due to the large degree of similarity, which makes companies unaware. The similarity is a huge benefit to companies, but companies are not aware of how helpful it is to them. They might choose Canada because it is similar to do business, but not as a very conscious reasoning unless you have a product which is exposed to culture. The reasons they choose Canada are a matter of market growth, demand and legal barriers, and culture is an enabler. However, sometimes this similarity can make people oversee the difference. Business culture in Canada and the U.S. is more formal than Denmark, Since the perception of Canada is not quite American, companies find it more similar to Danish culture and they forget to adjust for the differences which are present.

At the consulate in Toronto, culture is worked with by preparing customers for meetings in regards to how they dress, how meetings are held, how to prepare, and how they should interact. KDF mentions that Danes tend to be more direct in their approach, whereas the Canadian way is more implicit. This means that Canadians can interpret Danes as very direct and sometimes rude – despite this not being intended. Canadians generally like Danes and Scandinavians, and find us very similar. Opposite, Danes can sometimes find Canadians a little loud, and they find that Canadians tend to over-amplifying product benefits, whereas Danes have a certain humbleness in this regard.

KDF describes her interpretation of Canadian symbols such as the moose, maple leaf, beaver, Tim Hortons (Canadian Coffee Chain) and Hockey as national symbols with a great deal of meaning to them, a source of pride and often as a source of differentiation from the USA. They are something which everyone can relate to and get involved with –which they do.

USA/CHICAGO

The interview was conducted with Director of Wind Energy Advisory, Jeppe Fredslund (JF) from the Danish trade council at the consulate in Chicago.

JF has lived and worked for the consulate in Chicago for almost 5 years. He has a Masters in International Business from the University of Aarhus. Beyond that, he has international experience from an exchange in Hong Kong and he worked in Spain for a year, each giving him international experience beyond the North American market. His experiences with Canada are limited and based on private plans. He is part of an energy and environmental team covering USA, though starting to cooperate more across the border with Canadian consulate. The particular nature of wind energy means it is primarily comprised of B2B.

INTERVIEW SUMMARY: JEPPE FREDSLUND, CONSULATE IN CHICAGO, USA

JF describes size of the market as the biggest surprise for him, which is also reflected in the size of American companies. The size of companies means that they have more organizational hierarchy in their structures than Danish companies. JF describes how he found it surprising how little merit references from other countries and Europe had in the USA. He thinks the reason for such is both a cultural thing and a test by the American companies. They want to see a mutual investment in the market to be assured of the ability to service it in the future. Often there is no actual difference within the wind energy sector if the company is located in Europa or the USA.

He sees the choice of USA as a result of the size and potential of the market. There are certain incentive structures in place making maintenance and efficiency in windmills profitable, which fits well with Danish companies. This is further advanced by the recent increase in exchange rate, which makes Danish products increasingly competitive. He also sees a pull from larger clients in the market, especially in an industry as global as wind energy, where your ability to deliver in key markets can be reflected in your competitiveness in other markets. The barriers to entering USA, JF sees as mostly organizational with customers trying and testing a bit too much and not actually committing, where it is not the potential but the setup which is the problem. The wrong setup can also be translated into lack of focus, where companies supply 5 products in Denmark and should maybe only focus on one in the USA. In the USA there is a focus on business plans, ROI and payback time. Track record and references are only earned if you are delivering your best, particularly

when working with products which are only marginally better than competitors, which is often the case in wind energy.

JF describes the establishment of Networks in the USA as very important. Conferences and seminars are a very important way to learn the industry in the USA. This is also why the consulate can create value for Danish companies as they have a wide network and it serves as a platform for such. It also takes time to build the network and trust in the USA. It might not be until the 5th or 6th time you are having meetings with an American company that they begin to trust that you also will be in the market when there are problems with the solution you are selling. The first meetings are relatively easy to get as long as you can deliver your value proposition in 30 seconds and as long as it targets the right companies where it is relevant for them. Then they are very open to talk, even with very senior people – but then you also have to be on the point or your opportunity is lost. JF sees this as a significant difference to Denmark, where it can be difficult to get this first contact.

JF describes the choice of Canada vs. the USA as entry point as dependent on the first client or contacts. The respective size of the American market often makes it more attractive. Also, it is relatively easy to deliver into Canada from the US, so a lot of companies see North America as one market. JF knows that the embassy in Canada argues that it is a good choice because it is culturally closer to Denmark and the market is smaller and more similar to the European market. JF emphasises that he knows little about the market. JF thinks there could be some degree of cultural resemblance but that it might not matter as much when it comes down to business. JF see learning points from one market to the other as very useful as many of the challenges are the same regardless of entry country, particularly organizational capabilities on how to deliver in a new market and prioritization of resources.

At the consulate in Chicago they advise on cultural matters more indirectly as companies often do not ask about it. However they still try to make sure the companies have understood the differences. Often it is part of the follow-up conversations, analysing the series of events which have unfolded. It is dependent on the people and the companies in the Danish companies, which can range from experienced businessmen who have lived in the USA for years, to those relatively inexperienced in international business. JF emphasises that when we talk about cultural differences it is often just as much about differences in general.

A common cultural mistake companies' make is the introduction of themselves as a small Danish company out of humbleness, whereas in the USA it is interpreted as a sign of you performing badly. The difference in interpretation speaks to cultural differences and Danish companies should focus on the solution and its

benefits. Furthermore he describes the misinterpretation of chitchat prior to business meetings, which are an American courtesy and Danes often interpret it as a sign of a deeper relationship.

JF emphasises that he has little grounds to speak of cultural differences between the USA and Canada, but that cultural differences between urban and suburban areas can be a lot bigger than Danes expect as their vision is built on visits to major cities where similarity is greater. Similarly the differences across the USA and the different regions could just as well be separate countries. Opposite to this, he highlights how Americans in general know little of Denmark unless they have had some kind of interaction. Therefore the opinion is also based on a small subsection. However here he thinks they find Danes interesting depending on political view and they are often interested in our social system with admiration but also as an unrealistic scenario for “the real world”. In business meetings they often see us as unprepared in relation to the focus on business cases. However this is also a biased view as the companies the embassy works with are the companies without the large professional organization.

USA/NEW YORK

The interview was conducted with trade advisor, Jonas Diamant Hahn-Petersen (JDH) from the Danish trade council at the consulate in New York.

JDH has lived in New York for 4 years, where he studied his masters degree and has worked at the Danish consulate for 2.5 year. JDH grew up in England, where he lived from age 3-13 after which he lived in Denmark until he moved to New York to do his masters degree. He has primarily worked with design companies in the USA, but he has also worked with companies selling to the FN system on a more global scale. He has never been to Canada.

INTERVIEW SUMMARY: JONAS DIAMANT HAHN-PETERSEN, USA

JDH says that the general differences and cultural differences are bigger than most Danes think. He believes the perception by Danes to feel closer to Americans is because they grew up with American movies and music, which makes Danes think they are more alike. He, therefore, believes Danes assume it easier to do business than it actually is. One of the things he points to is the directness in communication, where Americans are more indirect in their communication forms, requiring more interpretation. Furthermore he points to written communication where the American culture has a general politeness whereas the Danish language is more direct. This can cause some misunderstandings and friction.

JDH sees the size of the market as a primary factor for Danish companies wishing to enter the USA. Sometimes he thinks that people might have markets elsewhere, but they overestimate the ease of doing busi-

ness in the USA because it seems familiar. He thinks a lot of companies are surprised by the size of the investment and competition. All products which have a hint of commoditization is almost impossible to enter the market with, as there are so many companies who have developed their Value proposition, price and marketing techniques to make it in the American market, making it very difficult for Danish companies to enter. This requires companies to have a unique selling point which stands out to the market. Many Danish firms have unique qualities in design. Sometimes these qualities do not translate well to the American market. The American consumer does not always have the same appreciation for design vs. function so it can be hard for a Danish design firm, where a substantial part of their value proposition in northern Europe is derived from the design. A large amount of competition in the USA, low prices and an expected shorter lifespan of products, means that the value proposition of the Danish company translates badly. JDF makes a point of emphasising that it is unknown how causation is between market competition and cultural preference.

Barriers for entry are the same as some of the attributes. What makes the market attractive is also what makes it difficult to enter. The size of the market is also reflected in the degree of competition and the initial investment required for entering. For this reason companies often want to enter using a distribution partner. However, the American distribution model is different than the European model and distribution companies do not engage in specific marketing activities of their different brands, but merely create an inventory of products for their customers to buy. This represents a mismatch of expectations between Danish brand companies and the American distribution companies. JDH points to the role of marketing as particularly important when you are trying to sell high priced design items, where you need to tell the consumer why they should pay the premium. The alternative to a distribution partner requires significant investment and is a big barrier.

JDF describes some characteristics of companies wishing to internationalize into the USA as roughly consisting of two cases: 1) companies which have been told there was a market for their product in the USA 2) companies which have sustained organic growth to an extent where their next natural step is the USA. This shows that JDF has customers, who either have a lot of experience internationally or companies who have worked mostly in Scandinavia. The companies, which have worked mostly in Scandinavian is facing a much larger challenges. One of the main differences is the amount of risky capital available; where a larger company that has grown organically has more risky capital available.

JDF describes his perception of the choice between Canada and the USA as choice of entry market. The assessment is based on impressions from companies and colleagues as he has little experience himself. He

sees the two markets to pose many of the same challenges to the organizations in terms of distance, freight, customs and new systems etc. Canada is a smaller market, has fewer people, and it is described as more European and closer to Danes culturally. He explains how you sometimes can see companies starting in USA and Canada at the same time, seeing North America as one market, and they can generate half their revenue from Canada, despite it being a much smaller market. JDF sees the learning's from USA to Canada or vice versa as beneficial in entering the next country compared to no experience.

JDF describes cultures role in entry strategies as highly important, both in relation to human interaction and interaction between Danish companies and American customers, and subsidiary relationships. On a consumer perspective he point to the shorter expected lifecycle of products and the consumer culture in North America and how it affects competition. You can not expect that consumer preferences from northern Europe translates well into the USA. He mentions a case with a Danish company and a distribution company where they, despite good sales performance, ended the relationship due to misunderstandings and frictions between the two companies – where there was a mutual misunderstanding of each other's expectations.

JDF describes the consulates work on culture and consulting on culture as limited, with potential for improvement. He mostly sees the reasons for the lack of consulting on the matter as a result of the companies' limited interest in the matter, and therefore hinging back on the lack of awareness and expectation to the differences. Most consulting on cultural matters is informal and is described as ad-hoc. They do not have a full manual of culture, but guide companies based on their extended experience in the market.

CULTURAL DIFFERENCES BETWEEN CANADA, USA AND DENMARK, A PERSPECTIVE FROM INTERVIEWS

CANADA

KDF directly expresses her impression of Canada and Denmark being similar, both on a cultural level and in regards to social structures, although she points to their view of Danes as being more socialist in their objective. KDF expresses that the degree of similarity might be so high, that people don't notice the differences which are there. This suggests that cultural similarity might not be unanimously beneficial, or that people should try to remain actively aware, even when culture seems similar. KDF mentions the differences between social interactions and business, where social interaction in general goes more easily than business, which is more American in nature. This suggests that social and business culture might be different entities, or at least only partially overlapping. With vast amounts of trade and business spanning borders, a larger degree of integration of business culture between USA and Canada seems plausible. Despite such a view, it could seem neglectful to think that there is no overlap between social and business culture. Lastly,

KDF mentions how Danes are more direct in their conversations where the Canadians are more implicit in their communication, directly in line with Hall (1976) model of looseness/tightness of communication.

USA

Chicago

JF mentions how important references and building a track record are, particularly because references from outside North America have no merit among American companies. He attributes this to a combination of culture and a test of the foreign company. The lack of appreciation of a track record obtained outside the U.S. could be interpreted as a difference in business culture, making capabilities outside North America hard to transfer. In relation to business culture, JF describes how the USA has a more open-minded approach to opportunities, although they expect outsiders to adhere to their method of conducting business. The method of conducting business he sees as different from the Danish one, where it can be harder to get in touch with people. When you do get in touch with people in DK, it is a more conversational approach whereas in the U.S you have 30 seconds to convince the other person.

JF believes there could be a greater cultural similarity between Canada and Denmark than the USA, although cautions that he has little knowledge of Canada. He does, however, point out that it might be less relevant to business. Opposing this view, he also says that the Danes have problems engaging and understanding casual dialog in the US. Thereby JF suggests that business and social culture might only be partially overlapping.

JF points to the fact that you can talk about cultural differences, but that entry is about overall differences and that the boundary between culture and other differences might not be clear. This brings an interesting point of causality, where differences normally not attributed to culture could have a partially cultural component.

JF mentions the size of the U.S. and how cultural diverse states or at least regions are, and how they could be different countries culturally. On cultural difference, JF also points to the fact that differences from countryside to urban might vary more than cross borders. Outsiders reflect themselves in the places they visits, which is the major cities where cultural similarity is greater. Therefore their impression of Americans is reflected in a faulty population sample. This suggest that the area of focus in relation to business should not be on a national level, at least in respect to geographically large countries. Alternatively, they could be based on cultural clusters or geographic size. These clusters could potentially be defined based on degree of urbanization as well, which renders large differences in the U.S. JF also refers to the perceived similarity

by Danes, based on visits, a perspective which renders itself against the concept of psychic distance and supports that Americans might find us more different than we find them.

New York

JDH's first point is that the differences are larger than people believe. People think USA is more similar to Denmark relative to many other countries. JDH thinks this is because we are exposed to so many American movies and cultural things. This leans against the concept of Psychic distance and the lack of symmetry in distance. One of the differences JDH mentions is that Danes are more direct in communication and Americans more implicit, and that Danes misunderstands casual conversation. JDH thereby indirectly refers both to Halls framework of directness in communication. JDH also points out that the cultural differences transcend many elements of society, which might not be directly cultural and where causality is not necessarily known but just ends up being different.

SUB-CONCLUSION: HYPOTHESIS 1

KDF, JF and JDH independently mentioned the impression of Canada having social and cultural traits resembling Europe, making it more suitable as an entry market. KDF, who is Canadian based, considered it likely and the American based consultants considered it plausible but emphasised that they had little grounds to judge it on.

A common factor they all mention is the difference of communication, something which is particularly relevant in business matters, where Danes tends to be more direct than North Americans in regards to direct/indirect communication. This applies to both Canada and the USA

Based on the interviews, it seems plausible that Canada is culturally closer to Denmark than the USA, but also that USA and Canada share strong cultural similarities overall – particularly in relation to business where there is a lot of cross border activity. Danish perception of the USA suffers from a bias, which makes Danes underestimate the cultural differences. What Danes term cultural differences is highly interrelated with overall societal differences.

CULTURES ROLE IN INTERNATIONALIZATION

KDF thinks culture means a lot, both in the human interaction and also when you develop subsidiaries, which has different national cultures employed. KDF mentions that she does not believe culture is a factor companies consider explicitly, mostly because it is so similar. KDF thinks that the choice is based on the fact that it is considered easy to do business in the country – and that culture is an enabler in that process.

JDH mentions how consumer preferences are different than in northern Europe, which means that product value proposition often translates badly into the American market. Design Products at a premium have a particularly hard time competing with short-lived consumer products, when there is a general appreciation of low priced goods. The degree to which Value Propositions transcends borders is unknown, but could be highly culturally determined. This brings another point on how causality between culture and other market characteristics is not known, but that they do not seem unrelated. Market competitiveness is a function of the size of the market and the size of the market also transcends into distribution companies models. The term everything is bigger in USA might have greater meaning than initially implied! When fundamental market mechanisms are different, uncertainties and risk are greater. If Cultural differences hinders the use of a distributor, JV might not be attractive either, or only if you can find a partner which you trust enough. That leaves the last alternative to be Greenfield investments, which is capital intensive and requires the availability of risky capital.

KDF, JF and JDH all describe how they work with culture at the consulate as ad-hoc and dependent on the customer. They describe it as part of the interpretation and analysis of the event unfolding. JDH formulates very specifically that they believe they are better equipped to do so because they have worked in the market for so long. Such a point of view supports the view of market specific knowledge of tacit nature, which requires time, and that the learning curve is long and experimental in nature.

The interviews clearly reveal that culture is an undefined subject and the extent and the knowledge of it is limited and dependent on the person and the persons past experiences. Scheins theory of different levels of culture has been an underlying method in developing and doing the interviews. It was well reflected in the interviews in the sense that obvious symbols of culture were hard to interpret, particularly visible in KDF interview, where discussion of Canadian symbols was attempted, but did not give much insight. Deeper levels of culture on the other hand was hard to uncover and sometimes sprung from otherwise unrelated topics and challenging questions requiring reflection.

SUB-CONCLUSION: HYPOTHESIS 2

From the interviews, culture seems to have two areas of influence, which are at an inter-personal level and in relation to products.

On the Inter-personal level it influences both in regards to social culture and business culture. However evidence suggests that social culture and business culture are two different cultures with only partial overlap. The individual's experiences and attitude of culture are suggested to be influential on cultures role in the entry strategy process. Openness and experience with multiple cultures seems to be factors, which can

mitigate the disadvantages of cultural difference. Lastly, perception of cultural distance compared to actual differences seems to be a factor of importance. This suggests that the role of culture could be over or understated based on perception and suggests a large portion of individual bias. The inter-personal level also extends to the choice of country, where they all 3 mentioned the first contact/client as a factor, though not as the only reason. Alternatively it was products specific reasons. In regards to products, the nature of the product comes to stand as an important factor in cultures importance. Global products such as spare parts for windmills have little cultural exposure, whereas fashion items have a high degree of cultural influence and their respective value proposition translates differently across borders.

CASE INTERVIEW: DANISH FIBRES

Danish Fibres is a company that produces polypropylene fibres as an additive to concrete, which makes it more resistant to cracks and fire. Interview with Vice President, Bo Gyldenbergs. The interview was focused on their experiences with internationalizing into Canada. The interview is analysed in respect to the NBM.

Danish Fibres internationalization into Canada started when they were initially invited to a presentation in Odense at the Business Development Centre for Southern Denmark in Odense, regarding trade delegation to Canada with people from the Danish consulate in Toronto. For Danish Fibres to be invited to such an event would require someone to know of Danish Fibres, their business model and thought it would be relevant to them. This can be interpreted as a Network Position of Danish Fibres.

Danish Fibre participated in the event and later decided to participate in the trade delegation. From a Business Network model view, their increased knowledge from the presentation must have presented an opportunity.

The trip to Canada must have given sufficient knowledge to an increased assessment of market opportunities, because Danish Fibres had another 6 trips to Canada within the following ¾ of a year. Further trips to Canada are a significant investment in the market and relationships. Furthermore they applied for VITUS programme, which is a program by the Danish Ministry of Foreign Affairs to subsidize international expansion for SME. The subsidy consists of a 65% discount of 265 hours of consultancy work from the consulate. Thereby there is still a self-paid portion and the cost of applying to the programme.

Bo Gyldenbergs assess that they have managed to build a really good network in Canada in the ¾ year they have been there, which he mainly contributes to the consulates work. One of their most important relationships in Canada is their distributor in Kingston; they are soon to expand with a distributor in Vancouver. They have very similar previous experience from Mexico where they did not manage to build up a network and has not developed activities in Mexico. Confirming the importance of relationships. In regards to developing network in Canada, Bo Gyldenbergs Describes the social interaction with Canadians as natural and down to earth compared to Americans. Danish Fibres is a company, which has a lot of international experience in general with 95% of their production going to export. They are already active in USA and has been long before they started in Canada, because one of their Scandinavian customers started business over there. Today the USA accounts for almost 20% of their revenue.

SUMMARY OF DANISH FIBRES EXPANSION TO CANADA

The expansion into North American is very well in line with the Business Network Model of Internationalization. Both In regards to their experiences in Canada, and the process development, but also their earlier international expansion into the USA, which was driven by a client. Bo Gyldenbergs emphasises the importance of networks and relations. Furthermore he directly describes the social interaction with Canadian as more grounded than Americans.

CASE INTERVIEW: MARKBERG

Markberg is a Danish fashion company focused on leather products. They employ a classic minimalistic style, typical to Scandinavia. The Interview was conducted with owner and founder Mette Astrup. The interview was focused on their experiences with internationalizing into Canada. The interview is analysed in respect to the NBM.

Mette describes their intended strategy to be organically growth into neighbouring markets, in a very classic export strategy. However their international expansion has been based on opportunities, often from distributors, which has contacted them, where they have been able to recognize some good opportunities. She emphasises that the appropriateness of style to the market is a key component as well as the personal chemistry for a small brand, as you prefer someone who actively contributes to the brand rather than being accepted into a large brand-house where you are of neglect able size. This is in clear line with the NBM where actual opportunities were deemed better than actively searching for the markets they initially had in mind.

Their entry into Canada was also a result of coincident as they were invited to the trade delegation for Canada in 2014 together with 20-25 other Danish fashion brands¹. Despite their positive assessment of the Canadian Market in terms of style, there is also market structure, which did not leave it as top priority. Therefore their energy has been focused on other markets, and they have had a limited commitment to the Canadian market. Mette Astrup describes it as normal to let a distributor run on freewheel the first year to see the potential. In Canada, Markberg is working with a distributor, which has gained them accesses to a lot of very interesting customers, which are very well suited for their brand. However their relationship might not continue as the distributor is in financial problems, but not as a result of the opportunities they have been given. If they will be searching for a new Canadian partner they have not decided.

The difference in market structure consists in a different segmentation of the market, where the low-end market and high-end are the two largest, and the middle segment where Markberg operates almost non-existing. This is diametric opposite to the market they are used to from Scandinavia. Furthermore the expectations to mark-up are significantly higher in Canada. This represents a market specific knowledge, which they gained through increased interaction with the Canadian market. Despite Markbergs limited commitment to the Canadian market, Mette Astrup describes the culture as very different, but in a positive way. Particularly emphasising their openness and helpfulness. That it is easier to get in touch with people both personally, but which also transcends to business relations, where they are better at seeing opportunities. She describes this as a starch contrast to the Danish market, and describes the Canadian market as pleasant to start in for this reason. Mette Astrup concludes saying that they want to develop the Canadian market. Particularly as it doesnt seems as a closed market, which other markets can seem like a private club. Here she mentions Sweden where Swedish fashion is seen as particularly prestigious among consumers, making it a difficult market.

SUMMARY OF MARKBERGS EXPANSION TO CANADA.

Markbergs expansion into Canada follows well in line with the NBM. Their overall expansion has been based on opportunities, primarily opportunities seeking them out, suggesting they have had a Network position, which has made other companies aware of them. Particularly as a smaller company she empha-

sises the personal relation and chemistry with partners as essential, in order to further commit. Despite their initial satisfaction with their Canadian distributor, lack of trust in their financial capability might halt further development of the relationship. Despite this halt in the development of the market, their current knowledge of the market has made them interested in pursuing it further as the market is interpreted positively and open.

CHAPTER 3 – DISCUSSIONS AND IMPLICATIONS

In the previous chapter, the interviews with key people at embassies in USA and Canada were used to evaluate the two main hypothesis on cultural distance and cultures role in entry strategies. The interviews revealed a much more complex relationship between entry strategies and cultural differences than was expected, with culture influencing on inter-personal levels, product level and with different moderating factors. These different elements will be discussed in depth in this chapter in relation to different theories and models.

From the Interviews with consultants at the consulate there is evidence suggesting that culture affects the entry in two ways: 1) Through social interaction and the relation building process and 2) through the degree of cultural sensitivity of products, and the products transferability of value propositions.

CULTURES INFLUENCE ON INTER-PERSONAL RELATIONS

From the interviews, KDF describes how her integration into Canada was easy. She contributed this to both a cultural similarity between Scandinavians and Canadians, saying they in general really like each other, but also to a specific Canadian attitude towards different cultures. The good relationship between Danes and Canadians goes well in line with the assumption of the Business Network Model, which assumes that psychic distance is a contributing factor in developing social relations (Johanson & Vahlne, 1977).

HOME AND HOST FACTORS

It is mentioned that Canadian attitude towards culture itself is a contributing factor. *“So coming from somewhere else is exciting and you talk about it openly, you are seen as a friend, nobody thinks twice about a name which doesn’t sound Canadian or an accent”* (Krista Damgaard Friis). As this does not alter actual differences but merely the attitude towards differences, it suggests that there exists specific home and host factors which either positively or negatively can increase or decrease the influence of cultural distance. An example of negative attitude, though more on a consumer level, is Mette Astrup from Markberg’s description of how Sweden as a fairly closed club for fashion companies. An increased acceptance and tolerance for differences in cultures could decrease the impact, acting as a moderator of cultural distance. Similarly, a lack of tolerance of differences in culture could negatively influence the ability to develop social relations. Alternatively, it can be interpreted as a criticism of the cultural distance framework and render itself more towards perceptive measure such as psychic distance. With psychic distance it bases the distance measure on the perceived level of distance and losing the degree of symmetry. It would be optimistic to assume the interviews conducted were complete so beyond a factor of tolerance for cultural differences other factors could exist as well. Such factors could be in existence on a national level, organizational level or individual

level. In an article from 1961, Howard V. Perlemutter assesses the interpretation among executive of what constitutes a multi nationality of firms (Perlemutter, 1969). He finds that the executive's attitudes can be split into 3 categories, representing three different view of internationality: Ethnocentric (International activities based on the home country), Polycentric (international activities based on host country) and geocentric (international activities based on universal applicability). Despite the difference in context, the difference in attitude towards foreign cultures could be reflected in a similar analogy. The Canadian society's attitude towards different cultures could be described as a polycentric view where there is an acceptance of the differences. Without any intent of judgement, but an attempt for neutral observation, The Danish society might present a more ethnocentric view, where differences are less accepted. From this perspective, Danish culture might not positively facilitate the development of relationships across cultural differences. Alternatively, the poly or ethnocentric view could be considered part of the cultural distance measure. As long as measures of cultural distance are incomplete it could however be a valuable insight in understanding cultures role in internationalization, as well as potentially increasing the accuracy of measurements. This also emphasises that cultures role in internationalization is about understanding your own culture, fallacies and assumptions. Without such insight into your own culture it will be difficult to understand how other people interprets you. Without awareness to your culture you cannot moderate your behaviour.

Personality vs. Culture

One of the criteria to define culture is that it is shared among members of a group/society. But factors of cultural tolerance or non-tolerance could also be present on a personal level and as such not a culture but a personality trait. This could potentially be an important trait in people who are engaged in international business. Another criteria for culture is that it is learned over time. In the interview with JF from Chicago he mentions the importance of past experiences of individuals, from an executive with long international experience, who maybe even lived in the USA, to people who are new at internationalizations. This suggests that the ability to work across culture can be taught over time, and highlights the importance of the right relations and skills. To what degree this is country specific knowledge or more general would require in depth study of it, but the ability to generalize would of course be relevant to companies. A general openness was described of both Americans and Canadians, thereby it is a collective attitude and we can call it a cultural trait. Opposite, an individual who has a similar attitude in a country, which generally does not employ such an attitude would be a valuable business partner and underlines the importance of the relationships you engage in.

BUSINESS VS. SOCIAL OVERLAP OF CIRCLES

In the interview with JF from the Embassy in Chicago, he questions the extent to which cultural similarity extends to business relationships. Within the wind industry, the focus is more on ROI, payback time and the benefit to the customer. Opposite, Mette Astrup from Markberg expresses that the personal relation with people was important and translates well from social relations to business. It suggests that culture is a feature more present in B2C relations than B2B, which has a more professional attitude towards the purchase decision, which is weighted less on personal relationship than on products benefits.

KDF from the embassy in Toronto suggested a partial overlap of business and social culture. In relation to Canada, she suggests that the Canadian business culture is more influenced by the American business culture – or that there is a more North American business culture. Social culture between Canada and the USA might differ more and have stronger national relations. This implies that that the business culture in both Canada and the USA is similar, but that on a social level Canada might have a cultural advantage. For companies this could mean that when you have established in one country, there are some fundamental lessons which transfer across borders well, such as business culture, and others which does not.

PRODUCTS CULTURAL SENSITIVITY

The interviews with KDF, JF and JDH suggest that products contain different degrees of cultural sensitivity. The interviews with JF from Chicago gave relatively little weight to culture, focusing more on classical barriers and organizational challenges. Opposite this, JDH put a great deal of value on the importance of culture within design and consumer goods. The difference in perception suggests that the degree to which culture matters is largely dependent on the product or service. Global products, particularly common in B2B, might have a lesser degree of cultural sensitivity. Opposite, consumer goods, particularly reliant on marketing and with intrinsic value propositions, might have a very high degree of cultural sensitivity, such as design. Following this, the benefit of cultural similarity will affect different product categories differently. Danish consumer products will find greater resemblance and less customization required in entering the Canadian market than the American products, based on measures of cultural distance and the interviews. On the other hand, products related to primary resources or B2B activities, which to a larger degree are assessed on their business case and ROI, will gain less from entering culturally similar countries. The benefit of such companies will mainly be related to the benefits in social relations. This is explored in an article from 2001, from Harvard Business Review, through the case of Star TV. Star TV tried to sell American TV to Asian broadcasters over satellite. This allowed for them to sell relatively affordable English programming without having to invest heavily in broadcasting equipment to a large market. On paper, this was a success. The hard reality is, it was anything but a success. It is found that one of the important false assumptions was

the ability to sell English TV to Asian audience. Despite the Asian audience being able to understand the English programs, they did not want to buy English TV. (Ghemawat, *Distance Still Matters: the hard reality of global expansion*, 2001). From this, Ghemawat created a set of rules for the assessment of cultural sensitivity:

1. Products with high linguistic content, such as TV
2. Products which affect cultural or national identity of consumers, such as food
3. Products where features vary in terms of size (cars), standards (electrical appliances) and packaging
4. Products which carries country specific qualities

By comparing trade and Standard Industry Classification (SIC), they find that certain industries are more influenced by cultural distance. Among the more sensitive products mentioned are meat and meat preparations, cereal and cereal preparations, edible products and preparations, tobacco and office machines. Of less sensitive products mentioned are photographic apparatuses, optical goods, watches, road vehicles, cork and wood, metal working machinery and electricity (Ghemawat, 2001).

In line with the interviews from the consulates, it shows that industry and products categories, and their cultural sensitivity, is of importance in the degree to which culture should be considered in entry strategies. Even among culturally close countries, specific products could have a very high degree of cultural influence. In the interview with Mette from Markberg, she mentions how the Swedish fashion market is very difficult for outsiders as Swedish fashion is in very high standing among consumers. From a cultural distance perspective, Sweden would be considered close to Denmark, but Markbergs experiences shows otherwise. Certain industries, which are considered national pride, might be extraordinarily linked to culture.

The cultural sensitivity of products could very well be, at least partially, related to the degree it is part of a global, regional or maybe national marketplace. From an economic perspective, organizations would pursue economies of scale to the degree possible, but if localization of products is important to the business model it might not be possible on a global scale and regional strategies should be employed. For MNC, the use of regional strategies over global strategies has been shown to be able to create greater value through the balancing of economies of scale and localization (Ghemawat, 2005). The degree of cultural sensitivity could also very well be related to the position in the value chain where a product has as a greater degree of cultural customization added along the way.

An example of localization is McDonalds in Canada which has integrated a small maple leaf in their logo. This is a clear sign of localization and an industry where localization matters. Despite this, McDonalds has

not gained the same market leader position in Canada as many other places in the world. McDonalds has established itself in Canada, but has less than half as many outlets as leading fastfood chain Tim Hortons with 3,300 Tim Hortons versus 1,400 McDonalds (Strauss, 2013). Tim Hortons is a Canadian coffee chain. It primarily serves coffee, donuts and baked goods, but also has a selection of fast foods.

SYMBOLS OF CANADA AND POTENTIAL INTERPRETATIONS:

Tim Hortons stands as an artefact of Canada together with the maple leaf. Its meaning, however, is very uncertain. Artifacts and symbols have had, and still have, an important influence in culture, though as Schein suggests, their meaning can be hard to interpret (Schein, 1984). People in the culture are not aware of the meaning of the artefact, but just have certain feelings towards certain things. One of the strongest symbols for Canada is probably the maple leaf, represented in their flag. But the Canadian Goose, moose, beavers, hockey and the coffee chain Tim Hortons are also strong Canadian symbols. In the interview with KDF, the meaning of these was attempted to be explained, but in line with Schein's prediction, they were hard to exactly interpret. She described them as national symbols of pride and maybe a way to distinguish themselves from the U.S.

The Maple leaf could be tied to the vast land size, plenty populated with trees, and implicitly the Canadian forestry industry. It can also be interpreted as a concern, value and appreciation for nature – which is often how Canada is depicted. A popular depiction, even though it only represents a small part of Canada, is the snow covered Rocky Mountains with endless forest stretching around, sometimes accompanied by some of the Canadian animals such as the moose, goose or maybe in context of forest the beaver.

Hockey is the essence of Canadian, and might be a symbol for their love of winter sports in general, also reflecting the climate, which Canada is often associated with. Hockey might be a symbol of pride. Canada has won the Olympic gold medal in hockey the most times of all countries, and the team is referred to as team Canada showing its representativeness on behalf of Canadians in general.

NETWORK POSITION, MARKET INTERRELATIONS AND COMPETITIVENESS

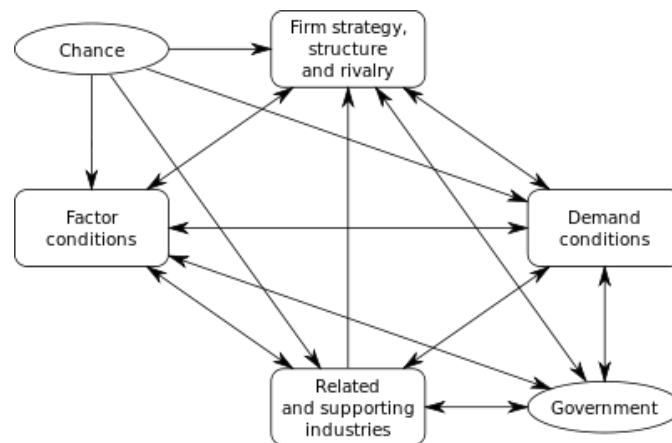
All 3 interviews mention size as an entry barrier, both in regards to market size but also geographical size. The geographical size is larger than most people think of. For example, the time difference from Copenhagen to the east coast is 5 hours, but from the east to the west coast the time difference is 4 hours. Even though time zones do not equal to geographical distance, the time difference from east to west coast is almost as big as the difference from Denmark to the east coast. This means the perception of entering "Canada" or entering the "U.S." equals to entering most of Europe. In terms of the NBM, to build a network position in such large markets can require substantial investment, thereby you should focus on a subset of

the market at first. In the case if the U.S. the focus should be on individual states rather than the concept of entering the U.S. (Deichgræber, 2015). In Canada, considerations to the geographical size of the market might be more imperative, or a focus on eastern Canada, where major cities are located.

COMPETITIVENESS

In the Diamond Model, the size of the market has been suggested to be a substantial factor in industry rivalry. Industry rivalry increases the competition in a market and forces continuous innovation, which improves the international competitiveness of products/services (Porter, 1990). Porter's Diamond Model has a company focus on international competitiveness and sees a national competitiveness in international markets as an aggregate of individual firm competitiveness. The model suggests that firm's international competitiveness is a function of its domestic industry rivalry.

Figure 6: Porters Diamond Model

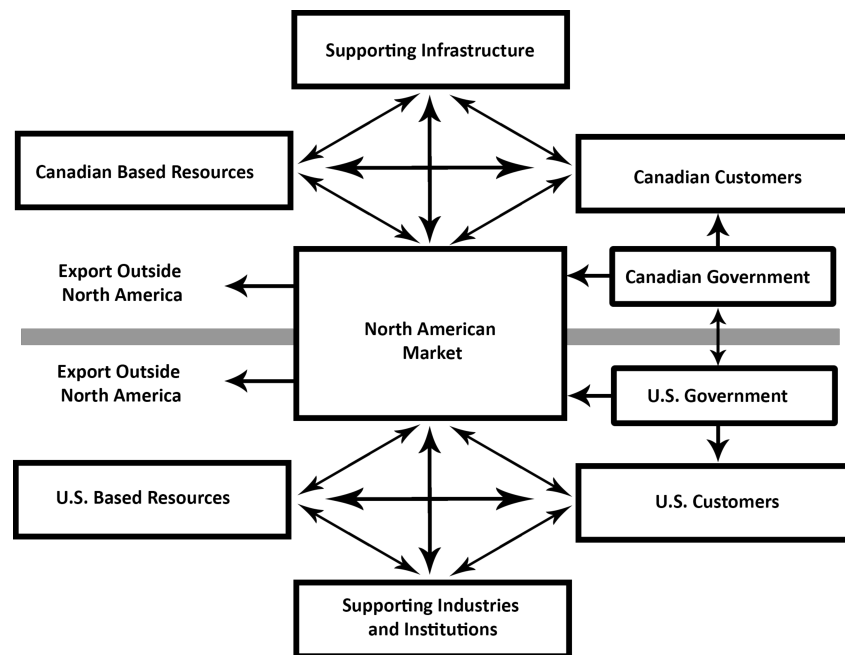


*Source: (Porter, 1990)

The domestic competitive situation can also be interpreted as an entry barrier for foreign firms. From such a perspective, the American market would have bigger barriers for entry. In the interview with JDH, he describes how the American market is highly competitive, particularly for products which are commoditised, which would support the Diamond models view. In Porters framework, Canada is considered less competitive in international markets than the USA on average (Porter, 1990). This would, on average, suggest Canada to be an easier entry market. In a review of the Diamond Model from 1993, Rugman and D'Cruz criticise the model for its lack of acknowledgement of international trade relationships (Rugman & D'Cruz, 1993). This criticism is developed specifically with regards to the American-Canadian markets. They developed an alternative model called the Double Diamond Model, which has been developed based on Canada and other trading nations, including Denmark. They argue that a national focus of competitive markets is

flawed when looking at small trading nations. Canada's competitive market is integrated into larger networks; thereby the industry rivalry is border crossing. The diamond model employs a network view, largely in line with the NBM's view of markets. The competitiveness is developed in relation to not just its domestic market, but also the American market. They particularly highlight the American owned automotive industry, which is widely sourced from both the U.S. and Canada, made possible by the NAFTA (Rugman & D'Cruz, 1993).

Figure 7: The Double-Diamond Framework



**Reproduced from: (Rugman & D'Cruz, 1993)*

The view presented in the diamond model and the double diamond model suggests that the American and Canadian markets are integrated – at least for some industries. It also suggests that the Danish and Canadian market share certain characteristics in terms of market structure. The Double Diamond model particularly highlights nations such as Canada and Denmark's market structure as embedded in a larger network of competition through the NAFTA and the EU's single market. This suggests that there could be fundamental market structures, which are similar between the two markets. The interrelation between the American and Canadian market is showcased by the automotive industry.

The previously mentioned case of Target, which among other reasons, failed due to the failed expectations from Canadian shoppers having experience with the American Target (Dahlhoff, 2015), also supports this integration. It does, however, seem plausible that it does not apply equally to all industries. The degree to

which an industry has global properties or need for localization, and its degree of cultural sensitivity would likely influence the interrelations of the competitive market. Target, which employs a one-stop shopping business model, failed in Canada. Evidence suggests that in particular, groceries are a highly domestic industry (Gollnhofer & Turkina, 2015).

Companies wishing to enter the North American market would, depending on their industry, have to consider the cross border integration as a competitive factor. On one hand, industries with little cross border integration could likely pose smaller entry barriers in Canada, though the ability to transfer capabilities across the border might be smaller. Industries with a large degree of cross border interrelation would pose larger barriers for entry, but offer greater flexibility to access the U.S. market. As noted in the interviews, KDF, JF and KDH saw the ability to transfer business skills between the markets. Ability to transfer further skills was not explored. Even industries where the transferability of competencies is less available, the ability to develop relations, and specific market knowledge and opportunities on the American market might be increased from being present in the Canadian market. From the opposing perspective the risk of not acknowledging the differences between the two markets, due to their first glance similarity is also a possibility.

INSTITUTIONAL MEASURES WHICH PROXIES CULTURE:

From the interviews with KDF, JF and JDH it is implied that there is a strong degree of correlation between formal institutions and informal institutions. This does seem plausible, as the value belief of the average person should be reflected in the politics and rules of the country. Therefore, a look at some formal institution could actually give insight into informal institutions. Formal institutions are conceptually different from informal institution. Similar to Hofstede and GLOBE's measures it will, at best, give a direction of cultural distance. It could potentially serve as proxy variables for culture, which are more measurable than many informal institutional variables. This will, in particular, be valuable in multivariate regression where the reliability on Kogut & Singh index has been questioned (Gollnhofer & Turkina, 2015). Assessing and creating variables to measure and describe formal cultural institution is a fundamental part of International Business. Variables such as GINI index, government consumption, military expenditure, health expenditure, school expenditure and tax rates can be interpreted as values for society as whole. Their numbers reflect, or ideally should reflect, what the population on average wants. The GINI coefficient describes income inequality across society and thereby reflects both opinions on individuality as well as some fundamental human values to next of kin. The GINI index for the USA is 45 (2007), which is the second highest for any developed country, only surpassed by Singapore which is demographically and geographically small in size and is a rather distinct country. Comparably Canada has a GINI coefficient of 32,1 (2005) and Denmark is 24,8

(2011), which is the 3rd lowest of all measured from the CIA Factbook (Central Intelligence Agency, 2016). This would confirm the hypothesis of Denmark and Canada having more similar views than Denmark and the USA.

Government consumption, together with variables such as taxation, health and school expenditure, give insight into the distribution between private and public responsibility and thereby the underlying values. Most distinct in difference is the high Health expenditure cost of the US compared to Canada and Denmark (Central Intelligence Agency, 2016). Canada and Denmark both have public health sectors along with private, showing a mutual value attitude towards the collective – thereby being considered a public good, whereas in the US it is considered a privilege of employment. Military expenditures also vary across the three countries, which can partially be interpreted as a worldview and what ones role in the world is. Canada has a military expenditure of 1.37 % GDP and Denmark has 1 % GDP, whereas the USA has 4.37 % of GDP around 4 times as much, (in percentage) as Denmark and Canada (Central Intelligence Agency, 2016).

In terms of law, Canada employs strict gun control law which is more similar to Denmark, and different from the States – however gun control law varies considerably across the States (Council on Foreign relations, 2016).

Denmark and Canada share a 3000 km border between the northern territories and Greenland. Ghemawat (2001) highlights in his article the influence on trade from sharing a border, and henceforth culture. Though this might be a stretch to apply here, as the cross-border activity between Denmark and Canada in that area is minimal. Furthermore, the legal bordering with Denmark might be a stretch compared to the actual bordering to Greenland, although it does show two countries working with many of the same issues, and thereby a commonality.

DEVELOPMENT OF MARKET KNOWLEDGE

Knowledge and knowledge generation is an integrated part of the internationalization process. The NBM is a knowledge development model, and the knowledge generation of culture would be neglectful not to include. The model differentiates between institutional market knowledge and business knowledge. Institutional market knowledge is a reflection of the institutional based view, whereas the business knowledge is grounded in the network view of markets and are all the specific market conditions affecting the company (Johanson & Vahlne, 2010). The model does not include firm specific resources and capabilities related to market entries, but instead vests these capabilities in the individuals making up the organization. This could potentially be a deficit of the model, and should potentially be explored in relation to literature on dynamic capabilities. The decision to vest experience in the individual and not the company does, however, give

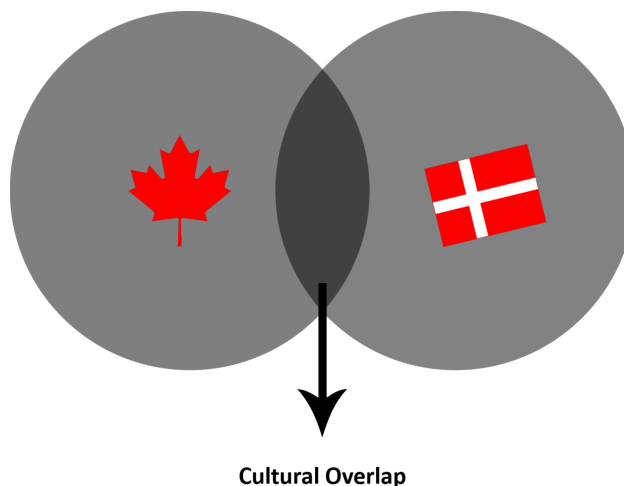
certain advantages. This was not part of the 1977 Uppsala model, which could not explain formations of International New Ventures (McDougall, Shane, & Oviatt, 1994). Including previous managerial experience gives the NBM an explanation for the beginning of internationalization based on individual's experience. This is supported by the conducted interviews.

The NBM categorizes culture, implicit in its categorization of psychic distance, as part of the institutional knowledge. This categorization is questionable as the institutional knowledge is argued to be learning of extant/tacit knowledge, whereas the business knowledge is considered experiential knowledge. I will argue that culture is not tacit knowledge, but contains a large degree of experiential and implicit knowledge and therefore is wrongly categorized in the NBM, and should be considered a part of experiential knowledge in the market. The wrongful categorization is probably a lack of attention to cultures specifically, as it is referred to inclusive in the psychic distance concept, which also include areas such as laws and rules.

LEARNING CURVES LEARNING, THE GENERATION OF KNOWLEDGE:

If culture is interpreted as an unknown market factor, then a cultural similarity reflects an overlap between two countries. This renders itself to 2 interpretations of the learning concept: 1) That the similarities between the two cultures (Dark Grey, in illustration 1) represent an area, which is already known, and do not have to be learned or 2) The awareness of the overlap of culture is unknown and represents an opportunity for faster learning, as it requires a recognition of differences, not new knowledge. The second interpretation suggests that there is a faster learning curve when cultural similarity is present.

Illustration 1: Overlap of national culture



Speed of internationalization is under researched (Chetty, Johanson, & Martín, 2014) Most articles have focused on what causes companies to internationalize at high speed and most definitions of speed of internationalization have been focused on time to the first internationalization (Chetty, Johanson, & Martín, 58

2014). Speed is defined as distance traveled over time. With respect to the original Uppsala model from 1977, Chetty et. al. develops a conceptualized measure of speed of internationalization. They suggest measuring speed of internationalization as a function of speed of learning (experiential market knowledge and speed of committing internationally (Chetty, Johanson, & Martín, 2014). This conceptualization was developed with respect to the original model, but is equally applicable to the new model and it gives a conceptualization of speed. This conceptualization expands across experiential knowledge in general. In testing of the concept it is found that International learning is more important than commitment and the conceptualized variable of speed of internationalization is positively related to long-term firm performance (Chetty, Johanson, & Martín, 2014). This supports an underlying assumption of the Business Network Model in regards to the dynamics of learning and commitment. This suggests that similarities in market conditions and culture can have a positive impact on firm performance. From the interviews with KDF and JDH, culture is expressed as a facilitator of trust and relationship development, which possibly could be related to both firm commitment and market learning's. That a firm feels more comfortable with increasing its market commitment with stronger relationships is no hard sell. Similarly, that good relations give access to increased market knowledge has a strong logical reasoning. This suggests that similarity in culture could be directly linked to speed of internationalization and firm performance.

A PERSPECTIVE ON RISK, UNCERTAINTY AND REAL OPTIONS: WHAT YOU THINK YOU KNOW VS. WHAT YOU KNOW

In business literature and particularly the internationalization literature, risk and uncertainty have been key factors. However, the large amount of literature on the area has an inconsistent definition of the two. Here is taken a Knightian approach to uncertainty and risk, with uncertainty being considered un-measurable and risk being measurable. This is an important distinction and relevant in the NBM learning and knowledge perspective – in particular when dealing with SME. When a company is faced by uncertainty, it means it cannot assess the implication. Opposite when a company is faced by risk, it has a reliable estimate of the implications. SME enterprises internationalization efforts are often constrained by resources. Such resource constraints are either explicitly known, or at least implicit to the degree where it jeopardizes the established business (Schweizer, Vahlne, & Johanson, 2010). The smaller the company, the greater are such constraints. Entry modes have been presented in the literature as a choice between high vs. low commitment or equity vs. non-equity. This distinction has been empirically inconclusive, finding opposite directional relations between companies faced with uncertainty and risk and their choice of entry mode (Ahsan & Musteen, 2011). For smaller companies, the presence of uncertainty can be discouraging for further pursuit of internationalization due to the risk to the established business. This explains why particular-

ly SME tend to go with opportunities, where uncertainties have either disappeared or been degraded to risk, where the company has a reliable estimate of the impact. Following a client abroad gives some guarantee for revenue, references and the ability to build a track record. The greater the trust and relation these companies have, the smaller company might increasingly trust their partners assessment of the market on their behalf (Johanson & Vahlne, 2009). Cultural uncertainty has a property which is very distinct from general uncertainties such as legal, demand and most other kinds of uncertainty. Where many other forms of uncertainty can be measured, estimated and calculated through research, the inability to measure culture means that cultural uncertainty can only be decreased through experimental learning in the market. Henceforth, cultural uncertainty is harder to control. Culture also suffers from a double-sided problem, that culture has emic properties, which means that there can be unique cultural elements, which relevance's are not know until presented with them. This means you are unable on forehand to distinguish between relevant and irrelevant data, and unable to predict accurately due to lack of information (Ahsan & Musteen, 2011).

If operating in an environment with uncertainties, companies respond in their strategic approach, to retain the exposure to a degree which is considered an affordable loss. In 2010 Schweizer, together with Johanson and Vahlne elaborates on this element of the NBM and compares it to entrepreneurship (Schweizer, Vahlne, & Johanson, 2010). In the entrepreneurship literature, the approach to knowledge is worked with as a continuous verification of assumptions to graduate decrease the risk and uncertainties faced (Ries, 2011; Mullins & Komisar, 2009). The logic behind this approach is formidably explained by a quote from Mark Twain, despite its obvious lack of contextual relevance.

"It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so"

- Mark Twain

This renders itself to the perception of knowledge and the difference between actual knowledge and perceived knowledge. In culture, the perception of knowledge is a particular risk as many of our own fundamental assumptions are not obvious to us. The uncertainty of faulty assumed knowledge in entrepreneurship cannot be measured up as affordability in losses, as it is not measurable to the company. The importance of this is easily illustrated by some of the most costly flawed assumptions in market history, most prominently the assumption of the American housing markets continuously upwards trend leading to the global financial crisis in 2008, or the previously mentioned Star TV case which assumed Asians would accept North American TV as a cornerstone in the business model. To avoid such flawed assumptions, entrepreneurship works with a method of fast learning cycles and the confirmation or rejections of these funda-

mental assumptions (Ries, 2011; Mullins & Komisar, 2009). As a result, large companies have now started to reward mistakes if they result in learning's which avoided even bigger mistakes, such as P&G "heroic failure award" and Google X-lab (Morgan, 2015).

This approach to knowledge represents the difference between an assessment of acceptable risk and actively working with the gradual removal of risk. Here I will relate myself to another quote of this different perspective on risk. Warren Buffet, the Oracle of Omaha, applies a fundamental different approach to knowledge and risk than is taught in business and finance. First of all, he invests in business that he understands, which requires knowledge, as he sees risk as a result of not knowing what you are doing. But even more important, he describes a different way of thinking of risk from an informed point of view, compared to business school risk diversion.

"I cannot understand why an investor of that sort elects to put money into a business that is his 20th favorite rather than simply adding that money to his top choices -the businesses he understands best and that present the least risk, along with the greatest profit potential. In the words of the prophet Mae West: "Too much of a good thing can be wonderful."

Warren Buffett. The essays of Warren Buffet p. 79 (1997)

The point here is that it is safer to go with something known basing decisions on knowledge. In relation to culture, working in a familiar environment will potentially make your assumptions more accurate and there is less risk of making costly faulty assumptions. As internationalization is a long-term game, the gradual development of knowledge and getting it right the first time can result in a faster expansion in the long run.

When engaging in internationalization, the objective is to pursue some kind of benefit to the company. The focus on risk and uncertainty focuses on the downside risk of the internationalization, however the goal of internationalization is to pursue upside potential, regardless of its form and the mode. When you look at the antonym for risk, it will say: safety, but in an internationalization context we do not want safety but rather reward. Reward with safety would be nice, but so far I have not heard about such a business venture – unless you are following a client into a new market. In such a case the uncertainty and risk might be low and your reward positive. The real value, however, is in the option to develop your business further. Therefore, risk, uncertainty and real options should be considered holistically in internationalization strategy.

THE VALUE OF REAL OPTIONS IN ENTRY STRATEGY

Real Options is the evaluation techniques of strategic options, but not obligations. It thereby recognizes that the option to do something, such as an expansion – or for that sake, a scale-back, has value. In general

there are 3 kind of options: 1) abandon 2) expand 3) postpone (Stern & Chew, Jr., 2003). Each different kind of option is directly applicable to entry strategy decisions. The option to abandon a project at a minimal and low cost has value to a firm as it diminishes its uncertainty and caps the level of risk. Such an option can be obtained by creating a small entry, focused on exporting or licensing, where the company has substantially limited risk at stake. The original Uppsala model does implicitly have a strong degree of this function built in its terminology of market commitment, as market commitment is defined not just as the resources committed but also with the degree of commitment of the resources. Large amounts of resources, which can be pulled with little cost is not a large commitment (Johanson & Vahlne, 1977). 2) The option to expand can be negotiated in with a potential licensor, with a buy-out agreement, or with the buy-out of a joint venture. The Uppsala model and the NBM also have the implicit notion of expansion as the market commitments, which are undertaken are consequently built on a stronger foundation of knowledge. Thereby minimizing the risk. And 3) The option to postpone an already planned investment or scale of entry also has value, particularly in relation to risk and uncertainties, which was not considered likely or important. This could go for natural disasters or sudden changes in market conditions. Events such as the recent decrease in oil price, as a result of fires in oil fields which has the potential to create short term economic slowdown, and substantially changes NPV of investments.

CONCLUSION

The nature of the study and the concept of culture means that the evidence presented is suggestive and does not present any conclusive results. Some of the suggestive results do seem compelling and adheres to a theoretical framework and logical reasoning as well.

HYPOTHESIS 1: THAT CORRECTLY MEASURED CANADA IS CULTURALLY CLOSER TO DENMARK THAN THE U.S.

Culture and the measurement of culture have no uniform definition and limitation in the literature. This presents challenges for the estimation of culture, and cultural distance. Evidence points to the fact that cultural variation might be greater within a country, in the form of urban/countryside than across countries. Similar evidence suggests that cultural differences vary among social and business culture. Despite the challenges 3rd party data from Hofstede, GLOBE and the World Value Survey confirms hypothesis 1, that Canada and Denmark are culturally closer than Denmark and the USA, as measured by cultural distance and fundamental values. The Value estimates shows that the similarity in answers between Sweden and Canada is 45.5 % of the answers and 53.5 % similarity between Canada and the USA. Thereby predicting a greater distance between the U.S. and Canada than the other frameworks.

Values can be indirectly reflected in institutional measures. Looking at selected institutional measures also suggested a similarity between Canada and Denmark.

In-depth interviews also supported the general belief of Canada being closer to Denmark than the U.S. Particularly the interview from Canada rendered great support for such a hypothesis.

Conclusion: It is considered highly plausible that Canada and Denmark share stronger cultural ties than Denmark and The U.S. it is considered likely that Canada and the U.S. shares the greatest amount of cultural similarity.

HYPOTHESIS 2: THAT CULTURE IS A RELEVANT FACTOR IN MARKET ENTRIES

The relationship between culture and entry strategies is more complex than the initial research question rendered. Overall, cultures are considered to impact the entry process in two ways: 1) The inter-personal relationship development and the building of network and 2) The degree of cultural sensitivity of the product.

From interviews it is suggested that culture, and shorter cultural distance is an enabling factor in developing relationships, positively influencing internationalization. This was further supported by case interviews

with two companies. Cultural distance is not just a question of distance, but its importance is moderated by Home and Host country factors. Canada's openness and multi-cultural attitude is a moderating factor presumably having positive effect. Several other factors of Home and Host country nature is expected to exist as well. Factors moderating the relationship of cultural distance likely extend to the level of the individual.

The relationship between cultural distance and effect on entry strategies might not have a linear effect, as very small differences are subject to a perceptive bias, which can make people overlook differences. A bias from the individual might expand into the knowledge, and assumed knowledge of another country. This means that perceptive measures of cultural distance might be better for accurately predict the influence of culture on entry strategies.

It is found that culture influences products differently, so the potential advantage, or disadvantage in entry strategies is dependent on the nature of the product. Illustrated through the differences of fashion products, Concrete component and parts for windmills. This suggests that cultural sensitivity varies across B2C and B2B, Consumer products is likely to have a higher degree of cultural sensitivity.

Conclusion: It is considered likely that culture positively influence internationalization strategies, The effect of culture is stronger for companies with products witch are cultural sensitive.

CANADA AS AN ALTERNATIVE ENTRY STRATEGY

That Canada can serve as an alternative entry country into the North American market is considered highly plausible, particular for SME, as cultural similarity can help mitigating uncertainty. This relationship is moderated by the conditions mentioned above as well as any unique industry or business elements. Canada presents similar cultural values and has openness in the society, which can benefit companies in developing networks and finding opportunities. The smaller market size can also benefit companies' penetration and required capital. The inter-relation with the American market will, for some products, be relatively easy to exploit, but harder for others. Differences between social and business culture in their ability to transcend border will influence such, but the influence is not clear from this study. Though an initial establishment in Canada will work as a foundation for building network ties across the border and generate market knowledge.

FURTHER RESEARCH

The interviews and following discussion opened up several new research areas, which would benefit further research, both in relation to Canada as an entry country, the relationship between market entry and culture and cultural research clarification of the concept of culture will have a broader appeal. A multidisciplinary study, with the aim of creating a unified framework and definitions based on aggregated knowledge seems to be a cornerstone in moving forward.

In relation to the influence of culture on entry strategies has 3 main areas: 1) research into difference/similarities between social- and business culture would greatly increase the understanding and knowledge base. 2) Studies of cultural sensitivity of products 3) Studies into the influence of personal bias and perception on culture among managers.

The difference in measuring culture suggests that further research focusing on indirect measures might be of interest. Cultural research could look at leveraging big data, such as social media, media consumption with geotagging would offer brand new perspectives on cultural variation. This could shed light on the difference between region/country/urban/suburban and countryside cultural differences.

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APPENDIX

APPENDIX 1 –INTERVIEW GUIDELINE

Businesses in Canada/USA:

- You have been working in the consul in LOCATION for how long _____
 - Did you have experience with COUNTRY and the COUNTRY market prior to this? ____
 - Can you mention some of the biggest surprises to you between what you expected compared to reality?
- Have you had other experiences with living/working in foreign countries? - and henceforth-different cultures. On what point does COUNTRY differentiate the most?
- What do you consider the general reason for companies choosing COUNTRY as a market?
- What do you consider the biggest barrier for companies choosing COUNTRY as a market?
- What is the greatest need (thereby opportunities) in the COUNTRY market in the short term?
- What is the greatest need (thereby opportunities) in the COUNTRY market in the long term?
- Is it your experience that companies actively compare the choice between USA and Canada?
 - Do Danish companies tend to focus geographically on one area? – Why?
 - Which area in general do you see most appropriate for Danish companies? Why?

Canada-American relations:

- Do you see companies entering Canada first standing favourably to enter the American market compared to entering from Denmark?
- How do most Danish companies enter COUNTRY? (mode/entry/network)
- Denmark and Canada share a 3000-kilometre border, do you think this impacts Danish-Canadian relations?³

CULTURE

- What role does culture play in companies entering COUNTRY?
- What considerations do you at the consulate give culture, and how do you work with it? What tools do you use?
- Do the companies consider culture? Why/why not?
- How do you think NATIONALITY sees Danes on average?
- And how do you think Danes see NATIONALITY?
- What provinces/states do you see as most similar to Denmark on a cultural level?

³ Canadian Specific

- If you should describe NATIONALITY culture how would you do that?
- What do you think the meaning to NATIONALITY of: NATIONAL SYMBOLS are?

APPENDIX 2 EXAMPLE OF CROSSTABS, WORLD VALUE SURVEY

The Cross tabs uses the World Value Survey, 5th Wave results. The 81 questions used are: 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 23, 44, 45, 48, 50, 51, 52, 53, 54, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 69, 76, 77, 78, 79, 90, 91, 92, 93, 94, 104, 105, 106, 107, 111, 112, 113, 116, 117, 118, 119, 121, 122, 130, 131, 133, 134, 135, 137, 138, 142, 145, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 175, 187 and 209

The WVS Interview guideline describing the questions can be found on:

www.worldvaluessurvey.org/WVSDocumentationWV5.jsp WV5_Questionnaire_RootVersion.pdf

The following is an example of a crosstabs between V23 and country variable. This was reproduced for all 81 Questions. They were then coded according to the two dimensions: 1) Greater similarity in response between Sweden and Canada and 2) Greatest similarity in response between Canada and the USA.

In the case of V23 it was coded In Quadrant 1, as the answers between Canada and USA are of the greatest resemblance, but that the Swedish and Canadian answer are the most similar than the Swedish-American answer. Example of Cross Tabs:

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Most people can be trusted * Country/Region	4364	98,8%	52	1,2%	4416	100,0%

Most people can be trusted * Country/Region Crosstabulation

% within Country/Region

		Country/Region			Total
		Canada	Sweden	United States	
Most people can be trusted	Don't know	2,5%			1,2%
	Most people can be trusted	41,1%	68,0%	39,6%	46,6%
	Need to be very careful	56,4%	32,0%	60,4%	52,2%
Total		100,0%	100,0%	100,0%	100,0%

APPENDIX 3 - TRANSCRIPT TORONTO

How long have you been in Canada and how long have you worked for the Consulate in Toronto?

I moved to Canada in 2006 and I worked for the consulate here for most of the time, but I also worked for management consulting here in Toronto for a couple of years.

OK

So I have worked in a Danish setting and in a Canadian based Toronto company. I do have the two experiences here, and can tell it is definitely two different workspaces.

Do you have other international experience?

No, not professionally.

I lived in Paris for a couple of years, studied international relations in Paris for a couple of years but I haven't worked there.

Alright

Can you mention some of the biggest surprises to you between what you expected compared to reality with your almost two years of experience?

I don't think I was aware how multicultural especially Toronto is. I don't know if it was surprising, yes it was surprising; there is a lot more multiculturalism than I had expected. I was also pleasantly surprised with how easy it was to integrate as a Danish person in Canada.

Improvised question: do you think it is particularly because you are Danish or because of the society's openness that you found it easy to integrate?

I think it is a mix, the society is very open they are used to immigration. Especially in Toronto, which you have to keep in mind, is very multicultural. So coming from somewhere else is exciting and you talk about it openly, you are seen as a friend, nobody think twice about a name which doesn't sound Canadian or an accent, so it is not as prohibiting as it would be somewhere else. Like, even just living in Paris was much tougher getting integrated into the society there. But also the Danish culture and the Canadian is very similar, and a similar social structure that we are used to so it's not a culture chock.

What do you consider the general reason for companies choosing Canada as a market?

That's a very broad question, and it ranges from. (Pause) We work with companies which has moved because they have a customer which moved here, on that level, industries that are involved in any kind of primary industry, which there are huge resource in Canada, so anyone working with anything wood oil natural gas, Canada is a very obvious market to look at for these.

It is further away than most of our other comparable markets in Europe, but it is a market where you can get by with English although there is a French part, you can speak English. The culture is very similar. It has a lot of the same basic regulation we are used to. A lot of the market conditions are similar to our own market I think that's why a lot of Danish companies look over here. Some have a broad interest in North America, but maybe this is a little more of a softer start into the North American market because of the more Scandinavian based structures that are in place.

What do you consider the biggest barrier for companies choosing Canada as a market?

Biggest barrier would again be, - There is the obvious, which is distance and time difference. Even though the world in many ways has become smaller Canada is still far away, you have to invest a lot of resources to be present in the market. There is a 6 hour time difference to the mid country which is the Toronto area, but if you are doing any kind of business on the west coast you got a 9 hour difference which becomes very difficult in terms of Danish office hours, so that's a very practical area.

Then of course in certain industries there are different certifications, there are different rules for anything that's electrical or, depending on the industry there are specific market condition that you need to know of, that can sometimes be costly.

Do Danish companies tend to focus geographically on one province or area? – Why?

Hmm, most of the economic activity is centered around Toronto and Montreal. So I guess central-east Canada. Unless you specifically work in mineral and gas you are more likely to work in the Toronto - Montreal area, the other benefit to that geography is that we are 1 hour away from 75% of the north American population, new york, Chicago and all the big cities there. So if you have any cross border activity this is really the economic hub.

Is it your experience that companies actively compare the choice between USA and Canada?

Hmm. Again it really depends on the companies. Hmm. many of the companies we work with has con-

sciously made the choice to work in Canada and it is usually grounded in sort of a strategic choice that relates to the kind of product they are offering, we have a lot of big Danish companies that everybody will know. Greener products (Rockwool, Velux, Grundfoss, Danfos) they have specifically chosen because they have a product there is demand for and they have actually grown into the states many of them.

Do you see it as a strategic choice to enter Canada, in order to later enter into the States?

For some it has been, some have had more presence in the US, so it really depends on the product. Rockwool has set up production in Canada, 30 years ago when they set up, now they have open up production in the states as well and has grown a lot, and the production they have in Canada can't keep up with the north American demand. So they are HQ in Canada for all of NA, but Grundfoss is HQ in Kansas. Often times it springs from the first contact they have, if they are based in Canada or based in the US. For a lot of developers that have construction work and contractors you work both in states and Canada. Whether they are based out of the States or Canada determinates on where the Danish company wants to go. A lot of the companies that has contacted us, - to set look at production facilities, set-ups, partnerships, distribution channel or are coming because they have a major client and they want to be close to them. So if they are based in the states they are more likely to follow them there.

Do you see companies entering Canada first standing favourably to enter the American market compared to entering from Denmark?

Sure, absolutely, they will already have had the North American way of doing business; it is just slightly different than the Danish so they will already know that if they are in Canada, they will know the market. The market are similar and very interconnected, the us is what Germany is to Denmark so most of the trade and relations are with the us, so of course they will already have developed a network if they have been in Canada. But the same goes the other way around if they have been in the US, they have a lot of advantages to coming to Canada. Because they can already prove they have done business in North America. So it works both ways I think. There are some things which can be daunting for Danish companies in terms of the legislative system is different here than it is in the US and it is more like the system we have in Denmark. So working with insurance companies to insure your business is maybe a little more straight-forward in Canada. Not that it is impossible to the US, there is a lot of care, if it is a real threat I don't know, but the scare of the lawsuits, we have all heard about the North American lawsuits, but they don't happen here because we have a different legal system.

Denmark and Canada share a 3000-kilometre border; do you think this impacts Danish-Canadian relations?

Yes, it does I wouldn't say in everyday business, but we have a lot of joint interest in anything that are Nordic activities and then within mining specifically there are a lot of up joint interest- so it definitely helps I wouldn't say that it makes a big difference, but it does place us somewhere in the grouping of neighbors in the Canadian mindset. But specifically favorably for the areas that have activity in the northern part.

So as I mentioned to you initially, the assignment is about culture and cultural differences, which I will focus a little more on.

How do you think culture influence companies entering Canada?

I don't think it is a conscious major consideration, I don't think companies think very much about culture, but I think the reason why they don't is because it so similar. So I think it is a huge help that we do have a very similar culture and I think ... so if your are confronted with a market where the culture is very different you would think more actively about the way you deal with culture, where here you are not so choked or confronted by another set of cultural norms, so I think it is very helpful because it gives us a joint platform to work, but I don't think Danish companies are aware that it is so helpful. I think it is sort of - they probably are considering Canada because its very similar doing business. But I don't think they are choosing Canada because of it, I think it is part of it but I don't think they are very aware of it.

Do you think the choice of Canada is it based on research or what? Do you think they find that Canada is a good cultural fit? – You also said there was a lot of companies following clients?

No I don't think that it is cultural, unless you work with a product that is exposed to immigration or things like that. No I think it is more question of market growth, demand, access, legal barriers and then culture is definitely an enabler. It is just it is possible for a Danish company or a Danish business person to reach out to a Canadian person and not make any sort of cultural mistakes that can inhibit a good collaboration. That being said it sometimes can be a little too familiar. In terms of business culture is a bit more formal, quite bit more formal than we are used to from Denmark, and a little bit more leaning towards the American side, and because it is not quite American Danes think that it is very Danish and they sometimes forget to adjust, we try to help but it is one of those areas where it is almost to familiar that they don't recognize there is a difference.

What considerations do you at the consulate give culture, and how do you work with it? What tools do you use?

We do. With each of our client we do prepare them for meeting. So when they come to Canada, of course we talk about market, sales and all the technical things. but we also do a sort of the softer preparations, talk to them about how are meetings usually held, what should they be prepared for, how should the dress. How they should they interact. Danes are often quite direct, and Canadians are quite polite. The biggest challenge is in the follow-up. In Canada it takes a lot more calls in follow-up, in Denmark we are very direct and we also say no when we mean no, and say yes when we mean yes. Where here it is a little bit more, you don't want to close doors and you are interested, doesn't necessarily mean that you want to do business. That can sometimes be difficult for Danes to read, we are very direct in Denmark.

How do you think Canadians see Danes on average?

So - generally Canadian really like Danes, Canadians really like Scandinavians and they find us very similar, but they are also- they see us a little more socialist, with a smile and a giggle. We are socialist; we look after everybody over there. But they also do find us direct to sometimes rude.

OK

Its like, on a personal sense in term of meaning and interaction we get along very well in a social setting, when we sit down in a business meeting they sometimes find us rude - which is interesting. So you have to navigate that. I didn't realize that until I worked for a Canadian company. So Danish colleagues that work in Canadian companies often prepare their colleagues when they meet with Danes - just so you know they can seem a little direct, a little rude, but they don't mean anything about it. That is actually often a preface that Danes being introduced with other Canadians, - and I don't think of us as a very rude people, but we can be perceived that way, so that is the only part where we ... there is a little bit of a difference that I don't think we are aware of.

And how do you think Danes see Canadians?

Very open, very welcoming, maybe with a tendency of a stereotypical loudness of Americans (North Americans). In Denmark we have a tendency to downplay some of our personal or products benefits, where as they are not affright of tooting their own horns, and I think Danes laugh a little of Canadian for that, but generally very open, very interesting. It is not difficult to get the first meeting, the introduction. Where I think they get confused in the follow-up - if they were so open and interested, why aren't they buying my

product?

Ok, What provinces do you see as most similar to Denmark on a cultural level?

Ontario, British Columbia, Nova Scotia would be the top 3. AB is a bit more cowboy-American in their mindset. Manitoba is very - you can draw a parallel to Jutland. QB is just a little bit of a world in itself. The territories I think is a different category, very different kind of activities, very different challenges. They don't have bigger cities, - not very urban. They have the native people. Very special, very different, in their own world.

Improvised Question: You just mentioned BC but you also say DK companies don't seek BC?

I think main reason is the 9-hour time difference to manage, and travel time is almost as far away from Denmark as the Asian market geographically. In terms of mindset they are more socially inclined, like we are in Denmark. They have more green target and legislation, they are actually very - they are more similar than most places in Canada but they are far away- even from Toronto we have a 3 hour time difference and 5 hour flight. - Sometimes I think we forget how large Canada is.

So this is a hard question, and a little more abstract. But very interesting.

What do you think is the purpose of symbols such as the moose, maple leaf, beaver and Tim Hortons to Canadians?

(Long pause) This is the same meaning as we assign to it, national symbols, they are proud of them. It means a lot to them. For them it is also symbols of how they differentiate themselves from the states. I think they mean to Canadian exactly the values we assign to them. National symbols like our "Pølsevogn" and "soccer" used to be and hmm....

And I forgot to mention hockey...

It is major. It is a joint interest that anybody can get involved in and everybody does. There point of pride.

Okay thank you very much for your time.

APPENDIX 4 - TRANSCRIPT CHICAGO

hvor længe har du arbejdet på konsulatet i chicago?

til sommer 5 år

Hvad er din uddannelsesbaggrund?

Cand. Merc IB fra Aarhus

- Hvordan endte du op med at arbejde ved konsulatet i Chicago?

jeg kom herover som del af et praktikant/internship, og så blev jeg tilbudt kort derefter at blive et år mere, og så er jeg sådan set siden da blev tilbudt nye stillinger og mere ansvar. min baggrund har selvfølgelig været min uddannelse. udover det tror jeg det at jeg blev udvalgt som praktikant, hvis det er det du også spørger til? jeg havde allerede været en del i udlandet og haft noget relevant arbejde ved side af min uddannelse også.

Jamen det var en blanding af det. Havde du erfaringer inden dit arbejde på konsulatet med det amerikanske marked? eller internationalt i andre lande?

Ikke specifik det amerikanske marked, men jeg har arbejdet et år i Spanien og udveksling på bacheloren i Hong Kong. Jeg havde ikke som sådan noget kendskab da jeg kom over for 5 år siden til det amerikanske marked. men ud over det så har det altid været en interesse i forhold til energi og vindenergi, og tror også det var en del af det. jeg synes specifikt at vindenergi var interessant den gang jeg kom.

hvis vi prøver og tænke lidt tilbage kan du huske nogle af de største overraskelse i forhold til det danske marked som du har oplevet?

Den største overraskelse som nok er lidt kliche det er størrelsen på markedet. hvor stort det egentlig er. også når man kigger på hvordan amerikanske virksomheder er struktureret.

Det er jo en hel region i forhold til Europa og andre steder. - så på den måde er man meget kasseopdelt på regionerne. Det er også en anden overraskelse, at internt i organisationer er meget hierarkisk opdelt, typisk, i forhold til vores flade danske organisationer. En anden ting man er blevet meget opmærksom på er, - det kan godt være at man har referencer fra andre lande og Europa. men amerikanske virksomheder er tæt på ligeglade med mindre man har erfaring fra USA med det produkt eller service man vil levere.

er det fordi det er så anderledes eller fordi di ikke anser referencer fra andre lande for noget?

Det er et godt spørgsmål. jeg tror både det er kulturelle ting og så tror jeg også det er en test, det her med at i har leveret. for nogle gange er der virkelig ikke nogen forskel hvis man forestiller sig at man leverer et specifikt produkt til en vindmølle, om en vindmølle står i Europa eller USA. men det er klart at de amerikanske virksomheder gerne vil se noget investering i markedet inden de giver en ordre. Ellers skal det være en utrolig værdiskabende løsning for at de vil købe noget der ikke allerede er installeret et sted i USA.

Hvor pressede virksomheder på størrelsen af den kapital der måske skal investeres?

ja, det vil jeg egentlig ikke sige er nogen udfordring, helt overordnet. De fleste danske virksomheder er veldrevne, og er stærke i forhold til deres nøgletal. lige præcis størrelsen på dem tror jeg mange gange er en fordel, fordi de er mere fleksible end deres konkurrenter i USA. Netop fordi de er lidt mindre og kan tillade sig at fokusere. Når man umiddelbart etablere sig skal der meget lidt til, selvfølgelig afhængig af industri og hvad man laver, men overordnet set ikke nogen stor udfordring og der er kreditfonden som er gode til at støtte med kapital i forhold til projektf finansiering.

Og du har primært været inden for vindenergi alle 5 år? Og gælder det også for andre amrkedet eller er det svært at udtale sig om for dig?

Jeg sidder som en del af energi og miljø team. I de andre industrier er det meget det samme der går igen. vi sidder også med fjernvarme og spildevand og drikkevand. Det er nogle af de steder hvor der er løsninger i Danmark hvor der er kæmpe potentiale i USA.

Og det er primært B2B?

Det er det i det team jeg sidder i, som netop er energi og miljø. der er også firmaer som går direkte til kunder, men typisk har du en utility/ energiselskab, der leverer ud til slutbrugeren. men vi har også 5 kontorer i alt i USA. der har vi selvfølgelig også industrier i NY med fashion og andre ting. Silicon Valley har vi life-science og clean-tech. Det er ikke fordi vi ikke har de industrier, men overordnet er der meget fokus, i hvert fald for det her team på B2B.

Hvor geografisk bred dækker du eller er i industriopdelt?

Vi dækker hele USA. vi er industriopdelt men dækker hele USA. vi er også begyndt at arbejde meget tæt med Canada at vi sådan set dækker NA. men vi er industri opdelt, vi er et team på 6 personer i Chicago og vi dækker hele USA både på landmøller og havmøller.

Hvorfor vælge danske virksomheder USA som marked?

Helt overordnet hvis vi tager fuglebriller på, hvis man kan sige det. - så er dollarkursen i løbet af de sidste par år. Den har gjort utrolig meget for danske virksomheder. Det er klart det er en overordnet ting, men det har været noget der har gjort, at allerede før hvor danske virksomheder var konkurrencedygtige, så er de blevet ekstremt konkurrencedygtige med den kurs.

Derudover. Overordnet så er det jo det største marked næsten lige gyldigt hvad du laver. Hvorfor man vælger det, inden for vind specifikt, - der er det, det største marked rent potentialemæssigt i kr. eller dollar, også selvom de i Kina har mange flere vindmøller så er der ikke samme potentiale for danske virksomheder. Man har ikke samme incitament i Kina til at holde vindmøllerne lige så profitable, hvor man i USA har det der hedder "Production tax credit". Hvor man for hver kilowatt der køre igennem får ejeren nogle penge for det. På service og vedligeholdelse element inden for industrien er der et kæmpe incitament til at holde vindmøller kørende og der er mange danske virksomheder der rammer det segment. Jeg tror mange gange, måske også lidt teoretisk, der er mere et pull fra en større kunde. Det har vi også set for vind, og det kan man også se inden for andre industrier. At man på en eller anden måde bliver trukket herover. særligt når det er en global industri, vindindustri, det bliver det forventet af de store kunder. hvis ikke man kan levere i USA så kommer man også til at miste marked på hjemmemarkedet.

Hvad er de største problemer på markedet, barriere?

Åbenbare barriere, den beslutning sidder vi jo tæt på, med de problemer udfordringer og barriere der er. Helt overordnet så er det som vi ser lidt for mange gange er problemet det er, at måske prøver lidt til, men at de rent faktisk ikke satser helhjertet. Når man er 7 timer væk herfra Chicago fra central time i DK. hvis man starter op med en mand, men ikke har givet ham det helt nødvendige budget, for eksempel ikke har været helt sikker på hvilken del af den danske/europæiske organisation støtter ham i hans projekter og det han skal i gang med. Så kan det godt falde sammen. Det er ikke nødvendigvis potentialet der ikke er der, men det forkerte set up og forkert prioritering i forhold til markedet. Nogle gange ser vi også virksomheder der skal lære at fokusere. man kommer fra danmark - virksomhederne sige vi kan x-y-z-æ-å. Hvor i USA burde de måske starte med at sige vi kan Z. Det danske perspektiv er lidt at vi er gode til alting, men det skarpe og lidt mere fokuserede strategi er hvor vi typisk er bedre. Så kan man altid bygge lag på senere. Her handler det meget om business plan. ROI. hvis man skal købe et produkt inden for B2B så skal det være ret hurtigt tjent tilbage. En anden ting der er ekstrem vigtig er lokale reference, og den får man ikke hvis man ikke går ud med sit allerbedste og laver en track-record. Derfor skal man være virkelig skarp på hvad man er god til og få lavet en track-record. derefter kan man bygge på.

Så det er noget med at bygge netværk op derovre?

Det er helt klart. Det er også sådan helt amerikansk, antal af konferencer og seminarer og den måde at lære industrien på er ekstrem vigtig i USA. I forhold til det her med netværk, det er ekstremt vigtigt, og der er også det der gør at vi kan skabe en masse værdi for danske virksomheder, fordi vi netop prøver at være en platform, for en nem og simpel indgang til USA, fordi vi har et kæmpe netværk inden for industrien. Så vi selvfølgelig bygger på hele tiden, men den bedste måde at forklare det på er at den første, anden og tredje gang du sidder overfor dem (amerikanerne) - måske den første potentielle kunde og har rigtig gode møder med. Der ser de dig typisk set stadig an, med mindre de har en udfordring med et produkt du lige kan løse, men typisk er det ikke sådan man laver salg, men at man har en anden løsning hvor man er marginalt bedre. men det er først 5-6 gang at man viser, nu er man her at de begynder at stole på at så er du her også om et år når der er problemer med løsningen. så det kræver en del mere tid og relationer end det gør i Danmark

Hvor svært er det at få de første møder, er de generelt åbne eller lukkede?

Der vil jeg sige, at det overordnet set. -- Ofte skal vi have folk der er ret højt oppe i en hierarkisk organisation, men jeg vil faktisk sige at det er relativt simpelt. forstået på den måde at amerikanere, hvis du kan give din value proposition på 30 sekunder, og være skarp på hvad du vil, så kan du nærmest få lov at snakke med direktøren for virksomheden hvis det er relevant for virksomheden. Der føler jeg faktisk i Danmark, der kan det godt være svært. Det tager meget lang tid før man kommer igennem i Danmark. Hvis man har nogle relationer kan man meget meget hurtigt komme til at snakke med de helt rigtig folk, men når man så er der så skal man også være helt skarp.

Så som jeg kort sagde så handler min opgave og kultur og om USA og Canada og virksomheder valg af entry. har i fornemmelse af om virksomheder vælger aktivt om det er USA eller Canada?

Det er helt sikkert noget de snakker om. jeg kan jo så se det lidt udefra fordi vi har et internt system, og jeg kan se hvilke virksomheder der måske prøver til i Canada eller USA først. Overordnet så handler det meget om har man allerede en kunde eller nogen man allerede er lidt langt med i enten Canada eller USA så er det der man starter. det er sådan jeg umiddelbart vil sige det, men inden for vind som er et meget større marked – der ser vi de fleste starte i USA og så kan man altid levere ind i Canada. de fleste virksomheder ser også Nordamerika som et marked, men de fleste vælger at etablere sig i det største marked. Jeg ved nærmest ingen ting om Canada, men jeg ved at et af deres argumenter hvorfor Canada giver rigtig god mening er netop det her med at det kulturmæssigt ligner lidt mere danskere end måske amerikanere gør, og det er et lidt mindre marked, som minder mere om et europæisk marked end det amerikanske marked gør.

Det er netop det jeg kigger på, påstand om at Canada er mere sammenligneligt, men at der ikke rigtig er bevis for.

min vurdering er at der kunne godt være lidt, men jeg tror ikke nødvendigvis ikke når det kommer til stykket så handler det om forretning. Selve etablering, det at starte op er ikke særlig besværligt i USA. De danskere vi snakker med, -- det kan godt være at man er meget forskellige kulturelt, men man er også meget nysgerrig. Så hvem ved, men det kan godt være forretningsmæssigt det er lidt mere lige til. det er et spændende spørgsmål at udforske.

Tror du det er en fordel hvis man har været i Canada og skal til USA, eller omvendt har været i USA og skal til Canada?

Helt sikkert. Helt sikkert. Uden tvivl. de lektioner man lærer, om man går ind i Canada først eller USA først, de lektioner; for mig at se er de største udfordringer meget internt om organisationen der ikke er klar til den forskel, og på at levere den nødvendige ressource og prioritering fra hovedkvarteret til den man sender ud. om man gør det i CA eller USA det tror jeg ikke er den store forskel. Så jeg vil tro det er meget, meget smertefrit når man går ind i det næste marked.

Nå nu vil jeg gerne snakke lidt mere specifikt om kultur. Overvejer i kultur, når i rådgiver? er det noget i arbejder med? er det noget i måler på på nogen måder?

Det er bestemt noget vi til dels rådgiver om. Sikkert mere indirekte end direkte, for det er ikke noget typisk virksomhederne kommer til os om. Men det er nok noget vi prøver meget at sikre os at de har forstået forskellene. Når vi så har opfølgende snak i forhold til de udfordringer de har på markedet. Nogle gange er det bare analytiske udfordringer, så er det lidt specielt at sætte et slide ind med kultur, men ofte kommer disse diskussioner om kulturforskelle også meget når man bare snakker med dem. (Danske virksomheder)

Så organisationerne er ikke så opmærksomme på dem (kulturforskelle)?

Det er svært, fordi vi har jo med folk at gøre, som måske ikke har lavet andet end at rejse hele deres liv. Måske har boet 10 år af deres liv i USA til folk der ikke rigtig har nogen erfaringer i USA. Så dem der har boet her selv de er fuldstændig opmærksomme på de her ting. så hvis vi snakker med dem som faktisk arbejder herovre, de er meget opmærksomme på det - også dem som ikke har nogen erfaring. de er meget opmærksomme på det. Vi har en del etableringer det kan være forskelligt scope, men hvor vi hjælper med at få etableret det setup de skal have herovre. Der vil jeg sige endnu mere dem som ikke har erfaring fra USA de er fokuseret på at lære omkring hvad skal jeg være opmærksom på. Det handler meget om kultur-

forskelle. Så kan man tale om kulturforskelle, men det handler generelt om forskelle - der er mange forskelle så som bankvæsen, men også kulturforskelle og så får vi spørgsmål ned til tekniske ting. – ”er det en god ide at vi stadig har billede på vores business Card for det har vi i Europa, vildt et blive opfattet forkert i USA.” dem der ikke har meget erfaring herovre er meget fokuseret på kulturforskelle og hvordan de kan komme til at gøre ting forkert.

Har du en typisk top 3 over forskelle, brølere eller ting du lærer virksomheder?

I forretningskontekst, en fejl som en del danske virksomheder laver er at i Danmark når man snakker med folk så er det meget - det ligger sådan i den naturlige dialog, at vi er en lille dansk virksomhed, men vi er rigtig gode til det her. Det her med at gå ud til en amerikansk virksomhed – ”we are a small danish company” - det giver ikke rigtig nogen mening. Amerikanerne som sådan sætter ikke noget positivt tegn ved at man er lille. Hvor det er en typisk naturlig del når en dansker skal præsentere sig selv og sin virksomhed. det taler lidt til kulturforskelle. I USA er jo størrelse jo bedre. ”Det er jo et tegn på man ikke har gjort det særlig godt hvis man er en lille virksomhed”. så det er ikke noget jeg ville starte med at sige til amerikanske virksomheder men fokuseret på løsninger i stedet for.

Den helt klassiske, det er at amerikanere de vil jo gerne snakke, så du kan hurtigt få en dialog op med amerikanere. Hvor danskere kun snakker med folk hvor man har noget at snakke med dem om, men det gør også at mange danskere misforstår hvordan en venlig snak går, de - måske snakker om fodbold eller et eller andet for amerikanere er det jo bare en standard høflig snak. hvor danskerne tror at det er lige til, at så kan de vende tilbage og begynde at snakke forretning og det er ikke nødvendigvis tilfældet.

Hvis du lige skulle skrive nogle kulturelle forskelle, det kan være lidt stereotyper, sætte nogle mærkater på hvordan er USA forskellig på tværs?

Bare lige når du siger det, så kommer jeg til at tænke på. Det er noget mange danskere ikke forstår rent kulturelt. Hver eneste stat er som et lille land. I hvert fald regionerne kunne lige så godt være forskellige lande rent kulturmæssigt. Det er der mange danske virksomheder der ikke lige overvejer før de begynder at rejse rundt i USA.

NY: spidse skuldre og meget lidt afslappet. man går hurtigere og ting, de skal ske nu, nu nu nu nu.

Chicago: så er det mere afslappet, midt-vesten som man kalder alle de stater der ligger i området er ret kendte for at være mere laid-back og afslappede. Chicago er også kendt for at være meget amerikansk. på den måde at hvis man gerne vil se hvor USA bevæger sig hen, politisk mv. så kigger man mange gange mod

Chicago. Hvis man går ud på vestkysten: så er det Californien og andre steder så har man en helt anden meget, meget afslappet tilgang til faktisk mere europæisk tilgang til arbejde og Work Life balance. det kan man også sige at politisk er Californien, - inden for energi og miljø ligner mere Danmark end mange andre stater. man er mere aggressiv, progressiv. Er det hvad du søger?

ja det er meget fint, Det er meget bevidst jeg ikke spørger for specifikt. For ikke at tvinge nogle svar ud i en bestemt retning.

Nu ligger Chicago som den gør, nu ved jeg ikke hvor meget man rejser over grænsen osv. men har du været over grænsen meget eller hvordan er det?

Nej det har jeg meget, meget lidt. det har også noget at gøre med at indtill, faktisk fra i år har vi forretningsmæssigt været meget opdelt. vi har ikke haft noget at gøre i Canada, og de har ikke haft noget at gøre i USA. Fra i år begynder vi at arbejde sammen og vi har også nogle projekter med dem. jeg har været i Canada nogle få gange privat, og vi skal faktisk også til Toronto til team møde for Nordamerika her næste mdr.

Det var lige så meget privat for den sags skyld, om du havde nogle input på hvor meget området ved det canadiske og amerikanske side af grænsen ved Chicago ligner hinanden.

først og fremmest det tror jeg ikke jeg kan udtale mig om. det er meget svært at sige grænsen. man har jo Illinois her og så kommer man op mod Canada - og så kommer Wisconsin og så Michigan før den canadiske grænse. Den store forskel i USA og Canada eller hvor man nu er, er mere den kulturelle forskel om du er i nærheden af storby eller ude på landet. Og det er der også rigtig mange danskere der ikke forstår. de tror usa er det man har oplevet på Manhattan eller Chicago. men den største del af USA er netop suburbs og områder uden for de store byer, - og det vilde vesten nærmest, - sagt lidt for sjov. alle de områder i USA hvor folk bor. Tror også det er derfor at folk de kan blive så overrasket over politisk for eksempel med Donald Trump og andre ting. Deres forståelse når de er herovre på en tur til NY, Chicago - så minder de jo meget om os, men de møder jo ikke en stor del af amerikanerne for de tager ikke ud i de områder hvor de fleste amerikanere bor.

Ok, sidste spørgsmål. Lidt omkring hvordan amerikanerne ser danskerne. hvad er deres opfattelse af os?

(lang pause) - det er et godt spørgsmål - det er bare lige noget jeg ikke har tænkt over så meget.

Jeg tror, helt overordnet så er de er meget nysgerrige på danskere. Jeg tror vi er sådan lidt - og det kan både være negativt og positivt afhængig af deres politiske overbevisning, at det er sådan et lille for sjov land

artigt. Det her med at vi har vores sociale velfærd og gratis universitet og gratis skole. Bernie Sanders der hamrer meget på at det er en reel mulighed. men den gemene amerikaner tror jo ikke på det kan føres ned over USA. og det tro jeg egentlig heller ikke det kan. men at man synes at det er et spændende og interessant sted. men også et sjovt lille test land. Det er så lille et land i forhold til hvordan de kigger på det. Men det først jeg burde sige er at mange ved ikke særlig meget om Danmark. du kan snakke veluddannede så ved de mange ting. Du bliver overrasket når du kommer ud, allerede i Chicago, men også hvis du kommer lidt ud af byen hvor få der ved hvor Danmark er og hvad vi står for. for eksempel at Lego er dansk er der nærmest ingen der ved og heller ikke de andre store danske virksomheder. Så jeg tror opfattelse er meget begrænset, folk ved ikke specielt meget om Danmark med mindre man af en eller anden grund har haft en berøringsflade med.

nu tænkte jeg også forretningsmøde når amerikanerne sidder overfor en dansker hvordan de opfatter os? - det kan jo godt være du ikke har baggrund for at bedømme det.

Jamen det burde jeg i hvert fald havde, jeg sidder bare lige og tænker.

jamen mere hvis nogen havde udtrykt sig bagefter. misforståelser, tvivl clarifications.

Jeg sidder lige og tænker, det er et rigtig godt spørgsmål. Jeg tror nogle gange at amerikanerne også de bliver lidt overrasket over at, - og det er måske farvet af at vi har mange SME, at gøre der ikke har en stor professionel organisation. Nogle amerikanere bliver nok lidt overrasket over at man ikke er skarpere på business cases. skarpere på det man laver. efter sådan et møde tror jeg amerikaneren tænker - hvad var de slet ikke klar til det her møde!? det har vi set en del gange med de her SMV. Der burde havde gjort deres forarbejde bedre. men det er farvet det er der ikke nogen tvivl om, og det handler jo også om de her virksomheder - der er jo en grund til at de har brug for os, og der er jo netop fordi de ikke har en stor organisation til at starte i nye markeder.

APPENDIX 5 - TRANSCRIPT NEW YORK

Hvor længe har du arbejdet på konsulatet i New York

2,5 år

Havde du nogen erfaring med USA og det amerikanske marked inden?

ja, jeg flyttede herover for 4 år siden for at studere så jeg har læst kandidaten her i NY også. Så du kan sige der er noget erfaring der fra det ene til det andet, men ikke derudover.

Og det var det der blev baggrunden for dit arbejde på konsulatet.

jeg var her og studere og blev færdiguddannet og så ville jeg gerne blive og så fik jeg job her. så mødte jeg den daværende handelschef og var så heldig at blive tilbudt et job her efter nogle samtaler.

Har du anden international erfaring?

Jeg er vokset op i England, ved ikke om det tæller som erfaring?

Det synes jeg da det gør.

Jeg har boet i England fra jeg var 3-13.

hvor henne i England?

Sydøst England lidt uden for London, men indtil jeg tog min kandidat her i udlandet så var jeg bare i Danmark i den tid imellem.

Er der nogle ting som du var overrasket over i USA, med markedet. inden for forretning og virksomheder i forhold til at komme fra Danmark og måske også fra England.

puha der er mange ting, mens vi taler sammen så hiver jeg lige en præsentation op som jeg har lavet. egentlig mest for min egen skyld.

Da jeg startede her der arbejde jeg mest med design virksomheder. og der har jeg givet nogle præsentationer til danske grupper af danske designvirksomheder, og forskellene fra det danske til det amerikanske marked. Blandt andet på det kulturelle.

Det er netop der jeg kommer til at fiske, men også bevidst jeg ikke spørger alt for direkte.

- pause - finder præsentation

Nå den kan jeg ikke finde nu. det kan være jeg finder den her mens vi snakker sammen

jeg vil sige at en af de overskrifter jeg plejer at give når jeg holder denne præsentation det er faktisk at forskellen er større end de fleste danskere tror, - flere kulturelle forskelle end de fleste tror. Jeg tror der er noget med, - nu snakker jeg USA specifikt. Det er noget med at forskelle fra steder i verden hvor folk ser anderledes ud og taler et andet sprog. Så er der en formodning, en forventning om at når det drejer sig om USA, så - fordi at vi som danskere føler at vi kender det ret godt og vi føler at vi har en eller anden form for slægtskab og kender til kulturen. Forstået på den måde at vi ser amerikansk film og høre amerikansk musik når vi er vokset op. At vi så forventer at vi kan lave forretning i USA uden de store gnidninger. Så du ved når du kommer til et land i Østasien så er du meget bevidst om som europæer, at der er nogen ting der er grundlæggende anderledes og bruge meget tid på at forstå og finde ud af hvad er de vigtigste kulturelle forskelle. I USA er der en tendens til i mindre grad at fokusere på det fordi vi føler vi kender dem. Der kan der godt være nogle overraskelser indimellem og, at de er mere anderledes end man skulle tro. og så er det næste spørgsmål selvfølgelig - på hvilken måde: jeg vil sige, en ting vi ser rigtig meget er at amerikanere er at de har det jo med, - altså de kan godt puste ting op til lidt mere end det er.

Ja, -

Så du ved sådan en klassiker er at de (en virksomhed) har været på en messe i USA, så kommer de hjem fra messen og så snakker vi med dem og spørger hvordan det er gået, og de siger det er gået helt fantastisk og alle var helt vild med vores produkter. Så snakker vi med dem 6 mdr. senere og så spørger vi: *"hvordan gik det så hvordan går det med ordrer"* - når vi var er kommet nogle mdr væk fra den her messe. *"- der har næsten ikke været nogle ordrer"*. det der er sket er at de er blevet overrasket over, ---- hvad skal man nu sige, - at der var forskel på hvad de (amerikanere) sagde og hvad de rent faktisk gjorde. de har nemt ved at sige at det er helt fantastisk, men følge ikke altid op med handling. Det handler om at dansker er meget direkte og siger tingene som de er og forventer at andre gør det samme - og det er ikke nødvendigvis tilfældet.

så er der lidt i samme dur. jeg vil sige den her med at dansker er meget direkte, og give nogle gnidninger og hvad der betragtes som værende høflig, især i skriftlig kommunikation. der er ikke de samme forventninger og pres på hvordan man grundlæggende er høflig som dansker og amerikaner. amerikanerne er mere høflige end dansker som kan være rigtig direkte. det kan skabe nogle gnidninger.

Du sagde du havde arbejdet med design det første 1,5 år, hvad arbejder du med nu?

Nu arbejder jeg meget med danske virksomheder der sælger til FN systemet så det er faktisk ikke så meget

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amerikansk mere, men mere en international organisation der tilfældigvis ligger i NY. men det er ikke kun det jeg laver jeg arbejder også med danske virksomheder som har fokus på det amerikanske marked. det er ikke kun design, jeg har en ingeniør kunde og en arkitektur kunde.

Hvad er dit geografiske scope, er det mere international end amerikansk.

det kommer an på hvad vi snakker om, når jeg snakker med at hjælpe danske virksomheder sælge varer til FN, så er det jo hele verden og på den måde meget internationalt. men de andre kunder, de er mine kunder fordi vi hjælpe dem med at bygge deres forretning i USA, det er meget amerikansk fokuseret.

Ok - hvad er det for nogle motivations faktorer at danske virksomheder søger til USA, hvis man skal generalisere lidt.

Det er, jeg vil sige. - størrelse på markedet er en væsentlig faktor. det er jo fortsat verdens største marked. Så de muligheder der ligger de er jo bare større end nogle andre steder. hvis du kan "make it in USA" så har du gjort det rigtig godt. Samme som jeg nævnte før, vil jeg sige, det kan godt være at man egentlig har et Market for sine produkter andre steder i verden, men man kigger på USA, man ser på kulturen, hvordan er menneskerne, jeg har været der på ferie og jeg føler jeg kender det, jeg kunne godt selv tænke mig at bo der. Det er også en væsentlig faktor, så er det USA vi prøver i stedet for Sydeuropa, eller vækstmarkeder i Latinamerika eller Asien. Det vil jeg sige. Der er jo også markant mere nyhedsdækning af USA, mere end så mange andre lande. hvis du læser Politiken så er NY, - så er det som om NY er den næststørste by i DK efter København - som symbol på mængden af dækning. Så det er også, - - sagt lidt for sjov, men pointen er at der er rigtig meget dækning af NY og andre amerikanske byer i danske medier og det bidrager også.

Nu sagde du at der måske også var mange der kom over med en lidt romantisk ide mere end måske rationel begrundelse? har i mange der fejler in entry?

ja, hmm, mange.. jeg vil ikke give dig en procentdel i forhold til hvor mange der prøver. Men absolut det er mega svært. Jeg tror mange der bliver overrasket over hvor stor en investering det er. hvor meget hårdere konkurrencen er på pris og på markedsføring. Der er bare super dygtige professionelle virksomheder her, med en virkelig skarp value proposition. Det er mange gange svært at se hvordan man skal komme in som dansk virksomhed. Alt hvad der bare er nogenlunde commoditised er nærmest umuligt at sælge i USA, du har ikke rigtig noget som de ikke har i forvejen. Så du skal komme ind med noget helt særligt som andre ikke evner at tilbyde. Det kan godt være rigtig svært, også sværere end dansker forventer. Nu arbejdede jeg med design, vi har mange virksomheder der arbejder meget med design og har en udemærket base i Nord-europa. Når de kommer til USA så er især prisen på den slags produkter de laver en helt anden herovre. Før

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var det rimelig nemt at forstå synes de (deres forbrugere) at det koster -150,200 eller 300 kr. for en grydeske. Det står ikke klart for amerikanerne på samme måde. Der er ikke samme appreciation for at noget design der bare koster nogle penge. så ryge en central del af den danske virksomhed value proposition.

Interessant.

Ja

Det leder så lidt ned til, hvad nogle af de største barrierer du ser er?

hvad er barriererne , det er - det der gør markedet attraktivt er også det der er den største barriere. Den betydning størrelsen har er, - større konkurrence og større investeringer. Det er tit vi ser et ønske fra danske virksomheder at skulle ind i USA gennem en partner, en distributørpartner, der tager sig af alt. man laver en aftale om at partneren får licens eksklusivt til at sælge de danske varer i et territorie eller nationalt. Og så er håbet at den pågældende partner sådan set tage sig af alt markedsføring af de danske produkter og fokuseret salgsarbejde, og alt det skal til at bygge en base af kunde op. Og det gør de bare ikke. Det ansvar tage de bare ikke, som de danske virksomheder gerne vil se. Det har også noget at gøre med at distributørmodellen i USA ser andelede ud end den gør i Europa. i Europa er det meget mere normalt at du vil komme til for eksempel Spanien, så finder du en distributør til dine produkter og virksomheden vil have eksklusiv ret til at sælge dine produkter. vedkommende vil kun have en 4-5 udenlandske produkter. så den danske virksomhed er en blandt 4-5 brands. det betyder alt andet lige at den her distributør kan give den danske virksomhed en del fokus, meget opmærksomhed -20-25% af deres tid kan gå med at fokusere på denne ene danske virksomhed op, og bygge deres lokaltilstedeværelse op og gøre de spanske kunder opmærksom på dem. Og gøre dem (de spanske kunder) opmærksom på hvad deres value proposition er, men i USA ser vi hyppigere at de her samme type distributører har ikke 4-5 brands men 20-30-40-50. Hvor tankegangen er meget mere, at det distributøren gør, er at de laver et katalog over de produkter med de her mange brands, og så går de bare ud og smækker det i hovedet på kunder og siger hvad vil i købe. Så der er ikke det samme fokus og det kan godt være problematisk for de danske virksomheder. Hvis det du sælger er dyrere end det de andre sælger, er det vigtigt at du får fortalt en historie om hvorfor du skal betale de ekstra penge. Hvis distributøren ikke bruger tid på at få skabt den historie så bliver det meget svært at sælge. Den partnermodel danske virksomheder ønsker er meget problematisk her i USA. Så bliver det mange gange vanskelig fordi den ikke eksisterer. Alternativet er at de skal ud og investere en hel masse selv, så skal de slev ansætte folk, logistisk setup og bygge netværk blandt nye kunder. og det er investeringstungt og en stor barrierer for de danske virksomheder.

hvordan er det her med at bygge netværk derovre. hvor let er det ? hvordan kommer de omkring det? vil du uddybe lidt i det.

bygge netværk... -

Ja, er det let tilgængeligt.

hvis man har den rigtig tilgang så er det relativt nemt.

Hvad er den rigtige tilgang?

Folk er jo relativt åbne her, og der findes mange af sådan nogle arrangementer. Du kan sagtens, - hvis du bor i en by som NY, så kan du gå til et netværksarrangement hver aften. Så efter et år har du et kæmpe netværk.

Danske virksomheder der kommer til USA gennem jer. Har de kunder derovre i froevenjen, er det deres egen motivation der driver, eller har de kunder der efterspørger og det er mere et pull?

Altså, hvorfor de kommer til os, eller i det hele taget det amerikanske marked?

Begge dele

Det er alle de ting du siger. Det er meget forskelligt. Det vi ser nogle gange er, - *"så går man på en messe i Europa. så var der nogle amerikanere der sige det er da super fedt, der skal i da se på USA"*. og så kommer de herover og så siger de vi har hørt fra nogle forskellige amerikaner at der måske er potentiale herovre og så vil de gerne undersøge det. Så er der nogle andre virksomheder som eksporterer i andre felter, som bare har en størrelse og volumen. De har nok ikke mættet Europa, *"men nu gør vi det rigtig godt i Europa"*, men det næste naturlige skridt er USA, en ret normal vækstcase. så vi har lidt både virksomheder som kommer i gang herovre, som stort set kun har solgt i Scandinavian og så går de direkte til USA fordi de mener der er et særligt potentiale. - og det er helt klart en kæmpe udfordring, for det er en hel anden mundfuld og geografisk afstand, der er mange ting der gør det svært. Til dem som har vokset sådan pænt i Europa og har eksporterfaring fra mange forskellige markeder, når de så træffer beslutningen. så har de en størrelse og risikovillig kapital, mængede af risikovillig kapital - så bliver det lidt nemmere for dem. så afhængig af virksomhedens størrelse og afhængig af branchen kan der være forskellige årsager.

Nu er du i NY. har du nogen nogle erfaringer, ferie eller forretningsmæssigt været i Canada?

Nej det har jeg faktisk ikke, skal til Toronto for første gang om et par uge. har aldrig været i Canada.

ok, skulle bare lige havde lidt baggrund til det næste spørgsmål.

Er det din opfattelse om virksomhederne overvejer Canada overfor usa aktivt når de vælger entry strategy.?

Det er der nogen der gør, helt klart. det er sådan - tankegangen er at logistisk, operationelt ligger der de samme udfordringer i Canada og USA, nemlig afstand og fragt osv. nyt system for fortoldning osv. Der ligger der de samme udfordringer, og på den måde er de sammenlignelige. Men der er færre mennesker, mange der siger det er mere europæisk, ligger tættere på os i forhold til kultur. så derfor er der flere grunde til at det er et godt marked at starte på siger nogen. du kan se nogle gange at virksomheder kommer igang med usa samtidig. Og så bare dem der sådan køre som Nordamerika (at man betragter Nordamerika som et marked). Så kan de måske havde lidt over halvdelen af deres omsætning komme fra Canada selvom det er et meget mindre marked, fordi det samtidig er et nemmere marked. men jeg har ikke meget erfaring med det.

Det du siger er herfra, er det en opfattelse eller hørt fra kollegaer eller?

kollegaer og virksomheder lidt begge dele.

hvis man har været i USA, vil du så se det som nemmere at skulle ind i Canada bagefter eller omvendt?

ja begge dele vil jeg sige. Hvis du har nået at få succes i USA så tror jeg det vil være mere lige til at gå ind i Canada og omvendt hvis du har haft succes i Canada tror jeg det vil være mere ligetil at gå ind i USA - relativt til hvis du ikke havde. Det er klart at hvis du er i et af de to lande, så at gå ind i det andet er helt klart nemmer end hvis du ikke har nogen erfaring.

Hvad tænker du omkring kulturs rolle i en entry strategy. hvad påvirkning har det, hvad betyder det?

Puha: hvad betyder det. Jamen det betyder rigtig meget, det tror jeg betyder rigtig meget. Jeg tror både der er noget med den direkte menneskelige interaktion mellem danskere og amerikanere. Interaktionen mellem danske virksomheder og amerikanske kunder, men også når du kommer lidt længere mellem danske moderselskaber og amerikanske datterselskaber, med amerikanske ansatte kan også godt være svært ikke. men hvad fa-en hvilken betydning har kulturen. Det er jo også et marked, der er jo nogle features der er anderledes fordi kulturen er anderledes også fordi størrelsen på markedet er anderledes det går lidt hånd i hånd. Den der med at tingene billigere fordi det er et større marked og mere konkurrence, men det er også

et spørgsmål om hvad er resultat af hvad. Der er også en meget større køb og smid væk kultur end i Nord-europa. Det har jo nogle konsekvenser for hvad der er konkurrencedygtigt. Ting der er meget billigt er mere konkurrencedygtigt alt andet lige. Fordi der er en forventning om at man ejer ting i kortere tid, smider væk og køber noget nyt. Det er mere en feature i markedet som sådan end interaktion mellem mennesker, men i høj grad også en kulturel ting.

Også sådan noget som leveringstider er helt andreledes, der er nogle af de leveringstider man lægger for dagen i Europa kunne slet ikke accepteres her i USA. Der skal der bare komme hurtigt. Man er vant til at bestille meget på net og modtage inden for meget kort tid. Man kan ikke komme med de samme forestillinger om at bare fordi ens kunder i Norden mener at noget er ok er det ikke nødvendigvis det samme her. Det er selvfølgelig et stort spørgsmål, men jeg synes da det betyder sindssygt meget. Jeg vil sige, altså vi har for eksempel lige haft en case med en dansk virksomhed. En dansk mode virksomhed, som har solgt igennem en amerikansk salgsagent. De har valgt at afbryde samarbejdet med salgsagenten fordi at de bare ikke kunne sammen. Der var for mange gnidninger. De følte ikke de forstod hinden. - Den salgs agent som vi har fundet til dem. Og salgsagenten beklager sig til os, danskerne forstår ikke hvordan vi laver forretning her, og det er meget svært at få dem til at forstå hvad der skal til at operere her. Og den danske virksomhed siger at de er ubehagelige og de lytter ikke til os og alle mulige ting. Og der er jo et meget konkret eksempel på at, der på trods af at de på relativ kort tid har præsteret at få skabt nogle rigtig pæne salgstal. Så har de alligevel valgt at afbryde samarbejdet det tror jeg i høj grad er kulturelt betinget. Du kan også sige. mange danske virksomheder finder hurtigt ud af, at de egentlig helst vil have en dansker til at køre deres amerikanske forretning. Det er bare nemmere at du har en dansker til at styre boksen herovre. I mange tilfælde er det ikke en dansker der den rigtig til at bygge et marked op i et andet land. Der er det en amerikaner der er den rigtige, der er danskeren meget tryghedsøgende i forhold til hvad de vil ansætte, det kan godt have en meget negativ indflydelse.

Jeg sidder lige og kigger over min liste over bullets fra min præsentation.

Der er også en anden ting er betalingsbetingelserne her er meget hårdere end i Europa. Det er måske ikke så meget kulturel, måske mere markeds mekanismer, at har du flere store kunder så er deres forhandlingsposition er bedre overfor små danske virksomheder. det er måske lidt et stretch og sige det er en kulturel ting.

Hvordan arbejder i med kultur fra konsulatet, er det noget i aktivt rådgiver i?

Måske ikke så meget som vi burde. Det vil jeg sige nej. Det er ikke noget vi aktivt rådgiver i. Det ligger ikke

noget i vores samarbejdsaftaler med danske virksomheder. Der ligger ikke en aftale om at en del af vores rådgivning er om hvordan man kulturelt skal begå sig. Der vil jeg tro at mine kollegaer i Kina eller Vietnam eller Pakistan, de vil være mere eksplicitte. En af de ting du får når du samarbejder med eksportrådet i Shanghai for eksempel er råd til hvordan du forstår kultur, rådgivning om hvordan man begår sig. apropos hvad jeg sagde før, kulturforskellene er mere in-you-face. Det er ikke noget vi på den måde lægger ind, men selvfølgelig når vi køre vore forløb med vores kunder så gør vi alt hvad vi kan selvfølgelig med at hjælpe dem med at forstå hvad der sker og fortolke de begivenheder de er del af, når de laver deres markeds entry. Det er noget vi arbejder med uformelt, men ikke noget vi har lagt ind i vores samarbejdsaftaler. Jeg vil dog sige at nu har jeg en kollega for eksempel. En kollega der arbejder med sundhedsvirksomheder. En af de ting hun laver er at hjælpe med at træne de danske virksomheder til at være bedre til at pitche i USA. Du skal tale på en bestemt måde fordi du er her - det er jo absolut kultur.

Du nævnte lige at du ikke synes i gjorde så meget som i burde. hvad er grundet til det?

Jeg tror grunden til at vi ikke har det så formaliseret er nok den opfattelse jeg fortalte dig om, at mange af vores kunder ikke tænker det er et stor problem, og så er det meget underligt hvis vi lægger det ind som en stor eksplicit afsnit i vores aftale. Det er først når man opdager det undervejs. Det kan vi nok godt være bedre til at udpensle. Det er jo ikke fordi vi ligge inde med en kulturhåndbog, som man skal gå hjem og læse. Jeg synes det er mere den ad hoc rådgivning der er værdiskabende for virksomhederne. I situationer hvor vi hjælper vores kunder med at pitche overfor deres kunder. Vi hjælper de danske virksomheder med at pitche overfor dem de nu er interesseret i at pitche overfor. Der sidder vi tit med på møderne og har evalueringer bagefter. Og alle samme, og det har jeg selv gjort meget, så ville vi nok altid nævne en ting eller to, du kunne godt havde skruet lidt mere op for: optimismen på det her punkt osv. Og den rådgivning er tit kulturel betinget. Det handler om at vi har befundet os på det her marked i lang tid, og mener at vi ved lidt bedre hvad amerikanerne har behov for at høre for at træffe den beslutning vi gerne vil havde.

Hvordan tænker du i en forhandlingssituation at amerikanerne opfatter danskerne?

Det er et godt spørgsmål. jeg tror de opfatter os som meget - sagt lidt sat på spidsen - kolde og uhøflige. smaltalk og hvordan går det er jo ikke særlig dansk ting. I forretning øjemed er det meget normalt, med en man aldrig nogensinde har mødt før, bare går direkte i gang. Det er jo lidt voldsomt stort set alle andre steder i verden, i hvert fald her. Og det kan godt opfattes som om man er meget hård og direkte og ikke rigtig menneskelig. Så det tror jeg fylder noget. helt klart.

