TO STANDARDIZE OR TO ADAPT
THE MARKETING MIX:
EXPLORING ONLINE RETAILING IN
THE NORDIC REGION

Authors
Johan Adielsson
Juulia Leivo

Supervisor
Kayhan Tajeddini
ABSTRACT

Title
To Standardize or to Adapt the Marketing Mix: Exploring Online Retailing in the Nordic Region.

Course code
FEKN90 – Master Thesis, (Level D), 30 ECTS.

Authors
Johan Adielsson and Juulia Leivo.

Supervisor
Kayhan Tajeddini.

Keywords
Marketing mix, online retailing, Nordic region, standardization, adaptation, consumer goods.

Purpose
The purpose of this study is to increase marketing mix insights and opportunities for companies conducting online retailing of consumer goods in the Nordic region and to explore which certain marketing elements to adapt when conducting online retailing in the different Nordic countries.

Method
The study is carried out through a qualitative method with an inductive approach. We gathered primary data by conducting semi-structured interviews with six management representatives from Swedish online retailing companies. All these companies were Swedish, conducting business in different Nordic countries. The data was analyzed and linked to the theoretical framework to provide answers to the research questions. To enhance the richness of the study, secondary data was collected from academic articles and e-commerce reports. A PESTLE-analysis was conducted by using this secondary data.

Theoretical perspective
The main elements are the concepts of standardization versus adaptation, and of marketing mix respectively.

Empirical foundation
Six in-depth interviews with company representatives in management positions constitute the sources to the primary data. The primary data is then supported by secondary data gathered from academic articles and e-commerce reports.

Conclusions
Companies in the Nordic region need to adapt their marketing mix meeting cultural differences between countries, more so than technological, legal and economic differences. However, those latter aspects should not be completely overseen.
ACKNOWLEDGEMENTS

We would like to acknowledge all the people who gave us insights into this study. Above all, we would like to give our warmest thanks to the interviewees who generously provided their time and knowledge to us, thereby enabling us to complete this study successfully and draw relevant conclusions. Furthermore our kind regards to our supervisor Kayhan Tajeddini for helping us with solving problems and inspiring to further accomplishments.

____________________  ______________________
Johan Adielsson       Juulia Leivo
<table>
<thead>
<tr>
<th><strong>TERMINOLOGY</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E-Commerce</strong></td>
<td>The buying or selling of goods and/or services over an electronic network, primarily conducted online over the internet.</td>
</tr>
<tr>
<td><strong>Online Retailing</strong></td>
<td>To offer retailer products and/or services to consumers online.</td>
</tr>
<tr>
<td><strong>The Nordic Countries</strong></td>
<td>A geographic term commonly used to describe Sweden, Denmark, Norway, Finland, Iceland and the autonomous territories in the area. In this study Nordic countries are limited to Sweden, Denmark, Norway and Finland.</td>
</tr>
<tr>
<td><strong>Omni/Multi-Channel</strong></td>
<td>The use of several channels to facilitate the offering of goods and services to consumers.</td>
</tr>
<tr>
<td><strong>Marketing Mix</strong></td>
<td>Business tool used in marketing when determining the offer of a product or brand.</td>
</tr>
<tr>
<td><strong>Standardization</strong></td>
<td>In this context/study, marketing of an identical product and/or service using identical marketing measures.</td>
</tr>
<tr>
<td><strong>Adaptation</strong></td>
<td>In this context/study, a company’s marketing mix efforts to meet local preconditions in different countries.</td>
</tr>
<tr>
<td><strong>Consumer Goods</strong></td>
<td>Goods sold to consumers, such as books, toys and electronics.</td>
</tr>
<tr>
<td><strong>Pure Player</strong></td>
<td>In this context/study, an online retailer without physical stores.</td>
</tr>
<tr>
<td><strong>Click- and Mortar</strong></td>
<td>A retailer with both online and physical stores.</td>
</tr>
<tr>
<td><strong>PESTLE</strong></td>
<td>An analysis used to explore the macroeconomic business environment in a certain country or area. Consists of political, economic, social, technological, legal and environmental aspects.</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS:

1. INTRODUCTION
   1.1 The Nordic Region Business Area 9
   1.2 The Field of E-Commerce 11
   1.3 Problematization 15
   1.4 Purpose 15
   1.5 Delimitations 16

2. LITERATURE REVIEW
   2.1 Standardization versus Adaptation 17
   2.2 Marketing Mix
      2.2.1 Product 20
      2.2.2 Price 21
      2.2.3 Place 22
      2.2.4 Promotion 22
      2.2.5 Additional Marketing Mix Elements from Other Studies 24
      2.2.6 Presence 25
   2.3 PESTLE-Analysis
      2.3.1 Social 27
         2.3.1.1 Individualism versus Collectivism 29
         2.3.1.2 Uncertainty Avoidance 29
      2.3.2 Environmental 30

3. METHODOLOGY
   3.1 General Research Design 32
   3.2 Qualitative Approach 32
   3.3 Selection of Markets 34
   3.4 Selection of Companies 34
   3.5 Collection of Data
      3.5.1 Collection and Selection of Primary Data 36
      3.5.2 Collection and Selection of Secondary Data 39
   3.6 Data Processing 39
   3.7 Reliability 43
   3.8 Validity 44

4. EMPIRICAL FINDINGS AND ANALYSIS
   4.1 Secondary Data Analysis – PESTLE
      4.1.1 Political 47
      4.1.2 Economic 48
      4.1.3 Social 49
      4.1.4 Technological 51
      4.1.5 Legal 52
      4.1.5 Environmental 52
   4.2 Primary Data Analysis
      4.2.1 Product 54
      4.2.2 Price 57
      4.2.3 Place 60
      4.2.4 Promotion 64
      4.2.5 Presence 66

5. CONCLUSIONS, DISCUSSION, LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH
   5.1 Conclusions 69
   5.2 Product 70
5.3 Price 71
5.4 Place 72
5.5 Promotion 73
5.6 Presence 73
5.7 Summarizing Conclusions 74
5.8 Discussion 75
5.9 Limitations and Recommendations for further Research 76

6. REFERENCES 78

7. APPENDICES 84
8.1 Appendix 1: Sample Questions for the Interviews 84
8.2 Appendix 2: Material from PESTLE 85
8.3 Appendix 3: Companies’ Key Figures 86
8.4 Appendix 4: Article 87

LIST OF FIGURES:

• **Figure 1**: Map of Sweden, Denmark, Finland and Norway 5
• **Figure 2**: The marketing mix and areas of interest. 27
• **Figure 3**: The theoretical framework of the study: adaptation of the marketing mix within the Nordic region: Sweden, Finland, Norway and Denmark 46
• **Figure 4**: Rate of Individuality 49
• **Figure 5**: Rate of Uncertainty Avoidance 49
• **Figure 6**: Percentage of consumers in the Nordic region that bought at least one consumer good online in 2014 50

LIST OF TABLES:

• **Table 1**: Overview of companies interviewed in this study 36
• **Table 2**: Overview of interview sessions 41
• **Table 3**: Currency rates in the Nordic countries 49
1. INTRODUCTION

This chapter is an introduction to the study, and includes the purpose of our research. We will briefly clarify the background to the area of research and present the problematization, subsequently concluding it into two research questions that will constitute the core of this study.

When it comes to the outline of the marketing mix of a company operating in more than one country, there are traditionally two main approaches to this, namely standardization and adaptation (Ghauri & Cateora, 2014). A company can use standardization, which means offering similar or completely identical products by using identical marketing measures in different countries (Buzzel, 1968), or adaptation, which means that the company customizes its efforts to meet local preconditions (Czinkota & Ronkainen, 2004).

The theory of standardization versus differentiation in international marketing goes back to the 1960’s (Buzzel, 1968; Solberg, 2000). Since the theory has been established for such a long time, it has been used in many international business contexts. Consequently, many guidelines and recommendations are already available regarding how different kinds of companies in different countries and cultures should adjust their marketing mix according to the theory of standardization versus adaptation (Czinkota & Ronkainen, 2004).

Today, the way companies conduct their business is changing due to technological development, particularly in the area of web-based platforms and tools. This allows companies the opportunity to use traditional business channels paired with new technology channels and morph into omni- or multi-channel actors (Ghauri & Cateora, 2014). In the recent years, e-commerce, e.g. clarified as when a company “uses a web site to transact or facilitate the sale of products and services online” (Kotler & Keller, 2012, p. 460), has emerged and is continuing to grow (Chaffey, 2007). In terms of marketing, one of the new marketing realities is that companies need to consider more targeted communications and more relevant pricing (Kotler & Keller, 2012). Considering that the theory of standardization versus adaptation is quite long-standing (Buzzel, 1968), and the existence of e-commerce is fairly modern, some areas of the e-commerce sector and its relation to standardization versus adaptation are still under-researched and an example of this is the area of retailing (Burt, Johansson & Thelander, 2007).
We attended a guest lecture during a course on retailing at Lund University. An e-commerce specialist at the mail and logistics company Postnord gave a lecture about e-commerce in the Nordic countries, and its benefits and opportunities (Andersson, 2014). The lecture inspired us to further research the area of e-commerce in general and online retailing in the Nordic region in particular, and we started to explore the subject. We found out that the amount of goods purchased online by Nordic consumers is constantly increasing (Postnord, 2014). We could however only find few additional sources covering the particular expansion of e-commerce in the Nordic region, e.g. the Nordic national equivalents of Postnord (Bring, 2014; Postnord, 2014).

There are some academic articles covering standardization versus adaptation of businesses operating in the Nordic countries (Hultman, 1999; Roper, 2004), but generally they cover traditional business channels rather than e-commerce. One of the few available studies relating specifically to our area of choice (Bohmann, 2001) concludes the following:

“The Nordic region has seen an expansion of both traditional retailers developing an online presence, and pure-players in [e-commerce]. However, [online retailers] may be missing out on some of the benefits of [e-commerce] when they rigidly pursue strategies that make it difficult to use the site wherever and in whatever language a customer might wish.” (Bohmann, 2001, p. 3)

When expanding abroad, a company originating in the Nordic region most frequently chooses to go to the other Nordic countries, regardless of whether the company is conducting “traditional” business or e-commerce (Business Sweden, 2014). Expansion to other countries necessitates decisions regarding the marketing mix, e.g. on standardization versus adaptation, also for the growing number of companies involved in e-commerce. Since the literature, once again, is so sparse in this particular area, we selected it to be the topic for our thesis. Furthermore, we decided to make it into a qualitative study, increasing the depth of the subject, and limit it to online retailing of consumer goods, this being a rapidly increasing business area. One of our main basic assumptions is that the Nordic region is not very culturally diverse, but that certain attention still needs to be taken to differences in performing marketing in the different countries. It is our judgment that there is a research gap, seen in the light of the article by Solberg (2000) where it is stated that the majority of literature on standardization or adaptation connected to the marketing mix focuses on cultural diversity and economies of scale related to R&D and production. In that particular article, no special attention is given to markets that are generally very similar to each other, such as the Nordic countries.
1.1 The Nordic Region Business Area

As mentioned, e-commerce is a rapidly growing sector in the Nordic countries (Andersson, 2014; Postnord, 2014), and a study by Reynolds (2000) shows that Nordic countries outstrip even the USA in terms of highest penetration per capita of Internet usage. Furthermore, many of the companies conducting e-commerce operations in at least one of the Nordic countries are expanding into the other Nordic countries as their first hand choice when deciding to expand internationally (Business Sweden, 2014). A short background look will explain why this is the case. At first, it will be clarified what, in the context of this study, is meant by the Nordic region.

By definition, the term Nordic region usually includes Sweden, Denmark, Norway, Finland, Iceland, Greenland, Åland and the Faroe Islands, covering an area of 3 400 square kilometers and with a total population of 26 million inhabitants (The Nordic Council, 2014). The definition of the Nordic region in this study is narrowed down and includes only the countries of Sweden, Norway, Denmark and Finland. This was decided since the remaining Nordic countries, islands and autonomous territories are very small and distant, having a combined population of less than 0.5 million people (The Nordic Council, 2014). Moreover, the particular companies studied in this study do not conduct any business there, which therefore makes it irrelevant for the purposes of this study to include these minor territories.

In terms of technologic development, economic situation, politics and geographic proximity, the Nordic countries are relatively similar (Ghauri & Cateora, 2014). Also linguistically, the languages spoken in the region, except Finnish, are to a large degree mutually intelligible (The Nordic Council, 2015). Looking at culture, the countries as very much similar according to the works of Geert Hofstede (Hofstede, 2001). Based on factors such as religion, history, geography, language and technological development, the countries are characterized as the Nordic group (Lindell & Arvonen, 1997).
The fact that so many macro-level factors are relatively similar, does to some degree help explaining why it is easier and more efficient for a Swedish company to expand into Norway rather than expanding into for instance a third world African country. What those macro aspects on the other hand do not explain in depth, is why there are differences in Nordic online purchasing behaviors and preferences, as stated by Andersson and Postnord (Andersson, 2014; Postnord 2014). Furthermore, articles studying standardization versus adaptation of the marketing mix of companies operating within the Nordic region, as well as recognized reports on the subject do not suggest a fully standardized approach (Bring, 2014; DIBS, 2014; Roper, 2004; Postnord, 2014) even though so many aspects in the countries are very similar to one another. The interest to further explore how a company in this region and in this industry should respond to those heterogeneous Nordic national preconditions as well as behaviors and desires of Nordic consumers consequently becomes strengthened.

Put differently, the region as a whole appear similar, but that is not totally reflected in regards of consumers’ online shopping behavior and neither by statements in existing research. If there is a homogenous Nordic region based on the macro environmental aspects stated above, one does
not seem to be able to speak as easily about an equally homogenous typical Nordic consumer, at least not in a cultural sense, as stated in Roper (2004). For instance, the Danes expect faster delivery and to their door, whereas the Finns are more open to collecting goods at pick-ups points (Postnord, 2014). Moreover, the most popular segment of goods purchased online differs in each country (Postnord, 2014). Since there are quantitative data on this area already available and easily accessible (Bring, 2014; DIBS, 2014; Postnord, 2014), and since our ambition first and foremost is to explore cultural elements not easily explainable by numbers, this made us chose to do a qualitative study rather than a quantitative.

Having those facts in mind, it is our ambition for this study to identify differences and similarities within the Nordic region related to conducting online retailing, primarily in order to detect what aspects of the marketing mix that should be locally adapted to properly meet local preferences and conditions. The main method applied is looking into how already established companies in the region are conducting online retailing. This will be done by conducting in-depth qualitative interviews with management level, highly experienced, e-commerce- and marketing representatives from six predominantly market leading companies. A main objective with the interviews is to examine what the companies’ overall marketing strategies are, and their reasoning behind the setup of a standardized marketing mix, or adapted marketing mixes, in the region. An outcome we particularly want to achieve is to provide useful insights and guidelines to other companies that are setting up their marketing mix for the Nordic counties. This could be established companies or entirely new enterprises aiming at partly or wholly operate in the online retailing sector. The kind of companies this will be applicable to are companies selling products characterized as consumer goods. Companies selling this kind of goods are one of the biggest and fastest growing types of companies in the Nordic e-commerce industry (Postnord, 2014). The study, with its conclusions, should then consequently be relevant to a larger number of companies and interest groups, as compared to a study on Business-to-Business products.

1.2 The Field of E-Commerce

Before moving on, a brief overview of the entire growing e-commerce business is needed. This chapter explains why the industry of e-commerce is growing, what the core of it is, and why it is more up to date to cover online retailing as opposed to traditional retailing in this study.

The term e-commerce is very broad and covers many aspects (Chaffey, 2007). The basic meaning of electronic commerce, or in short e-commerce, has been claimed to simply be the purchasing
and selling of goods and/or services on the Internet (Schneider & Perry, 2000). Kotler and Keller (2012) have chosen to rather define e-commerce as when “a company or site offers to transact or facilitate the selling of products and services online.” (Kotler & Keller, 2012, p. G3).

E-commerce consequently often has various definitions and contents (Schneider & Perry, 2000). For instance, in certain literature no difference is made between the terms online retailing and e-commerce, “In online retailing or electronic retailing (or e-retailing, electronic commerce, e-commerce, Internet retailing), retailers offer their products and services over the Internet” (Zentes, Morschett & Schramm-Klein, 2011, p. 71).

This makes it important to clarify the focus of this study. In this study, the terms e-commerce and online retailing do not have the same meaning. The case companies studied in this study are to be characterized as online retailers. The meaning of online retailing, or electronic retailing, is narrower than e-commerce, and basically means the selling of goods to consumers online (Chaffey, 2007). The focus of this study lies within the area of online retailing and all the companies chosen can be characterized as pure online retailing companies or companies having part of their business online. Never the less, since online retailing is an industry within the larger scope of e-commerce, it is relevant to give a background to why the latter has grown in general in recent years, especially then in the Nordic region.

Since the very beginning of times people have traded with each other and new and better tools for conducting business were implemented as they became available through developing technology (Schneider & Perry, 2000). For example, the inventions of ships and boats in ancient times opened up new markets. More recent inventions such as the printing press and the telephone have even further changed the way people do business with each other (Schneider & Perry, 2000). Electronic commerce is a recent example of such a development (Kotler & Keller, 2012). An article studying “The Wheel of Retailing”, which is one of the oldest theoretical constructs in the marketing discipline, states that the modern day transformation of traditional retailers into online retailers is a natural step of retail evolution (Massad, Nein & Tucker, 2011).

“The spread of the Internet has made the use of e-commerce widespread among the public, and online retail sales have exploded in recent years.” (Kotler & Keller, 2012, p. 460)
Some forms of e-commerce did already exist before the emergence of the Internet (Schneider & Perry, 2000). For instance, banks have long before the Internet used electronic funds transfers, or wire transfers (Schneider & Perry, 2000). The trend of technological transformation has also generated an ever-increasing level of sales and exchange of goods and services across international borders (Wharton, 2013). This is also the case within the Nordic region, since more and more consumers have started to purchase goods across the national borders (Postnord, 2014).

Goods such as books and other media can easily be traded online, due to the fact that one copy is exactly the same as the other, and consumers do not have to be concerned about a number of factors such as freshness, a need for pre-purchase inspection and personal fit (Schneider & Perry, 2000). This is one of the reasons this category of goods is the most circulated online (Burt & Sparks, 2003). In this study, focusing on online retailing, we have chosen to approach and consult some of the very big companies in the industry. Companies having significant sales of retail goods online have the ability and ambition to operate in several Nordic countries, thus making them particularly interesting for this study.

As stated, more and more companies are turning to e-commerce these days, and the general reasons are simple: the possibility to drive revenues and decrease cost thereby increasing profits (Schneider & Perry, 2000). At the same time, technological advantages with e-commerce, allowing companies to reach more possible customers, are also increasingly driving them to enter foreign markets (Schneider & Perry, 2000).

Another benefit related to e-commerce is that advertising and communication, even for the smallest of companies, have the possibility to reach out to the whole world, and various specific and niche customer segments can be reached even though they are spread among distant geographic areas (Schneider & Perry, 2000). However, in a case study of IKEA, it was discovered that most aspects of that company’s operations were standardized, except the advertising, marketing and communication (Burt, Johansson & Thelander, 2007). This suggests that even though there are costs to be saved and efficiency to be gained by standardizing the marketing mix internationally, this is not always the best alternative. A more relevant case for this study’s purpose, which is studying Nordic e-commerce companies, states:
“Nordic [e-commerce] sites face a range of related usability issues [...] and international usability is often ignored by sites, making it hard for international users to complete a purchase” (Bohmann, 2001, p. 1)

According to this article, it could possibly be problematic for an online retailer to try to pursue a fully standardized approach in the Nordic region, even though the countries do show many similar aspects. To conclude this section, it can be stated that there are potential benefits as well as related pitfalls when a company is planning and executing their marketing on a somewhat culturally diverse market such as the Nordic. Massad, Nein & Tucker (2011) for example describes the benefits for companies to standardize their marketing efforts, not least to save cost and drive efficiency.

Furthermore, e-commerce has turned out to be potentially beneficial for both so called pure players, conducting exclusively e-commerce operations, and for companies using it as a complement to their traditional form of business (Bell, Gallino & Moreno, 2014; Mcgoldrick & Collins, 2007; Postnord, 2014; Sorescu et al, 2011). Looking at technological infrastructure issues, people in the Nordic region have about twice as many broadband subscriptions per capita (DIBS, 2013) compared to the European average (International Telecommunications Union, 2013). Hence the combination of certain environmental and other factors open a research window for us. These factors are mainly:

• A generally rapidly growing global e-commerce industry, not least in the area of online retailing of consumer goods
• A specifically growing and potent market for e-commerce in the Nordic region
• A Nordic region with certain, even though small, differences, that seem to demand attention when considering the marketing mix
• An under-explored research area

Later in the empirical section of this study, it will be examined how leading established companies conducting online retailing in the Nordic region operate today, and what relevant insights those companies can provide us.
1.4 Problematization

Considering the organic growth of e-commerce described in the above sections, it can be expected that established consumer goods companies with traditional sales channels and new consumer goods companies in the Nordic region will want to enter online retailing. It can further be expected that companies already performing online retailing will want to increase their market share by further leveraging this channel. These expectations are fully relevant also for the retailing industry. During the above processes questions and challenges within the marketing mix area, some related to differences among the countries, will arise. Hence the research questions for this study are:

Q1: What are the influencing factors that prevent companies conducting online retailing in the Nordic region from fully standardizing their marketing mix?

Q2: How do already established companies conducting online retailing in the Nordic region relate to these factors, and

(a) to what extent do they adapt their marketing mix?

(b) for what reasons do they adapt their marketing mix?

1.4 Purpose

The above challenges, formulated into the crisp research questions have, to a large extent, already been met and handled by some established companies in the region. By pairing empirical findings from interviews with some of these very companies with a theoretical framework, significant and valuable responses to the research questions should be possible to extract. Hence the purpose of this study is to:

• Provide answers to the research questions, leading to deeper marketing mix insights and opportunities for online retailing companies selling consumer goods in the Nordic region.
1.5 Delimitations

This study, and consequently its output, is limited to the area of tangible consumer goods, such as books, media and toys, being sold by companies conducting online retailing in more than one Nordic country. Thereby the study excludes services, non-tangible goods and digitalized goods such as airline- and concert tickets, which are also commonly purchased online (Talpau, 2014). Furthermore, the study ignores online transactions between two companies (B2B). To include all sorts of goods and services would be too broad for the purpose of this study. We believe that we, by providing a very focused view on sales of consumer goods, which reaches more customers than any other type of goods, will serve as many industry as academic stakeholders as possible.

Within this section of delimitations it should be mentioned that the companies interviewed are all Sweden based, and all interviews were made with Sweden based representatives. The findings within the study consequently represent a “Swedish” view on the Nordic market. Furthermore, since the authors are Nordic and represent Nordic cultures and behaviors, further studies from non-Nordic authors would be valuable, adding an “outside-in” view on the research questions.
2. LITERATURE REVIEW

This chapter will examine existing literature and theory in the areas of standardization versus adaptation, the marketing mix and the macro environment in the Nordic region. The purpose is to frame and connect our study to a scientific context.

2.1 Standardization versus Adaptation

The world is globalizing at a rapid speed and, consequently, companies are getting more and more dependent on other markets as a result of the so-called new marketing realities (Kotler & Keller, 2012). Due to trends such as increasing liberalization of trade policies, growing stability in monetary transactions, creation of regional integrations, and advances in transportation, communication and information technologies (Theodosiou & Leonidou, 2003), it is vital to look at the possibilities standardization can bring. As the world keeps changing, these factors force the companies to consider whether they should standardize or adapt their marketing strategies in markets that are geographically and culturally similar.

When it comes to international marketing strategy, Theodosiou and Leonidou claim that the value of the strategy, whether standardized or adapted, depends on local prerequisites and circumstances that confront the company in the particular market (Theodosiou & Leonidou, 2003). Factors used to argue to a standardization of the marketing strategy include market similarity, technological uniformity and coherent consumer needs, tastes and preferences (Levitt, 1983). These coherencies are often seen in the Nordic region, and explain why the region is often seen as homogenous (Lindell & Arvonen, 1997).

“[...] the offering of identical product lines at identical prices through identical distribution systems, supported by identical promotional programs in several different countries.” (Buzzel, 1968, p. 103)

The first academic articles about the question of standardization in multinational marketing go all the way back to 1968 (Buzzel, 1968). Buzzel (1968) claims back then that there is an increasing amount of benefits for companies to be gained by standardizing their marketing activities in different fields. Considering that this statement was done as early as in the 1960’s, one can only assume that those potential gains are currently not less, but more. This would apply especially in
countries proven to be as similar to each other as the Nordics. Even more so, trends are showing that companies are increasingly turning to e-commerce which is something that makes it easier for companies to reach more potential customers and markets across national borders (Postnord, 2014).

With this in mind, the Nordic markets on their own are increasingly getting too small to be viewed upon single markets (Postnord, 2014). The Nordic countries – Sweden, Norway, Finland and Denmark – are bordering each other, three out of four countries have similar languages, and research shows that there are some distinctive aspects in the Nordic management (Roper, 2004). Even though they share all these similarities, it should be noted that in socio-cultural terms there are some differences (Roper, 2004). This is further emphasized by Postnord claiming that even though the Nordic countries share a great deal of similarities due to shared history and long going collaboration, one should be careful when considering them as one entity with one uniform culture (Postnord, 2014).

“The standardization/adaptation is still empirically under-researched, especially in terms of qualitative evidence.” (Roper, 2004, p. 524)

As Roper (2004) states above, the actual level of standardization in the Nordic region is not extensively researched. The focus on studies about standardization versus adaptation within the retail sector has indeed been in markets further apart from each other in terms of cultural differences (Burt, Johansson & Thelander, 2007). Also, the research has focused on whether firms operating internationally or globally should attempt to standardize their marketing strategies to offer a coherent marketing mix to all of the markets within which they operate around the world (Backhaus & van Doorn, 2007; Levitt, 1983; Ohmae, 1989; Yip, 1996). There are also studies, though, on whether there have been studies on whether the marketing mix should be adapted according to the infrastructure, cultural and behavioral dimensions in the global market (Britt, 1974; Buzzel, 1968; DeMooij, 2000; Douglas & Wind, 1987; Katsikeas, Samiee, & Theodosiou, 2006). Both these research areas focus mainly on the global market, while our study wants to find out how far standardization can be taken in companies operating mainly in the Nordic region.
In a paper from 1989, Jain set up a number of research propositions related to marketing standardization. Some of them are of particular interest for us, and we have chosen a number of them as inspiration to what we aim to find out by conducting this study in a Nordic context:

- “The greater the similarity in the markets in terms of customer behavior and lifestyle, the higher the degree of standardization.” (Jain, 1989, p. 74)

- “The higher the cultural compatibility of the product across the host countries, the greater the degree of standardization.” (Jain, 1989, p. 74)

- “The greater the difference in physical, political, and legal environments between home and host countries, the lower the degree of standardization.” (Jain, 1989, p. 75)

2.2 Marketing Mix

The area of marketing mix has been deeply penetrated in the international marketing literature, and strategies around marketing mix have been debated extensively within the academy (Papavassiliou & Stathakopoulos, 1997).

An optimal marketing mix has been claimed to be the optimal combination of product, price, place and promotion that together create a strong marketing strategy for the company (Ghauri & Cateora, 2014). When a company decides to expand to new markets, the marketing mix must be evaluated. The company must ask themselves in which ways the product, price, place and promotion can be standardized and in which ways they must be adapted to meet target market requirements (Ghauri & Cateora, 2014). Indeed, incorrect decisions at that point can lead to costly mistakes through efficiency loss. Such mistakes could be improper pricing or advertising (Ghauri & Cateora, 2014). When Nordic e-commerce companies expand to other Nordic countries, these same aspects should be considered in order to secure successful expansion.

In parallel to the exploding build out and usage of the Internet, studies on marketing mix has increasingly started to include this new channel (Melewar & Smith, 2003). Traditional marketing mix theories still apply, but should be complemented with the new business channel (Chen, 2005). For example Kotler and Keller claims that “Companies must set up and operate their e-
commerce websites carefully”, in order to be successful in today’s business environment (Kotler & Keller, 2012, p. 461)

Marketing is said to be the process of “exploration, creation and delivery of value to meet the needs and desires of the target market” (Talpau, 2014, p. 53). The marketing mix gives the marketers the opportunity to explore its core elements (product, price, place, promotion) from all aspects in order to meet the customer needs and desires (Talpau, 2014). Many researchers have now presented an applied marketing mix – the so called e-marketing mix, to better fit companies operating in the online environment. A variant of such an applied marketing mix will later be described in the study.

Again, one of the purposes of this study is to investigate how modern marketing mix approaches are being implemented in the online retailing sector in the Nordic region. The following chapters describing each single part of the marketing mix will constitute a solid base on which our study’s framework will rest.

2.2.1 Product

Traditionally in the marketing discipline, the term product refers to anything that can be offered to a market to satisfy a want or need (Kotler & Keller, 2012). It could be anything from tangibles, to non-tangibles, to services and information (Kotler & Keller, 2012). The term product is thereby to be considered as being more than just physical characteristics (Brynjolfsson & Smith, 2000). In the online environment, consumers lack the ability to touch, taste and smell the products they intend to purchase (Talpau, 2014). Lacking these elements could indeed have an impact on the consumers’ purchase behavior differently than if the product was bought in a traditional brick-and-mortar store. Therefore, in order to avoid this being a disadvantage, online retailers must provide the consumers complex information together with attractive pictures with good resolution showing the product from all angles (Talpau, 2014). The language of a country-specific web shop should also be carefully adapted to complex information (Bohmann, 2001).

According to Talpau (2014) products sold via Internet can be divided into three categories: (a) tangible products such as fashion, consumer electronics and books, (b) intangible products and services such as tickets, flights and insurances, and (c) digitalized products such as e-books and software products. The focus of the study lies, as mentioned earlier, on category (a) tangible products.
According to a meta-analysis consisting of over thirty studies covering several industries by Thedosiou and Leonidou (2003), it is suggested that the product is the most standardized element of the marketing mix in general. However, in a study of the marketing mix policies of British companies selling sophisticated goods in the Asian Gulf States, it is showed that those companies were forced to adapt their products in order to meet local specifications, whereas the rest of these companies’ marketing mixes were open for standardization (Michell, Lynch & Alabdali, 1998). As the companies we conduct interviews with in this study sell many different kinds of products, we will try to find out if any kind of consumer goods are much more dependent of adaptation than others.

Finally, Powers and Loyka (2007) list a number of market factors impacting the potential gains to a company when selling standardized products. Those factors are cultural/social customs, economic development, and marketing infrastructure (Powers & Loyka, 2007). As mentioned previously, the Nordic region does show many similarities in those areas (Ghauri & Cateora, 2014; Hofstede, 2001; Postnord, 2014; Roper, 2004). We will try to find out if aspects of the above factors necessitate companies to adapt their product range in the Nordic markets.

2.2.2 Price

According to Kotler and Keller (2012), “Companies usually do not set a single price but rather develop a pricing structure that reflects variations in geographical demand and costs […]” (p. 425). Since this study is dealing with a large geographical region consisting of several independent countries, it is especially interesting for our purposes to explore the concept of “geographical pricing”. This means when a company adapt their pricing of their products to differences in the particular country or region the customer is based (Kotler & Keller, 2012).

Generally, most studies conducted on the subject suggest that price is the element of the marketing mix that is the least standardized (Birnik & Bowman, 2007). In a study that compared prices of identical books and CD’s from online retailers, is was concluded that the prices differed by 33% and 25% respectively when sold by different companies (Brynjolfsson & Smith, 2000).

In the online environment price can be used as an asset, primarily due to low cost of storage and rent, which enables online retailers to offer lower prices than traditional retailers (Talpau, 2014). In addition, the prices can be changed immediately without extra cost – something very useful when auctioning products (Kalynam & McIntyre, 2002). Robins (2000) concludes that speed of response is one of the key advantages in online retailing.
How the prices are set in different countries is an aspect we take a closer look into in the interviews. We want to fully understand how and why prices differ in different Nordic markets. Finally, we want to explore if the Nordic context correlate with the general view (Birnik & Bowman, 2007) that price is the least standardized element of the marketing mix.

2.2.3 Place

The meaning of the term place, does not, in the online environment, refer only to the physical place where a product is sold as in traditional retailing. It also refers to the online channels a product can be sold through (Kotler & Keller, 2012). As society and the business environment develop, so does the meaning of place. If the term place initially meant a shelf in a store, today the term refers to the hundreds of ways a consumer is able to get ahold of and consume products (Zentes, Morschett & Schramm-Klein, 2011).

Not having a physical store generally reduces office- and distribution costs (Talpau, 2014). At the same time, a physical store as opposed to an online store sets up geographical limits in regards to how many potential customers you can reach (Zentes, Morschett & Schramm-Klein, 2011).

Standardizing of the distribution channel, which is part of the term place, is said to be difficult to implement and therefore not commonly applied (Dimitrova & Rosenbloom, 2010). Levitt (1983) claims that distribution channel strategy cannot be completely standardized in a global market. This is shown to be true, as physical distribution, storing and logistics show a low degree of standardization. An explanation to what is mentioned above according to Theodosiou and Leonidou (2003) is the fact that there are differences in ordering procedures, availability of transport, availability of warehouses, the location of the stores and the number of products and inventories in different markets. Some of the areas mentioned above are more important than others for online retailers, depending whether the online retailer has physical stores or not. Pure players, meaning online retailers without any physical stores, become more dependent on having an efficient digital ordering procedure (Zentes, Morschett & Schramm-Klein, 2011). We want to explore if physical constitute an advantage to companies conducting online retailing in the Nordic region.

2.2.4 Promotion

In regards to international advertising, which is part of the broader term promotion, the term “cultural distance” is of particular interest to us (Mueller, 1991). In her study, Mueller found out that in countries more culturally similar to one another, i.e. having a small cultural distance, it was
more common with standardized advertising messages than if the cultural distance were large (Mueller, 1991). That study made those observations on the US and German markets. As we learned from Hofstede (2001), the Nordic countries are supposedly culturally similar to each other, more so than the USA and Germany (Hofstede, 2001). This would indicate that a standardization of the promotion in the Nordic region could make sense.

Besides from advertisement, the term promotion traditionally includes also special offers and reduced prices (Kotler & Keller, 2012). Out of the different marketing Ps, promotion and the decisions regarding its fulfillment is to a large degree affected and adjusted to differences in the culture between countries, than the other Ps (Ghauri & Cateora, 2014).

In the online environment, digital promotion tools such as newsletters are also part of the promotion efforts (Talpau, 2014). Promotion online is different from traditional promotion, although there are similarities to be found. The online communication is conducted with new tools. The methods are based on the same principles of traditional marketing, but with new kind of functionalities (Talpau, 2014). Talpau (2014) mentions paid online advertising. Usually, the advertising company will pay a certain price for each click by a visitor. Search Engine Optimizing of web portals a site for common search engines like Google and Yahoo also play an important role (Talpau, 2014). Furthermore, affiliate marketing, where the advertiser pays the publisher for each action e.g. subscriptions, sales, and newsletters are common in the online environment. Newsletters are especially convenient online since they are easily customizable and can be made personal based on e.g. previous purchases. They are also sent at a lower cost than traditional mail (Robins, 2000). A major aspect to take into consideration when a company works with multiple channels is whether the offers should be identical online and offline (Zentes, Morschett & Schramm-Klein, 2011).

Chung (2007) also claims that advertising messages should be adapted to be suitable for each market’s beliefs and traditions. On a global level, most studies tend to say that international advertising of multinational companies are either partially standardized (Birnik & Bowman, 2007). It is our intention to find out what could necessitate exceptions from a generally standardized promotion strategy in the Nordic region.
Additional Marketing Mix Elements from Other Studies

In order to get a broader perspective of the marketing mix in the online environment, and to keep up with recent development, some studies focusing on e-commerce and the marketing mix will now be discussed, as well as some additional concepts to the traditional four Ps.

Many researches have included additional concepts on top of the traditional marketing mix. One frequent concept that many of them have highlighted is the unique *personalization* the online environment can offer to consumers (Chea, Bui & Luo, 2012; Kalynam & McIntyre, 2002; Robins, 2000). Personalization is made possible through data being collected and held in customer databases allowing companies to better serve the customer (Chen, 2005). According to Chea, Bui & Luo (2012), personalization means when companies design the features of the web store based on the customer’s profile and online behavior. Tailoring a web site design depending on the customer’s needs is thus an example of personalization (Chea, Bui & Luo, 2012). Personalization can also include the customization of newsletters and special offers to the customer based on previous purchases (Robins, 2000).

*Privacy* is also considered as being part of the framework presented by Chea, Bui & Luo (2012) Kalynam and McIntyre (2002) have examined online privacy issues related to personalization. Collection of information for personalization forces the marketer to decide how this information should be used. According to a study by Karvonen (1999) privacy and security for users includes issues such as feeling secure, feeling private and feeling trustful. Karvonen (1999) argues that customers can lose faith in the company if they feel that their information is not handled in secure and proper manners.

Hence, if customer privacy is handled properly, personalization can lead to better performance of the company through an optimized customer experience (Chea, Bui & Luo, 2012). A further benefit via personalization is that it can potentially reduce the customers search effort and thereby improve the company’s conversion rate (Chea, Bui & Luo, 2012). Also important to note in the area of privacy and terms and conditions online is that different markets have different expectations concerning customer service, delivery, complaints and refunds for defect goods (Usunier & Lee, 2009).

Another aspect presented by newer online marketing mix studies is the importance of customer service and interaction. A good *customer experience*, which includes an efficient delivery of products and proper replying to customer inquiries, ensures positive relations between customers
and companies on a long term basis (Chea, Bui & Luo, 2012). It also includes customer service functions such as FAQ section, helpdesk and chat function on the website (Kalynam & McIntyre, 2002). Additionally, creating a community via chat rooms and user rating systems is an effective way to improve the customer experience in the online environment (Kalynam & McIntyre, 2002). The concept of Interactivity is also important in the sense that the customers have the ability to decide to which degree they prefer to have interaction with the online retailer, as opposed to traditional retailing, where the buyer and seller most often meet face to face (Robins, 2000).

2.2.6 Presence

Based on the discussion above, we have decided to add an additional P to the original marketing mix – presence. Presence ties together customer service and online communities, and also includes personalization and interactivity. An interesting study on the subject of customization and customizability is presented by Logman (1997). He argues that the internet and new communication tools enables a more direct interactivity with customers and that face-to-face contact is becoming outdated (Logman, 1997). He argues that a company should perform customizable interaction with its customers via the Internet, instead of using a sales force to market its products (Logman, 1997). Our study includes some companies that are exclusively online, and have little or zero face-to-face contact with its customers. We find this viewpoint particularly interesting. Hence we will take a closer look at it in our research.

Logman (1997) also stresses the importance to enhance the company’s presence in the online environment. Internet sites, along with traditional stores, have become “complete destinations for an afternoon full of what is called ‘retail-tainment’” (Kapferer, 2012, p. 133).

Research about the marketing mix in the online environment suggests, it is important for an online retailer to show reliability and appear safe in the eyes of the customer (Zentes, Morschett & Schramm-Klein, 2011), something that Logman (1997) argues can be solved by providing the ability to customers to personally interact with a customer service representative.

A study on American web store standardization in Europe concluded that web stores were to some degree specific to each market but generally had a uniform appearance in terms of logos, color and layout (Okazaki, 2005). The same study aims to make advertisers and agencies more aware of differences in terms of socioeconomic and cultural aspects, as opposed to similarities, when setting up a web store abroad (Okazaki, 2005). This statement regard the whole of Europe,
and the applicability of this onto the Nordic countries is not certain, and is something we want to explore.

Figure 2: The marketing mix and characteristics in the online environment (Sources: see discussion above)

2.3. PESTLE-Analysis

This section functions as an explanation to the PESTLE-analysis. Our findings will be presented later in the empirical section of the study. First we need to clarify the term. In 1967, Augilar (1967), created a model for analysis called “PEST”, standing for political, economic, social and technological. The analysis is used as a tool for companies and organizations for strategic analysis planning, and can be used for understanding market growth or decline, business positioning and company orientation (Konkurrentanalys, 2015).

The name PESTLE, as used in the headline, stands for Political, Economic, Social, Technological, Legal and Environmental, and is an extended version of the original PEST-analysis. The PESTLE-analysis is our primary tool for analyzing secondary data, and we chose to
use this extended analysis since we found it important to include legal and environmental aspects. When conducting international trade, as the companies in this study do, one most likely has to consider different national laws and regulations.

“Differences in consumer needs and preferences, in the economic, social, legal, and competitive environments must be adequately considered so as to weigh the pros against the cons associated with the standardization decision.” (Baalbaki & Malhotra, 1993, p. 19)

As the quote above states, it is of great importance to be aware of those factors while conducting business across borders.

In our particular context/study the analysis will be applied to the concept of online retailing. Special attention will be given to how the secondary data analyzed with PESTLE can affect choices related to the design of an online retailer’s marketing mix. We however also conclude that the PESTLE-analysis in its entirety with all its details include many aspects not relevant for our purposes. However, we apply all the six areas of the model. Knowing from the literature (Jarrick & Josephson, 1996), that writing a scientific thesis or paper almost always takes longer time than expected, we realize that we must restrict and focus our work to the utmost importance of the subject. The above constitutes a solid justification for our approach.

Consequently, the analysis will not be as broad as a full PESTLE-analysis, but rather narrowed down to be more spot-on in regards to the area of online retailing in the Nordic countries. As both the PEST and its extended variant PESTLE is well known from literature, we have decided not to dig into the detailed descriptions of all sections in this study. However, as we consider the social aspects being more relevant, we feel that a description of the social section of the PESTLE-analysis is highly relevant, providing a context for the focus of our study.

2.3.1 Social

The works of Hofstede was chosen since it is one of the most comprehensive cultural studies available for our purposes similar to ours (Lindell & Arvonen, 1997). As cultural elements are of special interest for us in this study, this part is given more space than others of the PESTLE-analysis. Consequently, the social analysis will be conducted profoundly with the help of Hofstede’s cultural dimensions. It is given more space since we have the impression that,
according to previous research and reports, the cultural dimensions seem to constitute more important differences in the Nordic online retailing industry than for instance environmental or political aspects.

“Culture is a set of values and norms followed by a group of people.” (Ghauri & Cateora, 2014, p. 68)

In international marketing, it is important to have cultural awareness, since the term culture covers a wide range of social behavior and interaction (Ghauri & Cateora, 2014).

“The marketer’s frame of reference must be that markets do not occur or exist naturally- they become, they evolve; they are not static but change, expand and contract response to marketing effort, economic conditions and other cultural influences. Markets and market behavior are part of a country’s culture. One cannot truly understand how markets evolve or how they react to a marketer’s effort without appreciating that markets are a result of culture. Marketers are constantly adjusting their efforts to the cultural demands of the market, but they are also acting as agents of change whenever the product or idea being marketed is innovative. Whatever the degree of acceptance in whatever level of culture, the use of something new is the beginning of cultural change and the marketer becomes a change agent.” (Ghauri & Cateora, 2014 p. 71)

In order to make good decisions in terms of adjusting the degree of standardization and adaptation of a company’s marketing mix internationally, it is of great importance to be aware of certain cultural elements in the country one is trying to enter (Ghauri & Cateora, 2014). However, it can be very time-consuming to properly evaluate and characterize whole nations in terms of their culture, and for this study’s purposes, it was decided to use the works of Geert Hofstede. Hofstede has developed a framework that identifies fundamental differences in culture between countries (Hofstede, 2001). Hofstede’s approach on culture also does include management aspects, which is relevant according to the authors, since the choice of standardization versus adaptation is a managerial issue. Also, the perspective of the study is a managerial one rather than taking the consumer perspective.
The framework of Hofstede contains so called “cultural dimensions”, of which a number of dimensions are part. The dimensions are individualism versus collectivism, uncertainty avoidance, masculinity/femininity, power distance and long term versus short-term orientation.

We have conducted research in order to find some connection between those dimensions mentioned and online purchasing behavior. What we found out was that two of them, individualism versus collectivism and uncertainty avoidance, do show more relevance than the other dimensions in this context, according to articles and previously conducted studies (Belkhamza & Wafa, 2014; Chai & Pavlou, 2004; Solberg, 2000; Stylianou, Kyriakoullis & Savva, 2011). The other of Hofstede’s dimensions will not be discussed in this study for this reason.

2.3.1.1 Individualism versus Collectivism

This dimension describes and reflects how people in societies live and interact with one another, for instance in nuclear families or tribes, which affects the people’s behavior and their values (Hofstede, 2001). Put differently, it has to do with the level of interdependence between members of a society. Moreover, it distinguishes between individualist societies, where people are expected to take care of themselves and their closest family only, and collectivist societies where larger groups of people look after each other (Hofstede, 2001). The higher the score, the more individualistic the society is (Hofstede, 2001).

According to studies involving Hofstede’s dimensions in the area of e-commerce, the most important effect of the level of individualism in the society was that a collectivist society with relatively low levels of individualism, had a lower degree of e-commerce adoption in the society compared to other more individualistic countries (Stylianou, Kyriakoullis & Savva, 2011). A major reason for this is said to be that people in collectivist societies are far more dependent on social influence and other peoples recommendations, meaning that in countries with low levels of individualism, people are reluctant to engage in for example online shopping if not other people are already doing so (Stylianou, Kyriakoullis & Savva, 2011).

2.3.1.2 Uncertainty Avoidance

Uncertainty avoidance covers how people in a society generally deal with the future. This dimension is about how different cultures handle the uncertainty of the future, by trying to control the future or simply letting it have its own way. More importantly, it involves the extent
people are threatened by new and unknown situations. A high score means a preference for avoiding the unknown, while a low score means a more open attitude to it (Hofstede, 2001).

Uncertainty avoidance has been proven in studies to affect online consumption behavior (Belkhamza & Wafa, 2014). A study of e-commerce adaptation in Greece and the U.S found that the dimension of uncertainty avoidance does have an impact on the degree of e-commerce adaptation, and the authors say their findings “call for attention in understanding online consumers’ preferences based on cultural, rather than, economic criteria” (Chai & Pavlou, 2004, p. 420).

We compared the four Nordic countries using the country comparison tool found at Geert Hofstede’s own website (geert-hofstede.com, 2015), in order to find out the score of the countries regarding individualism and uncertainty avoidance which in previous research have been shown to affect online shopping behavior (Belkhamza & Wafa, 2014; Stylianou, Kyriakoullis & Savva, 2011; Chai & Pavlou, 2004). The purpose of this was to try to find some cultural explanations to the statistics of Nordic online consumption patterns. The result of the comparison is presented in the empirical section of the study.

2.3.2 Environmental

We mainly want to explore whether conducting online retailing, which is a relatively new form of conducting business has some environmental impacts worth to consider, positive or negative, as a company today cannot fully ignore those aspects as consumer awareness about this has increased (Carrillo, Vakharia & Wang, 2014). This could be of importance, since environmental awareness is high among the Nordic population and hence the consumers making up the Nordic market (The Nordic Council, 2014).
Figure 3: The theoretical framework of the study: adaptation of the marketing mix within the Nordic region: Sweden, Finland, Norway and Denmark.
3. METHODOLOGY

This section contains the methodology for this study, including an explanation to our general research design. Additionally, the justification for choosing a qualitative approach will be given. We also cover how the geographical area and the selection of case companies were decided. Moreover, the process of collecting and analyzing data is described.

3.1 General research design

When it comes to conducting research there are generally two main ways of reasoning, namely inductive reasoning and deductive reasoning, which works fundamentally different from each other (Bryman & Bell, 2010). By using a deductive approach, a number of hypotheses are created, which in turn are to be tested through observations. Those observations will, or will not, confirm the hypotheses that were initially set up (Bryman & Bell, 2010). Given the explorative nature of this study, it stands clear to us that our aim is not to confirm or dismiss something, but rather to find something new. For this reason, selecting a deductive approach would not properly serve the purposes of our study.

A more appropriate choice for us would be the inductive approach. Starting off at the other end as compared with the deductive approach, observations aiming at finding certain patterns are being made in the initial stages. Subsequently, following detailed data analysis within particularly interesting patterns, conclusions will be drawn (Bryman & Bell, 2010). This means that a theory is generated from practical findings (Backman, 2007). The inductive approach has a more explorative character, whereas deductive is more about confirming or rejecting something (Bryman & Bell, 2010).

3.2 Qualitative approach

A further choice a researcher has to make when conducting a study is whether to apply a quantitative or qualitative approach or a mix of the two (Backman, 2007). In this study, we use a qualitative approach. Our main reasons for this choice follow below.

First, the choice of using a qualitative rather than quantitative approach came from finding that most previous research conducted on the area of e-commerce in the Nordic countries is of a quantitative character. One of the first questions that should be asked prior to conducting a study
is whether or not it will serve any purpose. Hence, we believe that by conducting a quantitative study the risks were high that we would not come up with new insights. A further risk was that our research would not provide answers to unanswered important questions. To summarize: we want our study to provide new valuable insights and answers within the e-commerce industry, particularly online retailing industry. The best approach, in our minds, is to conduct a qualitative approach when gathering the primary data, and to use the existing published data within this field of research as secondary data. For instance, Postnord releases an annual report on online retailing in the Nordic region.

In this report and similar (Bring, 2014; DIBS, 2014), it is clarified that many companies are in fact aware of that there are some differences to consider when conducting online retailing in the Nordic region.

Knowing and building on the existing data and the insights attached to it, we believe that we can perform a qualitative study that really contributes with new findings relevant for both the business and the academy. The general qualitative method we decided to apply to gather the primary data, is to perform semi-structured in-depth interviews with key business representatives in companies performing online retailing. During the interviews, as well as when studying secondary data, special attention will be given to marketing mix aspects in general, and choices regarding standardization and adaptation in particular.

Using a quantitative method is, as stated, good for providing numerical data (Backman, 2007). However, having decided not to gather any new numerical data, a secondary effect of our work could possibly be some spreading of light around this data.

Already in the initial phases of our data gathering, we got strong indications that we were on the right track with our study’s approach. When asked if he was aware of the annual reports on e-commerce in the Nordic countries, one of our interviews stated:

“It’s just something that confirms the things we already know, it’s a confirmation that we are doing things the right way.” (Englund, 2015)

Once again, by using the qualitative approach our believe is that we can:
• Provide entirely new valuable insights, and possibly

• Spread some light around existing quantitative data,

That helps companies performing or wanting to perform online retailing in the Nordic region to apply a suitable marketing mix in the respective countries.

3.3 Selection of markets
Geographically, we have selected the Nordic region, excluding Iceland and small autonomous territories from the study. Up until now, the area of standardization versus adaptation has mostly been covered by comparing culturally and geographically distant markets such as China and Sweden. We, however, want to look within the Nordic region, which at a first-hand look is very homogenous but at a closer look seems to contain fairly important differences.

The field of e-commerce in the Nordic area is growing continuously, but the overall amount of research and available studies in the field of e-commerce looking at the Nordic region is still comparably low. Studies with a qualitative approach covering these markets are even fewer. To sum up, we believe that we will fill a gap in qualitative research on online retailing in the Nordic region.

3.4 Selection of companies
Choosing the Nordic region as the focused market by necessity triggers some demands on the companies we can chose for the interviews/primary data gathering. As a minimum, the companies need to operate in at least two of the countries in the Nordic region. This in turn means dealing with rather big companies, having enough resources to conduct multi-national business. Additionally, our study is limited to online retailing of consumer goods, i.e. books and media, fashion, and toys. As a result, we have excluded companies that predominantly provide services and other types of goods not being characterized as consumer goods.

The kind of sampling that we used by choosing companies to interview for this study is called nonprobability sampling, which means that the sampling was not made in random. This enables some flexibility in the selection process (Bryman & Bell, 2010). The interviewees in this study were strategically chosen so that the interviewed individuals/companies, each one of them, became specifically relevant to our study and complemented each other. As an example, some
companies did not conduct business in Finland but instead in Denmark, whereas others did vice versa.

According to Kotler and Keller, one can distinguish between two kinds of online retail companies. Kotler and Keller (2012) describe them as follows:

- **pure-click**: company with an online store but no physical stores
- **brick-and-click** companies with both online- and physical stores

Several of our interviewees claimed that many retailers are already, or are in the process of becoming, omni-channel or multi-channel, something that is supported by literature and recent reports (Bell, Gallino & Moreno, 2014; Megoldrick & Collins, 2007; Postnord, 2014; Sorescu et al, 2011). Therefore, as we see a trend where online retailing is becoming an addition or complement to traditional retailing, we do not want to exclude potential companies by exclusively choosing pure-click companies. Another term for this type of retailers that have operations both online and via conventional, physical stores is “hybrids” (Brynjolfsson & Smith, 2000).

Below, we present the companies selected for interviews, their business models and their main segments of products:

<table>
<thead>
<tr>
<th>Company</th>
<th>Business Model</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panduro Hobby</td>
<td>brick-and-click</td>
<td>hobby related products</td>
</tr>
<tr>
<td>Hobbex</td>
<td>brick-and-click</td>
<td>hobby related products</td>
</tr>
<tr>
<td>Hööks</td>
<td>brick-and-click</td>
<td>horseback riding equipment</td>
</tr>
<tr>
<td>Adlibris</td>
<td>pure-click</td>
<td>books</td>
</tr>
<tr>
<td>Lekmer</td>
<td>pure-click*</td>
<td>toys</td>
</tr>
<tr>
<td>CDON</td>
<td>pure-click</td>
<td>games, music, media</td>
</tr>
</tbody>
</table>

Table 1 overview of companies selected for interview in this study.* Lekmer has one physical store.

As we can see, half of them are brick- and-click companies, and the other half is pure-click companies. This suits our purposes good, meaning that we will be able to compare whether there are major differences in how companies approach the issues related to our research questions depending on their business model.
3.5 Collection of data

In order to answer our research questions, we use of both primary and secondary data. The sources constitute scientific articles, literature, and in-depth interviews with highly experienced individuals in management positions at companies conducting online retailing as a major part of their business operations in the Nordic region. The difference between primary and secondary data is that that primary data is new data that is collected with the purpose of being used for the study in question, whereas secondary data already exists and was produced for other purposes (Bryman & Bell, 2010).

3.5.1 Collection and selection of primary data

We want to identify possible challenges when online retail companies choose to apply a standardized marketing mix in the Nordic region. Furthermore, we want to understand and document how they approach and handle these challenges. In order for us to achieve this, we need interviewees who are involved in the decision-making when it comes to conducting online retailing within the Nordic region. Given the explorative nature of this study, the interviews will be conducted with people in management positions, who also have broad insights and experience of the field of online retailing within the Nordic region. Our intention was to explore companies that are market leaders within their respective segment of consumer goods, an aim that we for the larger part reached. A market leading company has proven to be successful, and many new entrants are often looking at the most successful companies, i.e. the market leaders (Zentes, Morschett & Schramm-Klein, 2011). Therefore it suits this study’s purposes to interview such companies, since one of our ambitions is the provide recommendations to companies entering the market.

We have chosen a general inductive approach for the analysis of data in this study. One of the principles of a general inductive approach for an analysis of qualitative data is described as follows:

“Data analysis is guided by the evaluation objectives, which identify domains and topics to be investigated. The analysis is carried out through multiple readings and interpretations of the raw data, the inductive component. Although the findings are influenced by the evaluation objectives or questions outlined by the researcher, the findings arise directly from the analysis of the raw data, not from a prior expectations or models. The evaluation objectives provide a focus or domain of
relevance for conducting the analysis, not a set of expectations about specific findings.” (Thomas, 2006, p. 239)

and:

“Inevitably, the findings are shaped by the assumptions and experiences of the evaluators conducting the study and carrying out the data analyses. For the findings to be usable, the evaluator must make decisions about what is more important and less important in the data.” (Thomas, 2006, p. 240)

In our case, the evaluation objectives are to find out which parts of the marketing mix companies in question have chosen to adapt and the reasons for doing so. As a result, the questions we ask the interviewees are constructed and focused in a way that makes them angled at areas presumably impacting the setup of the marketing mix. The raw data derived from the interviews were read and interpreted multiple times, in order for us to draw conclusions connected to our research questions. As the nature of the study is explorative, we do not hold any prior expectations. Moreover, our findings are indeed shaped by our own experiences and backgrounds, making the findings somewhat biased since we lack the outside, non-Nordic perspective. Finally, it is up to us to decide what is to be determined as important and less important. Based on this, we use the general inductive approach as a label for our primary data analysis.

Regarding the interviews, the interview design will be semi-structured. A semi-structured interview means conducting the interview out of a set of general interview-guidelines, where the order of the questions can vary (Bryman & Bell, 2010). By conducting interviews in this way, it opens up for new findings to appear out of the interview since it is more open ended than a structured interview that does not allow diversion from the interview’s procedure, questions or order (Bryman & Bell, 2010). A further benefit of using semi-structured interviews is that it gives the interviewers the option to ask further questions and obtain deeper knowledge about specific areas of special interest or importance (Bryman & Bell, 2010). Our overall purpose with conducting those interviews is to provide an understanding of how current companies in the online retail industry manage issues related to adjusting their marketing mix, which can be useful to companies entering this market. Also, by conducting those interviews, we hope to find some general practice proven to fit established companies, which can be of use for companies having the ambition to enter the market.
The character of the questions asked was designed to fit the explorative purpose of the study, meaning that they were constructed in way that allows for open-ended answers. For instance, we asked questions like “how do you approach this issue”, rather than “are you doing this or are you not?”

We spent some time looking after relevant companies and established a list of companies that could possibly be relevant to our study. The next step in this process were that we contacted those companies by e-mail, in which we presented ourselves, the topic and purpose of the study, and whom within the company we wanted to talk to. Most of the companies were contacted by sending our inquiry to a general customer service or contact e-mail address, which were then forwarded to a more relevant person. We explained our intentions straight away in our inquiries, in order to make sure we were to get ahold of relevant persons. Before conducting the interviews, the questions were sent in advance to our interviewees, and thus giving the interviewees time to think about their answers in advance. This enabled us to get more in-depth answers since the respondent already had an idea about what we were going to ask, and we could be time efficient in the actual interview setting.

It was our initial intention to conduct all of our interviews face-to-face, since this is usually preferable when conducting in-depth interviews. An example of an advantage of this was that one interviewee provided us material from the company he worked for that we could use in our study, and also further insights from him as we small talked prior to and after the taped interview. This intention of having exclusively face-to-face interviews had however to be revised due to a number of limitations. The most important constraints were physical distance, time to travel, cost of travel, accommodation and availability of the company representatives we contacted. The chosen kind of e-commerce companies in this study are widely spread throughout the country of Sweden, and as we found out it was relatively difficult to get ahold of relevant interviewees in management positions within those companies willing to participate in our study.

In the end we had to conduct two of our interviews via telephone, with two companies based in the Stockholm area. We do however think that even though they were conducted via telephone, the data and insights provided from them did greatly improved the final results of this study. An alternative to this would be to decline those interviews and instead spend more time on trying to find interviewees more geographically closer to where we were based in Lund, but the risk would
be that those potential interviewees would not be as relevant for our study as those we interviewed from a distance.

3.5.2 Collection and selection of secondary data

Secondary data is characterized as data that was gathered for reasons and purposes other than the ones for the particular study it is used in (Bryman & Bell, 2010). Even though many professionals involved in e-commerce in the Nordics such as all of our interviewees are aware of the reports we will use as sources for our gathering of secondary data, there are some reasons to use it. For one, it possibly has a complementary function as it can contain important aspects that our interviewees were well aware of, but were unable to provide during the interviews out of a time constraint and that the questions being formulated in a way that did not encourage going into depth with issues such as those found in the PESTLE-analysis. Further on, we do believe that far from everyone read those reports regularly, especially people not native in the Nordic region. By presenting important aspects connected to conducting intra-Nordic online retailing, we think that this will provide valuable insights for readers not fully familiar with those sources of data, especially if those findings are also confirmed to be important by our interviewees. Surely most people in the industry of online retailing in the Nordic region would be somewhat familiar with important issues regarding trade policies, customs and practices and regulation, but that does not have to be the case for non-Nordic people. Finally, by going through secondary data, it enables us to gain insights and information affecting not only exclusively the companies examined in this study and other similar companies like them who are trading with the same kind of consumer goods. Thereby it provides data valid for the online retailing sector as a whole.

The secondary data used in this study will contain data mainly gathered from reports put together by Postnord (Merger of Swedish and Danish postal services), DIBS Payment Services (Nordic online payment service provider), Bring and a number of established sources such as legal documents and Nordic governmental issues in order to find material to conduct the PESTLE-analysis. Overall, it is our ambition to widen the perspective of the study by adding content gained not only from our in-depth interviews with company representatives.

3.6 Data processing

For the purpose of ensuring high quality and reliability in our work, all of our interviews were recorded, transcribed and translated by us. Regarding ethical aspects, the interviewees were informed about the research purpose, and we asked for permission to record the conversation.
The respondents did receive the ability to approve the data and their statements before the study were published, to make sure that no sensitive, misinterpreted or false material gets published (Bryman & Bell, 2010). Additionally, notes were taking during the interviews. As both of us handle the English and Swedish languages fluently, we are confident in our ability to properly translate from Swedish to English. The transcribed material was later analyzed together with the notes taken.

In the analysis and conclusions parts, our interpretations have been put under a number of subheadings in order to make connections between our findings and the research questions. The analysis of the secondary data has its own section in form of the PESTLE-analysis, but the secondary data also has a supportive function as it complements the findings originating from the primary data. The PESTLE-analysis generated an amount of data not considered essential enough to be placed in the actual thesis, but was instead put in the appendix.

Below is a list of companies that we conducted in-depth interviews with including the company name, the name of the company representative, his or her title, the location of the head office, date, and type of interview. Note that the face-to-face interviews were in principal 45 minutes long, whereas the telephone interviews took approximately 30 minutes. Company figures are found in the appendix.

<table>
<thead>
<tr>
<th>Company</th>
<th>Representative</th>
<th>Title</th>
<th>Location</th>
<th>Date</th>
<th>Type of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panduro Hobby</td>
<td>Thomas Panduro</td>
<td>Vice President, Marketing Manager</td>
<td>Malmö</td>
<td>2015-04-19</td>
<td>face to face</td>
</tr>
<tr>
<td>Hobbex</td>
<td>Peter Olsson</td>
<td>E-commerce Manager, Marketing Manager</td>
<td>Borås</td>
<td>2015-04-10</td>
<td>face to face</td>
</tr>
<tr>
<td>Lekmer</td>
<td>Johan Englund</td>
<td>Marketing Manager, co-founder</td>
<td>Stockholm</td>
<td>2015-03-31</td>
<td>telephone</td>
</tr>
<tr>
<td>Hööks</td>
<td>Emmi Holmer</td>
<td>Online Marketing and E-commerce Manager</td>
<td>Borås</td>
<td>2015-04-10</td>
<td>face to face</td>
</tr>
<tr>
<td>Adlibris</td>
<td>Henrik Oscarsson</td>
<td>Chief Operating Officer</td>
<td>Stockholm</td>
<td>2015-04-15</td>
<td>telephone</td>
</tr>
<tr>
<td>CDON</td>
<td>Lotta Abrahamsson</td>
<td>Marketing Coordinator</td>
<td>Malmö</td>
<td>2015-04-22</td>
<td>face to face</td>
</tr>
</tbody>
</table>

Table 2: Overview of interview sessions
Interview 1 (Conducted March 19th 2015 at the office of Panduro Hobby in Malmö)

Panduro Hobby was founded in 1955 and is one of Europe’s largest retailers in hobby products. The company is originally from Denmark, but the current headquarters is located in Sweden, with offices in Denmark and Norway, too. It operates in Sweden, Finland, Denmark and Norway, and has many physical stores. In Finland instead of having physical stores, they cooperate with a local retailer instead. The company had mail order as its primary sales channel for a long time before being taken over by the Internet.

The interviewee from this particular company has previously taken part on the Nordic e-commerce report from Postnord (2014) and had some very interesting points that we would like to examine further. Since the topic of this study is not new for him, we think he is especially interesting to interview. Since the company has been around since the 1950’s, it can be interesting to see how such an old company made the transition into conducting e-commerce.

Interview 2 (Conducted April 10th 2015 at Hobbex office in Borås)

Hobbex was founded in 1961 and is a mail order company from Borås that now has transferred their operations into the Internet. They sell goods ranging from RC cars to joke gadgets. The company operates in Sweden, Norway, and Finland. They have the ambition to enter the Danish market. In addition, they have 12 physical stores in Sweden.

The sector in which they operate is quite similar to Panduro Hobby, and their almost equally old, so it will be interesting if these two companies share some thoughts or if they differ fundamentally. It will also be interesting to explore another company that did transfer from a mail order company into an online retailer for reasons of comparison. Additionally, Hobbex have very recently expanded their online operations to Finland, so it will be interesting to investigate why they have chosen to do so, and why they do not have a presence in Denmark yet. In other words, they are in the process of expanding, and therefore it will be especially interesting and relevant to interview them. Hence our study can be of interest for them, too, when they plan their expansions.

Interview 3 (Conducted March 31st 2015, via telephone)

Lekmer was founded in 2006 is the leading Nordic online retailer for families with small children. Their product range is everything from toy, children’s clothes and baby trolleys. The company is Swedish-based and operates in Sweden, Denmark, Norway and Finland with operations
centralized in Stockholm. They recently opened a physical store in Stockholm. The company has been a part of a leading Nordic e-commerce group called Qliro Group (formerly known as CDON Group) since 2006.

Toys being the third largest consumer goods product group sold online (Postnord, 2014) Lekmer is a very interesting company to investigate. They are also active in the Social Media, which is also interesting when exploring the presence of the company from a consumer perspective.

**Interview 4** (Conducted on April 10th 2015 at Hööks office in Borås)

The roots of Hööks goes back to 1931, and started as a saddler business. They have had post order operations before, but started the online retail already back in 1999. In addition to the large online store, they have physical stores in Sweden, Norway, Denmark and Finland. While the headquarters is located in Borås, their customer service is partly managed from local stores in the local markets. Products related to horseback riding and dogs is an unusual segment, and we want to explore if trading with that kind of goods has special implications on conducting e-commerce.

**Interview 5** (Conducted on April 15th 2015, via telephone)

Adlibris was founded in 1997 is the largest book retailer in the Nordic region, with operations in Sweden, Norway and Finland. They were previously present in Denmark but pulled out of that market due to the competitive situation. Adlibris is a part of the Bonnier group with headquarters in Stockholm, with some local employees placed in Finland as well.

Adlibris was one of the online retailing pioneers in the Nordics, and a successful one. Books is a very interesting segment, that is going through some changes due digitalization. Since the products cannot be exactly the same because of translation and language matters, it is interesting to see how that affects the adaptation of the marketing mix.

**Interview 6** (Conducted on April 22nd 2015, at the CDON office in Malmö)

CDON is one of the largest online retailer in the Nordics. Their product assortment ranges from media, home electronics, books and music to fashion, sports equipment and interior design. They operate in Sweden, Norway, Denmark and Finland and have an EU-site for non-Nordic customers. CDON is also a part of Qliro Group, one of the largest e-commerce group in the Nordics, along with Lekmer.
Having the largest pure-click player online as an interview company not only adds the value to our findings but also ensures that such a successful company knows the online retailing industry inwards and out.

3.7 Reliability

Reliability in the research context determines whether or not the results from a study would be similar if another study using the same study design would be conducted. (Backman, 2007). The term also covers whether or not random aspects have impacted the study thus making the result biased (Bryman & Bell, 2010). In this study we have taken the below measures to secure the reliability.

*Internal reliability* regards the interpretation and analysis of the data used in a study (Bryman & Bell, 2010). As both of us prior to this study already had acquired knowledge within the field of marketing, we possessed basic understanding of our particular field of research and the accompanying theoretical models. This has enabled us to identify certain data as irrelevant or redundant and thus allowing us to focus on more precise and appropriate areas of research. The primary data generated from the in-depth interviews is exclusively derived from highly experienced professionals holding a management position in their respective company. The secondary data is derived from recognized and acknowledged databases, reports and related documents. This leaves us with both primary and secondary data holding, from a qualitative viewpoint, a high level of overall reliability and trustworthiness.

*External reliability* refers to what extent a study varies from other studies and the degree to which the study can be replicated (Bryman & Bell, 2010).

One way of acquiring an increased reliability could possibly have been to increase the amount of interviewees (Bryman, 2008). However, we came to the conclusion that it was better to get ahold of a fewer number of key-informants capable of answering our question properly, as opposed to aiming to get as many interviews as possible with any given employee at any given company conducting online retailing.

We have not selected a narrow, but rather broad range of companies in terms of what segment of consumer products they sell. By doing this, we acquire insights applicable to a larger number of companies then if we would have selected companies only trading with for example toys.
Wanting to explore and provide results valid for most retailers of consumer goods performing online retailing, we consequently judged that we increase the reliability by selecting companies selling different kinds of consumer goods. It is, when working with interviews as study input, important to realize that some answers provided possibly becomes subjective and reflect personal views and reflections. However, we have been considering this possibility when analyzing and drawing conclusions from the data. When also bearing in mind that the nature of this study is explorative, we do not see this risk interfering with our purposes.

3.8 Validity
Validity is the measurement that determines whether a study’s conclusions are to be considered as being accurate or not. A high validity is achieved when efforts, presented data and conclusions are being kept focused towards the initial problem formulation and purpose. It is a matter of striving “to do the right things” at all times. (Bryman & Bell, 2010).

Internal validity refers to the accuracy between findings and the chosen theoretical framework (Bryman & Bell, 2010). The questions for the in-depth interviews have been designed so that they are connected to the research questions and our framework. The interviewees were also informed in advance about the theoretical framework that functions as a base for this thesis.

External validity, or transferability, implies to what point the results are valid to external situations (Bryman & Bell, 2010). Our study is limited by the fact that only six companies are explored.

Furthermore, the in-depth interviews to some extent reflect the perceptions and personal opinions of the interviewees. We have handled this challenge by always being present both of us at the interviews. Also, we have recorded the interviews, allowing us to further penetrate the answers given. This has enabled us to discuss between us and decide on what data seems to be consistent and valid.

Given the limitations of a master thesis, we have chosen between a narrower scope with a high validity and a broader scope with a somewhat lower validity. The decision fell on the latter approach, since we wanted to provide the entire consumer goods sector in the Nordic region some advice on how to look at their marketing mix when conducting online business in the different countries in the Nordic region.
4. **EMPIRICAL FINDINGS AND ANALYSIS**

This part contains a presentation of our empirical findings as well as an analysis of those. The primary data analyzed is gathered from the in-depth interviews, and secondary data is structured into a modified PESTLE-analysis. The content is managed in a fashion that clearly links the findings to the research questions and marketing mix issues.

The empirical analysis is conducted using the theoretical framework presented in the literature review. We begin with the results of the PESTLE-analysis of the Nordic countries’ macroeconomic environment.

4.1 **Secondary Data Analysis - PESTLE**

Before going further, we once again need to justify our modified usage of the PESTLE-analysis, by giving an example of the environmental area of the analysis. According to Ghauri and Cateora (2014), the environmental aspects contains among other things altitude, humidity, temperature extremes, natural barriers and road conditions (Ghauri & Cateora, 2014). Such factors do not appear to have a direct impact on conducting online retailing within the Nordic region, as none of them were brought up in the interviews nor were they mentioned as eventual obstacles in previous research on the area. Based on this, we find it questionable if for example differences in humidity affect how an online retailer in the Nordic region sets up the marketing mix.

More important environmental aspects are physical and geographic distance, as it has a direct impact on time of delivery, which in turn affects the way communication, promotion and campaigns are made. A company based in Sweden can in many cases deliver within one day in Sweden, but if a Finnish customer orders something that can take up to several days for it to arrive. This makes a standardized approach in terms of delivery difficult, since it is not possible to offer delivery at the same terms regardless of the customer’s country of origin. It is with this kind of reasoning we conducted the secondary data analysis.

The review of the secondary data is narrowed down to highly important and relevant aspects. Instead of going through as many somewhat relevant sources as possible, we decided to focus on a few sources being more relevant for our study’s purposes than others. The purpose of allowing
the secondary data support the primary data, and let them complement each other, is in order to get a more overviewing picture.

It can very well be so that the reports of e-commerce in the Nordic region miss out on some important aspects which the interviews can provide and vice versa. Furthermore, we want to provide some qualitative data to explain the numbers in the reports as we find there is a general lack of knowledge in there.

4.1.1 Political

A document issued by the Swedish government to the Swedish parliament called “Nordic cooperation 2013”, brings up the field of e-commerce within the Nordic region by stating that “there is a great potential for e-commerce in the Nordic market and by this initiative, the Nordic countries can possibly be a frontrunner region within the EU/EES” (Regeringsens skrivelse 2013/14:90, 2014, p. 6). In the document the government of Sweden “reports on the cooperation between the governments of the Nordic countries, with a main emphasis on the work of the Nordic council of ministers” (Regeringens skrivelse 2013/14:90, 2013, p. 1). It is also stated in the document that there has been an initiative to erase a number of demands regarding the requirement of having an physical establishment in order to conduct e-commerce business in the region, and that there is a shared view on that setting up such demands for establishments will limit the possibilities for both companies and consumers to conduct e-commerce. The statements above were made by the previous government of Sweden. In 2014, there was a change of government. The current government issued a similar document the same year for similar reasons, regarding cooperation between the Nordic countries (Government of Sweden, 2015). In that documents section for e-commerce, it is once again stated that there is a large potential for this kind of business in the region, and that the Nordic region should strive to become a forerunner in the area. Moreover, it is mentioned that cooperation between the countries was initiated in 2013 to erase obstacles for conducting e-commerce within the region. One of the biggest obstacles is said to be the requirement of having a physical presence in the country one wants to operate. As a conclusion it is said that nowadays those problems were erased to a large, and those few that remain are in progress to be removed (Government of Sweden, 2015).

Even though the documents were released by the Swedish government, they contain agreements and statements regarding shared viewpoints from all the Nordic countries, and can therefore be seen as applicable to the region as a whole. Our primary impression of this is that there seem to be a very supportive and non-hostile standpoint from the governments on this area of business,
reducing political risks such as expropriation, confiscation or domestication (Ghauri & Cateora, 2014). In no other articles or studies on the field have we been able to find any considerable hints about policies or political obstacles that seem to constitute obstacles for the kind of companies that are examined in this study. Quite on the contrary, the policies seem to be constructed to make it easier to conduct this kind of business in the region by removing cross-boundary obstacles and thereby laying the foundation for a single Nordic e-commerce market with a reduced need for local national adaptations.

4.1.2 Economic

By selling goods in different countries, a company has to consider different currencies in those countries it intends to conduct business in. Hence, in the Nordic region there are four currencies, with Finland having the euro and the others their own national version of the monetary unit called crown (The Nordic Council, 2015). By observing prices for identical products sold on the different national web stores of Nordic online retailers, we encountered in many cases that the amount of Swedish (SEK), Danish (DKK) and Norwegian (NOK) crowns for an identical product are the same, even though they are three different monetary units. On the other hand, some companies did not do this.

<table>
<thead>
<tr>
<th>Country</th>
<th>Currency</th>
<th>100 SEK in the countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>SEK</td>
<td>100,00</td>
</tr>
<tr>
<td>Norway</td>
<td>NOK</td>
<td>92,02</td>
</tr>
<tr>
<td>Denmark</td>
<td>DKK</td>
<td>79,95</td>
</tr>
<tr>
<td>Finland</td>
<td>EUR</td>
<td>10,72</td>
</tr>
</tbody>
</table>

Table 3: Exchange rates for the Nordic currencies in May 13th 2015. (Source: Nordea)

This makes us uncertain enough not to make any definite statements about how pricing decisions should or should not be standardized within the online retail sector in the Nordic region, as prices for identical products in different currencies are the same but not equally worth. By conducting our in-depth interviews, we intend to ask them about how the companies examined in this study approach this issue, and their reasoning behind it.

What we can notice at this stage is that by measuring the Nordic countries purchasing power parity, Norway has the highest, followed by Sweden, Denmark and Finland respectively (World Bank, 2014). This would indicate that for an identical product being sold by a Nordic online
retailer, the de facto price would be the highest in Norway and lowest in Finland, and thus adapted. Before making any conclusions out of this, we intend to go more into depth on this matter regarding price with our interviewees.

4.1.3 Social

This part presents the finding by conducting a so-called country comparison on the Nordic countries, measuring the dimensions “individualism versus collectivism” and “uncertainty avoidance”. As a group of countries, the Nordic countries are indeed very similar to one other as compared to other countries and regions of the world, a fact that is also well-known (Lindell & Arvonen, 1997), but since our study’s focus is exclusively on those countries, we did compare them to each other.

![Individualism versus Collectivism](Source: geert-hofstede.com, 2015)

![Uncertainty Avoidance](Source: geert-hofstede.com, 2015)

As seen in the tables above, Finland stands out as being the least individualistic and most reluctant to uncertainty. Those scores indicates that the Finnish consumer is more reluctant to engaging in purchasing of goods online overall. Simultaneously, as seen in the table below, Finnish consumers buy the least amount of goods in the Nordics, and also at the lowest frequency.
As we noticed while conducting the observations, many Nordic online retail stores that conducts business in Finland, does to a larger degree than in other Nordic countries use content in English rather than Finnish regarding the overall content of the online store as well as customer support. By using English instead of Finnish, it cannot be said that such an approach is to be referred as locally adapted. This could be one of the reasons why Finnish consumers buy less than the other Nordic consumers online. We go into depth with the language issue with our interviews.

Our initial comment in regards to the research questions is that when establishing e-commerce business in Finland, marketing efforts and online stores should be localized and adapted to a higher degree than the other Nordic countries, and to use the Finnish language as much as possible rather than English or other Nordic languages in Finland.

Another aspect based on those scores would be that especially Danish consumers are to a larger degree more open towards engaging in online shopping regardless of the degree of locally adapted content and communications of the company they are purchasing from.

4.1.4 Technological

As for the Internet access in the Nordic region, it is relatively high compared to other regions and countries in the world, which could partly explain the overall high percentage of Nordic people shopping online since the degree of availability to internet is connected to the level of online shopping (Kotler & Keller, 2012). According to the United Nations specialized agency for...
information and communication technologies, all of the Nordic countries have more than 91 percent of their population being online and using the Internet (World Bank, 2015). However, as found in the annual reports issued by various postal services in the Nordic region, Finland stands out as being the country with the least frequent purchasers (Bring, 2014; DIBS, 2014; Postnord, 2014). It also has the lowest internet penetration rate of the four countries (World Bank, 2015).

Another important aspect related to technology is the methods of payment. According to Postnord (2014), the preferences regarding this are quite different on a national basis. A considerable amount of Swedes prefer to pay subsequently by invoice, while a large majority of Danes prefer to pay by credit card (Postnord, 2014). In Denmark, a widely used method of payment is through the use of a special national debit card that called Dankort (Nets, 2015), which has no equivalent in the other Nordic countries. We can see that the preferred ways of payment are very different depending on country, and some ways of payments are exclusively connected to a certain country as in the case with the Dankort. This indicates that offering a broad range of ways of payment is important. By not offering a certain kind of payment in any country where the consumers prefer to pay that way could possibly impact the business negatively, so taking local differences into consideration seem to be very important to satisfy varying customer needs. Therefore, the presence of the various national web stores should possibly be adapted to match local differences in regards of payment methods.

4.1.5 Legal

In 2010, a collaboration of Nordic consumer commissioners jointly released a document containing a common viewpoint on commerce and marketing online (Forbrugerombudsmannen, 2010). This document summarizes important rules and principles for conducting e-commerce in the Nordic countries. During our interview with Thomas Panduro, he said that the “regulations on e-commerce in the Nordic countries are quite similar, and keeps getting more and more similar each year” (Panduro, 2015). This statement correlates with the findings in the document mentioned above.

It is not our ambition to go through the very detailed and national rules and regulations overall, but rather to cover aspects that could possibly differ locally and therefore affect the overall marketing mix approach for an Nordic online retailer, and provide a basic presentation of those. In the appendix lies an excerpt from the document, highlighting sections where there are local differences in the regulations. In this part, we present our interpretations after examining the material.
The first thing that strikes us is that out of the whole document containing 15 pages of terms and conditions, only the ones mentioned below do show some local differences. Also, those differences that do exist are for the larger part not major ones. The most obvious differences are regarding time and cost for returning of goods, contractual information obligations and some minor differences in the electronic marketing procedure. Many of the differences are directly derived from the fact that Norway is not an EU-member. The most obvious differences are related to which timespan the customer has the right to return goods, and if the supplier or the customer pays the returns. Both these factors can to some extent affect the business, in particular the cost for returning goods will, if taken by the supplier, affect the product calculus (profit).

4.1.5 Environmental

The environmental benefits in regards to online retailing as a whole are documented (Carrillo, Vakharia & Wang, 2014). As consumer awareness about those issues has risen, and that major online actors, such as Amazon, highlights their environmental efforts for their consumers (Carrillo, Vakharia & Wang, 2014). It is important not to ignore this for competitive reasons. This is especially true since the Nordic region is more focused on being a “green economy” than ever (The Nordic Council, 2014).

The most striking geographical feature of the Nordic region would be the large geographic area and its relatively low population density, with Denmark being the exception in both area and population density (The Nordic Council, 2015). It is about a tenth of the average size, and about seven times higher population density than the average of the three other countries (The Nordic Council, 2015). Depending on from what geographical area goods are to be delivered, it can vary very much in terms of delivery time, and also the prices of transportation. This is an issue that very well can impact pricing and terms of delivery depending on the nationality of the potential buyer, and therefore has an eventual impact on the ability of a company to standardize their offers in terms of price as well as place/channel due to cost- and time of delivery.

4.2 Primary Data Analysis

From here on follows the primary data analysis, conducted using a general inductive approach (Thomas, 2006), which is also partly supported by findings from the secondary data in order to strengthen the following conclusions. The findings attached in this section are those that to some degree can be connected to any of the five P’s s of our modified marketing mix framework (we have added a P for presence), in order to better relate the data to our research questions. In order
to maintain a connection with our literature review, we will relate our findings to important statements made in literature review section.

Additionally, although all six companies fit our requirements by selling tangible consumer goods that are popular to buy online (Zentes, Morschett & Schramm-Klein, 2011). By the time we conducted our final interview with CDON, we felt that we had reached data saturation, meaning that we did not see it as necessary to take time to conduct further interviews (Backman, 2007). Indeed, the findings from that interview were in line with the ones we had conducted earlier, and added no further information to what we already knew from the previous interviews but rather only strengthened the findings we already had.

Something that made us comfortable about this was the fact that our interviewees had all been able to answer our questions properly without avoiding an answer at any point. All of our questions were thoroughly answered by the respondents, and we were at no point under such time pressure that we had to finish prior to fully completing the interview due to a time constraint.

What we did find out is that the cultural elements are the most important factors for the companies to consider, which is similar to what Roper (2004) concluded:

> “Whilst respondents recognized regional similarities and could characterize the “Nordic” customer they also acknowledged the cultural nuances of customers from the different countries” (Roper, 2004, p. 524)

We have put much effort into attaching relevant quotes from the company representative under the headlines under each section. Although this procedure of course opens a discussion on subjectivity, the qualitative and explorative nature of the study strengthened us in selecting quotes out of relevancy rather than quantity.

### 4.2.1 Product

As stated earlier, this paper focuses on consumer goods sold online. This is indeed a very broad term, and contains everything from clothing, electronics and toys to products for pets and animals as well as perfumes and accessories. Apart from this, it is important to separate between high-engagement and low-engagement products. The higher the engagement, the more time and effort the customer puts in evaluating a purchase (Dahlén & Lange, 2011). When doing the
analysis of product, we have asked the interviewees about the characteristics of product range, certain popularity in particular countries, and about the looks and functions of the web store.

We found out that books, movies, media, music and similar goods, that are supposed to be read, heard and looked at, constitute a barrier in terms of standardization to other countries unless they are in English language versions. Additionally, and in particular in the case of books, there is the cultural dimension. For instance, a well-known Swedish writer is likely to sell much more in Sweden, and a biography of a Finnish personality will probably not even be distributed outside Finland. Further dimensions of selling books in the Nordic region are brought by Oscarsson (2015) at Adlibris:

“Astrid Lindgren [author] books are super strong [in Sweden], I take that for granted [as a Swede], then you can have a kids-book campaign which includes Astrid Lindgren. Of course, there are equivalences in Norway and Finland that all kids know of. One example [of a book campaign] would be that in Sweden we have the annual “bokrean” [book sale period in February-March], which is a very recognized concept in Sweden. In Norway there is something similar called “mammut”, that runs a bit different compared to in Sweden. As a Swede you don't have a clue about what “mammut” is, and vice versa with “bokrean”. It’s extremely important to have the local anchorage, because there are many deviations, like in Norway you have a fixed book pricing, so with new books it's the publisher that says what a book is allowed to cost in stores, so you have to follow some guidelines there, and this limitation doesn’t exist in Sweden or Finland. You have to be aware of how this works, this whole system”. (Oscarsson, 2015)

In other words, a book in Finnish is not relevant in Sweden or Norway. As we found out, this segment of products is, apart from the language barrier, very affected by and bound to cultural elements in many cases.

Another concrete example of that the type of product impacts the operations is Hobbex and their product segments of air-powered guns, bb-guns and fire crackers. As opposed to books and media, this group of products is not as affected by cultural elements, but more so by legal and technological elements. Hobbex products occasionally get subjected to customs due to various legal differences, in this case between Norway and Sweden. Yet another example from the same company regards a product which can be described as “tiny white bags that explode on impact after being thrown to the ground” (Olsson, 2015), which is very popular in Sweden but is in a
legal sense categorized as fireworks in Norway and can therefore not be sold by Hobbex to Norway.

Hööks mentioned that the only time their product assortment may differ is if there is a component in a spray or shampoo, for example, which is prohibited in some certain countries. Those varying legal definitions have the effect that some products are not allowed to be sold in some particular countries, and also they tend to create frustration among both customers and company when it has to pass through and possibly get stuck in. However, in the Hööks case, this only applies to a handful of products in their whole range.

On a question about their offering of products and related difficulties in the Nordic region, Olsson (2015) at Hobbex says:

“In general, it's the same [product range], but some rules and regulations hinder us from selling certain goods in certain countries. Last year we could not sell gas-powered guns in Sweden, but in Norway and Finland we can. The differences are very small; we try to stick with products that we don't have to adapt too much. It mostly about guns, what exit speed is permitted, which ammunition caliber, impact energy etc. When we follow Swedish legislation, it usually works out in the other countries”. (Olsson, 2015)

He continues:

“In Norway it’s especially laws and rules. We are selling many products that are strictly bound to rules and regulations, like bb-airsoft guns. They have been stopped quite some times in customs in Norway, where they wonder we send machine guns, whereby we have to explain to some customs officer who have no idea what he has in his hands, namely an airsoft gun that shoots plastic balls and is used in competitions and people running around in the woods shooting at each other. Yes they are shooting at each other and it is completely legal. But there have been some interesting discussions, but less interesting for our customers, that products are stuck in customs for a month because the officers can’t understand what it is. Then we also have some issues with those fun-snaps that we are selling, small bags that explode when thrown to the ground. They are big sellers in Sweden, but in Norway they count as fireworks so we could not send them and therefore not sell those poor small little bags.” (Olsson, 2015)
As Olsson (2015) said, some product gets delayed and stuck in customs even though they are perfectly legal, but sometimes the customs personnel fail to comprehend what type of product it is and therefore cause delays.

With these examples we can see that the companies selling less sensible products do not face these problems. Hence, an important aspect in regards of local adaptation of the product range is the high- versus low engagement character (Dahlen & Lange, 2011), as well as the technical specifications. Important to note is that this most often affects Norway as they are not part of the EU. However, as of today, the situation is like Panduro (2015) expresses it:

“Norway is not part of the EU, which makes some problems regarding the customs. Some aspects of the Norwegian customs are to be considered. If that country [Norway] became an EU member, it would have been beneficial to all e-commerce companies.” (Panduro, 2015)

Other companies did not have any particular need for adapting their product range. We asked Lekmer about their product range in the Nordic countries:

“In fact it’s the same everywhere, if it differs somehow so that’s due to that our suppliers do not give us the permission to sell products in a certain country due to how do their retailer structure looks like.” (Englund, 2015)

Also, high-priced high-engagement products, as well as low-priced, low-engagement products tend to cause less returns, either due to the more planned purchase decision or the cost of returning in relation to a low price paid for the product do not make a return seen as beneficial. An example of this was provided by Hobbex, where it was stated that a customer buying a radio car worth 3000 SEK will not return it because the color happened to be different than the one he or she thought. An example of the low-priced product is that Panduro Hobby does not receive a lot of returns due to the small and inexpensive products they sell because people do not bother to send them back.

As we found out by studying companies dealing with different kinds of consumer goods, it is largely dependable for the company what type of product it sells in terms of how it affects their way of doing business. The term product is so much more than just the physical characteristics of it, as Brynjolfsson and Smith (2000) put it. Companies have the legal, technical and, especially in the Nordics, not the least cultural elements and local prerequisites to consider. For some companies, like Lekmer for instance, the differences in the Nordic region to consider product wise are very small as apposite to the cultural and language-bound products of Adlibris, or the
tech-related goods of Hobbex. All in all, the possibilities of standardizing the product part of the marketing mix is very different depending on type of product and in what countries there are sold.

4.2.3 Price

As discussed in the PESTLE-analysis previously, we discovered that many identical products were sold for the same amount of monetary units even though the currencies are not equally worth.

For the interviews we asked the company representatives about their pricing policy – do they adapt it according to the currency rate? Do they transfer Swedish prices into the other markets using the same amount of monetary units? Or do they look at the competition situation in the country in question?

This was the part where we got the most varying answers, and where it will be difficult to draw any conclusions. Whereas some companies just copy the Swedish prices into Norwegian and Danish so that 100 SEK equals 100 NOK and 100 DKK, some companies set the prices according to the products “supply and demand” – or the competition situation, in the country. Adlibris, for instance, has to take into account that books in different countries cost different due to e.g. translation costs and different publishers in different countries, and therefore has its suppliers influencing the pricing, an occurrence mentioned by Quester and Conduit (1996).

We asked our interviewees whether they have a standardized pricing policy within the Nordic region, and their answers are as following:

“No, the simple answer is that Denmark is cheapest and Norway most expensive. Sweden is in between. It is not 100% adapted with all goods, but we have category managers that are looking for a correct market price. Therefore a good that can cost only 90 in Denmark, can cost 120 in Norway. Generally Norway is most expensive, but we look at each good: we ask ourselves what can the market carry? The Danish prices are generally lower, but it is supply and demand in rule. There are no easy ways there. We have five category managers that does this for a living, that’s their job, to make sure that this good shall cost X kronor in Denmark, and a little bit more in Norway. That’s their job.” (Panduro, 2015)

“The prices can differ, depending on the currencies of course, and depending on the competition in each market. For instance in Norway one must pay for the mail customs for example and that kind of things. You have to adapt the prices for the markets so a common
price does not work. It depends on the competition situation. And the delivery prices also differ.” (Englund, 2015)

“If you look at different books, they are all bought in the local country. It’s a whole different pricing [in other Nordic countries] than in Sweden. If you have a Kepler [author] in Sweden, it’s going to have a different price in Norway since it has to be translated, and it’s another publisher who has the printing rights in Norway, and so on. So no, you can’t do that price translation. Moreover you have different VAT rates, in Norway is 0%, in Sweden 6% and in Finland 10%. You can’t do that [standardize]. You also have currencies that fluctuate, and the crown [monetary unit] has been bad lately. It doesn’t work that way. We buy from Norwegian publishers in Norway, and from Finnish publishers in Finland. The prices in general are quite similar, but you can’t make it that easy. Its local adaptation for us.” (Oscarsson, 2015)

“They are different, like when shipping a TV to Norway, that’s, its things like that we need to consider, in terms of price, so that’s adapted for local markets.” (Abrahamsson, 2015)

The following companies have a different approach to this than those quoted above:

“100 SEK in Sweden is 100 NOK in Norway, and then we have a calculation for Finland which has euro. I don’t know the difference, but that is made automatically in the enterprise resource planning system, however we are watching the prices on a lot of products down to the product level, so a good in Sweden can cost 27 995 SEK, and in Norway it costs 24 995 NOK, because that is the price we need to have in order to stay competitive, but if you look at the “highway”, what we do with 7000 out of our 7500 products, it is the same price in Sweden and Norway” (Olsson, 2015)

“Historically, the prices in Norway were a bit lower, since the Norwegian currency was worth a bit more, but in time the difference in worth between the Swedish and Norwegian crowns has mostly disappeared, it’s almost the same now. If you had a product costing 799 SEK in Sweden, it would cost 743 NOK in Norway, which was a very ugly price communication. We have some certain price points that we work with. Now it is only Finland that has those ugly price points, where stuff can cost 68 EUR instead of 69 EUR” (Olsson, 2015)

When asking Olsson (2015) about doing the same in Denmark eventually, when they expand there he says it is possible, but depends on how the currencies look like. He sees the importance in having the right price that suits the market.
The same pricing style is used at Hööks, in which Holmer (2015) states:

“*We have fixed currency rates so that 100 SEK is 100 NOK, and 100 NOK is 100 DKK.*” (Holmer, 2015)

When asking about the reasons for this approach, she replies:

“That’s just how we do it. It seems to be quite many companies doing it the same way we do, and because Denmark and Norway are wealthier countries, so the products are more expensive there anyway so it works. It is quite a normal approach [in the industry].” (Holmer, 2015)

Those findings do correlate with previous mentioned statements about the price being the most adapted part of the marketing mix (Birnik & Bowman, 2007), as well as different VAT rates, price levels and currency fluctuations as seen in the PESTLE-analysis. Further on, some of the companies show signs of applying so called geographical pricing (Kotler & Keller, 2012), and thus considering geographical aspects in their pricing policy.

On the other hand, a couple of companies do not seem to mind those issues and simple standardize their prices without mentioning any major strategic reasoning behind it.

It is hard to draw clear conclusions out of this. Hobbex and Panduro Hobby are both in the business of selling hobby related products, but have different approaches to pricing. Moreover, Lekmer and Hööks, who both mostly sell products that are not substantially bound by cultural, linguistic nor technological aspects, do not appear to share a similar pricing strategy either.

As mentioned, most studies conducted on the subject suggest that price is the element of the marketing mix that is the least standardized (Birnik & Bowman, 2007), and in the Nordic context, this seems to apply.

4.2.2 Place

As we discovered, the choice of having or not having physical stores depended largely on the companies’ backgrounds. Panduro Hobby, Hobbex and Hööks have all been operating for decades, well before the concept of online retailing was established. Those companies conducted mail order operations prior to going online. For their part, going online was just a natural step of keeping up with the development of the business environment, rather than being a strategic choice, which reminds us about the old paradigm called the “Wheel of Retailing” (Massad, Nein & Tucker, 2011).
This was expressed by the interviewees as following:

Panduro Hobby has always been selling through mail order before, during the 1960’s and 70’s, so turning to e-commerce was just a natural part of following the development. We are still printing catalogues [for mail order], because there are still many of our customers who like them and are using them in their everyday life, but our sales has been moved from telephone and mail order to the internet. All of our incoming orders come through our homepage. (Panduro, 2015)

“We originate from mail order operations when the company was new. The modern operations started in the 70’s approximately. Since we had been doing mail order it became a natural step to go over to e-tailing.” (Holmer, 2015)

“We [Hobbex] have been a mail order company since the 1960’s, so it’s more like the format that currently applies [e-commerce]. Turning to e-commerce was necessary, obviously, meaning that there were no other alternatives. We don’t use new hype-words like omni channel, still we are doing all that but the main priority is that it should be convenient for the customer. In the 1960’s it was very easy for a customer to get ahold of a catalogue, meaning we were very “omni” already back then” (Olsson, 2015)

“Today it is very good for the customer if a product has run out online, but it is available in our store in Gävle, but he want it delivered to Malmö. It is such things we are currently working to solve in order for customers to have this service. There are a lot of nice words for this, but what matters for us is that we are making it easy for the customer to purchase, that’s our priority. We began with e-commerce since this was what mail-order evolved into. For us it was fully natural.” (Olsson, 2015)

The ones who did not have any prior history of being a company, like Lekmer, gave the following reason for starting off online without any physical locations:

“We did not want to be hindered by a physical store. That is why we decided to take the back door with that [starting online without physical stores initially]. We can fill the lack of physical store by targeting our marketing activities. As an example, those who live in Stockholm would never go to a store at this time of the day [evening time]. Instead, we have a register where we can see where our customers shop, at what time. Sort of like a customer club. We can use it like a store in any city.” (Englund, 2015).
Englund’s answer corresponds to the literature claiming that physical stores as opposite to online stores constitute geographical limits in regards to how many potential customers a company can reach (Zentes, Morschett & Schramm-Klein, 2011). This is especially valid if a company has the ambition to become markets leader in the Nordic region, like Lekmer.

For a newly established company wanting to conduct business in the entire Nordic region, physical stores appears to be seen as an obstacle, as opposed as seen as a complement, at least initially, since Lekmer has since then opened up a physical store in Stockholm.

Another pure online player, Adlibris, expresses the potential challenges in setting up stores as opposed to having web shops:

*"It's an exciting concept, we don't really have any concrete plans do to it these days [setting up physical stores], but that can change. I think it's exciting, you should be aware of that is many other parameters that applies in order to have a successful physical store; one should do his homework in advance and think it through carefully. Its other things with opening hours, personnel etc. but sure, it's an exciting complement, especially in areas where brands prioritizes a physical presence in order for you to take part of the product range. For instance if you sell kids trolleys, some e-commerce companies trade with certain brands since they require physical presence of the store, where you can try and feel them. Some brands gets you better terms if you have a physical store. In some product categories and brands, its gives quite much, by giving you better terms and a better range of products etc. but with books those advantages doesn't really apply." (Oscarsson, 2015)*

Finally, CDON does not have any physical stores, and also do not at the moment have the intention of setting up any; important to note is that they have over twelve million articles, meaning that having all those articles represented physically in a store would be very complicated in terms of space and logistics for example.

Whereas online retailers benefit from not having to pay rents for physical stores (Talpau, 2014), it can be beneficial to have a store for branding purposes, especially if the location is good according to Panduro (2015) at Panduro Hobby.

When questioned if there are any eventual benefits in having physical stores, Panduro (2015) answers:

*"Yes I believe so, now you see e-commerce companies establishing physical stores, because they realize that stores are the best branding if you place them in the right spots. I mean, if*
you have a good store at a super location in Stockholm or Oslo or Copenhagen, then you have thousands of people seeing it every day.” (Panduro, 2015)

The place-part in terms of store format of the marketing mix of those companies, and how it is standardized or adapted, is largely dependent on the backgrounds of our examined companies. It does not seem to be a result of an active strategic decision.

In terms of logistics, there were no clear view on that hiring the same logistics partner in the whole region were of great importance or even favorable over hiring individual firms in each country. In fact, some of the examined companies hired one partner for the whole region, some hired the same partner for two or three countries, and some hired different partners in every country, all for different reasons. Furthermore, those decisions regarding logistics did not seem to be permanent. Panduro Hobby currently hires Postnord, a logistics company operating in the Nordic region.

“At the moment we have a single partner in all countries. That is Postnord. They deliver to our stores and private customers. We look over our choice of partner every other year. Currently we are negotiating with them, if we will change partner. This is in order to reduce prices, most importantly to reduce prices to ship pallets to our stores.” (Panduro, 2015)

When asking whether the new partner covers the whole region he continues:

“No, we think it will be different partners for different countries in the future, to optimize price.” (Panduro, 2015)

Adlibris, who also hires Postnord, shares his view of the same logistics company:

“If you want to have a nice customer experience it is extremely important to have quick deliveries. The closer it is, the faster the deliveries. Regarding costs, it’s more expensive to ship to far distances than within the Nordics. There is also much postal cooperation, now we are hiring Postnord for instance, in Sweden, Denmark and to some degree in Norway, so there are some cost-synergies in the region, delivery etc. within the Nordics.” (Oscarsson, 2015)

We were not able any clear conclusions in regards of what strategy is optional in terms of delivery. All companies agreed in that minimizing time of delivery were of highest importance, and the way the achieve this varies. The fact that all companies were based in Sweden and were shipping goods across the entire region from facilities located in Sweden impacted the amount of time it takes to deliver to different countries. None of the companies seemed to view it as
something problematic in not being able to offer delivery on identical conditions, but rather as something natural considering the low population density and the vast area that makes up the Nordic region (The Nordic Council, 2015).

Out of geographical premises, it seems that a total standardization in terms of channel, distribution and logistics, which are part of the place (Kotler & Keller, 2012), seems not to be not optimal nor very efficient in the Nordic region. This does seem to correlate to the statement saying that a standardization of the distribution in general channel is difficult (Dimitrova & Rosenbloom, 2010).

As far as being taken active choice, those choices seem to be in regards to becoming multi-channel or not, and is not about being either exclusively online or not.

Finally, the pure online companies did not reject the thought of setting up such stores, and those that were “click-and-mortar” clearly viewed their physical stores as beneficial complements to their online business. Their views and thoughts of this correspond to literature claiming that there is an ingoing trend in retailers becoming “omni-channel” and the benefits of it are also valid for the companies in the Nordic region (Bell, Gallino, & Moreno, 2014; Brynjolfsson & Smith, 2000; McGoldrick, & Collins, 2007).

4.2.4 Promotion

The promotion part of the analysis includes all promotional material such as newsletters, social media activities, magazines, campaigns, and discounts. In this part we have focused on online campaigns and newsletters and asked the interviewees do they locally adapt them or are they always the same in each country at the same time. Another question that was asked was the production of the material and the handling of translations of them.

“The biggest differences are regarding holidays. In Denmark there is very big holiday called “fastelavn”, which doesn’t exist in Sweden. In Norway there is a large focus on May 17th, the Norwegian constitution day, but in Denmark and Sweden we can’t even spell something like that, meaning that our constitution days are not on the same level as the Norwegian one. Graduation day for the upper secondary school is very big in Sweden and not as big in Denmark and Norway. Those are the biggest differences.” (Panduro, 2015)

When asking whether the advertisement, campaigns, discounts, and newsletters were coordinated and look the same, we received following answers:
“Often, yes. When we have had a market council and agreed what to do, I am ordering what shall happen in Sweden; those newsletters will be made, those social media campaigns shall be conducted, and when I approve them they go for translation in Finland and Norway. Then we have “impacts”, holidays, that’s why I said often. We have 17th of May in Norway. By then we don’t do anything in Sweden, and we also don’t do anything for “russefirandet” [Norwegian holiday] in Sweden. And for the national day of Finland we don’t do anything in Sweden, and vice versa goes for the national day of Sweden. Most of the time it is same-same-same, but sometimes during holidays, or special days like when the countries meet in sport “finnkampen” [annual athletics tournament where Sweden and Finland meet], then we do something exciting, which we market in Sweden and Finland but not in Norway. Only the fantasy sets the limit. Everything is being executed locally, but produced centrally” (Olsson, 2015)

For all companies, holidays does not have an equally large impact on adaptation. Hööks approach is more standardized:

“Usually it is the same holidays that are big in all the countries like Easter and Christmas. We are quite alike. Same thing with seasons and climate. Climate is quite big for us because we sell products that are quite related to the weather. The climate is quite similar in the countries which is good and works for us. When it starts to get warm here so it starts to get warm in Denmark, Norway and Finland, too […] we have the same campaigns in all countries in all channels. Both in-stores and online, newsletter and social media” (Holmer, 2015)

“A lot is the same in all markets, but naturally some we can only do in certain countries. For instance, the Norwegian constitution day is made specially. There they [Norwegians] want to benefit from everything. During a Norwegian national day you’re going to have a BBQ, buy clothing, having this and having that, so we have campaigns for that. We don’t have such in Sweden at since in Sweden people don’t care about the national day” (Abrahamsson, 2015)

“We [Nordic people] trigger on different kinds of campaigns, different kinds of communication, we are loyal differently.” (Englund, 2015)

It appears that promotion material in general can include all the same elements; it is just the way of delivering the message that differs between the countries, such as formalities, and spoken language.
“We try to coordinate how we front our brand, how we build our ads, TV-spots, how they look etc. Apart from that, you can say that everything is locally adapted.” (Oscarsson, 2015)

It appears that we can find a common factor in an overall standardized promotion approach, with the major exception being temporary campaigns for holidays, constitution days and other days of national celebration.

This affects the companies differently, and the statement from Holmer (2015) is especially interesting since it relates to the works of Mueller (1991), about cultural distance. Mueller (1991), says that in countries with a small cultural distance to each other, promotion and advertising material is commonly standardized (Mueller, 1991). As seen in the PESTLE-analysis and from Geert Hofstede, the Nordic countries are indeed a relatively homogenous group of countries in cultural terms (Hofstede, 2001). Lindell and Arvonen (1997), who conducted a study using Hofstede’s cultural dimension, categorized the Nordic countries as the “Nordic group” (Lindell & Arvonen, 1997). Supported by findings from the in-depth interviews, and previous research, promotion in the Nordic countries is to a large degree standardized, with the exceptions being e.g. holidays mentioned above.

4.2.5 Presence

By presence we do not mean a physical or digital presence as such, but rather how the companies personate themselves towards the customers within the Nordic region, in their communication, the interaction with customers and the way the companies prefer to be perceived. This for our purposes modified part of the marketing mix did appear to us as necessary in order to provide a broader perspective of the marketing mix in today’s online environment.

Interestingly it happened to be the one most frequently mentioned by our interviewees when we asked them broad and concluding questions regarding the most important matters, in their view, a company should consider when conducting online retailing in the Nordic region. Of course the answers given were subconsciously affecting the presence part of the marketing mix, since the interviewees were not aware of us using presence as part of our framework.

Again, we asked the interviewees what, in their point of view, are the most important aspects to consider in terms of differences to adapt to in the Nordic region:

“First and foremost, adapt to the local languages. Don’t think that you can launch a site in Denmark or Norway with the Swedish language, I don’t believe this. Therefore we chose
versions in each language. About local personnel: we have Danish employees hired here who commute. This is important in order to offer the right goods at the right time. For this reason it is important to have local employees at the head office who can tell you when and on what to focus on. It is important to have representatives from all the markets when conducting your marketing.” (Panduro, 2015)

“Local adaptation for each country, a Swedish site in Denmark doesn’t work. You have to follow the right rules and regulations. Danes doesn’t have the same patience and things like that.” (Panduro, 2015)

“I think that it is good to have representatives from each country at the main office, people who knows what it’s all about. A Swede doesn’t understand Norwegian traditions and holidays.” (Panduro, 2015)

The website as such and generic content seem however to be very much standardized. When asked about the differences in the actual web sites other than languages, we received the following answer, for example:

“No, you could say that they are basically identical, today [...] it’s the same site [appearance, functions etc.] in all countries, but different languages. Then there can be some tiny, there can be some differences in terms of purchasing, but functionally its identical sites.” (Oscarsson, 2015)

He even presses the importance of local presence:

“I think it’s extremely important to have local presence, local knowledge and don’t just go with the Swedish way and hope that it will work out. That’s extremely naïve. That’s the most important insight.” (Oscarsson, 2015)

When asked the other interviewees about the importance of local knowledge, they agreed on what Oscarsson (2015) states:

“It’s more about the way to greet customers, how to describe the products. You can’t just translate straight off; you have to use the suitable terminology for that type of products. You have to take action so to speak, what you say. Then you have to have knowledge about the trends, hang with the daily stuff in each country, what is going on. So that you can take action when something happens if you want to seriously take over a market and work there.” (Englund, 2015)
“What I find exciting about Hobbex and the trip we are on is that we are extremely particular in being locally adapted, meaning it is in the right language, currency, top domain. [...] This [local adaptation] is a concept we want to cherish.” (Olsson, 2015)

When we asked questions about local personnel, we received very united answers from the respondents. In fact, every interviewee stressed the importance of local personnel. This goes in line with Solberg (2000), who states questions the role of market knowledge at headquarters in order to settle conflicting viewpoints of standardization or customization:

“We have always had local personnel, people from the country we enter. I think it’s very important to have local personnel, not only for translation but also for the many local differences you have to be aware of, like holidays and knowledge in what products that’s going to sell. Basically things you have in your spine when being a native citizen.” (Oscarsson, 2015)

“It's also important to our company identity, when we go hiring, we say that, now in Denmark, I am hiring a Dane, its important” (Abrahamsson, 2015)

“There are cultural differences between the countries and there is the language barrier in Finland. So it is more difficult if one does not have the knowledge on the culture and so on. We can have a better grip on what’s going on by listening to our [local] customer service, they have good knowledge: for instance which e-commerce sites are big in Norway and Finland so that we can go and check them out, or which bloggers and [chat] forums are big there. Those kinds of things are difficult to know if you don’t know the language. All advertisements differ from country to country, too, like what kind of things work and what not. In some countries Facebook works really well and in some countries AdWords is much better. In Sweden we basically only use Google as search engine while in some other places Bing is big as well, so there is a difference too. Local knowledge is good.” (Holmer, 2015)

Solberg (2000) explores the role played by local representatives at corporate headquarters, and concludes that firms who are standardizing their marketing across several markets tend to cooperate with their local representatives. He claims that cooperation with local representatives well aware of local market conditions can put together a suitable marketing mix. This is to some degree confirmed by our interviewees who stresses the importance of local personnel for their companies.

Roper (2004) concludes that the managers of the companies studied in her study had a vision of a regional Nordic market, while still keeping an interesting and ambition to adapt to local issues.
We do recognize similar points of view from our interviewees, in sharing a view of the Nordic region as a quite homogenous market, but still in need of various local considerations.

As the most important differences mentioned by the interviewees being more cultural than technological for instance, the companies’ solution to handling this seems to be to hire personnel stemming from the markets they operate in.
5. CONCLUSIONS, DISCUSSION, LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

In this final concluding part of the study, we will present the findings. These findings are discussed in relation to the existing literature and the framework we presented earlier. Furthermore, the aim of this part is to provide answers to the research questions presented and problematized in the introduction part. In addition, limitations of our study will be discussed and suggestions for possible further research are implemented.

5.1 Conclusions

The qualitative structure of this study was chosen due to the lack of such studies, and to the relatively broad accessibility of quantitative data, on the particular subject. Consequently, rather than hard figure-based conclusions from quantitative data, the below conclusion and discussion parts will be characterized by this qualitative nature. By lifting in the answers to our research questions into the marketing mix, ”P” context, we will meet our study purposes and address the questions in the by now well established format. This will provide insight and guidelines valuable within the online retailing industry.

Two kinds of elements are prioritized in this section. The first one regards aspects clearly identifiable by both primary and secondary data sources, which therefore strengthens the value of the conclusions based on them. The other one are aspects that obviously seem to be very important but to which there is a general lack of definite answers to. Nonetheless such aspects appear to be crucial for an online retailer in terms of how such companies approach them and position themselves.

Also important to notice at this point is that within marketing in general, it is always important to be updated and keep up with the business environment and to have a dynamic approach in mapping out and acting on the market/s. This is particularly valid for companies operating in the online environment, where market conditions for businesses and consumer behavior are constantly subject to change.

Within the discussion part we have chosen to highlight certain areas where the business area is particularly fluid and competitive, and where decisions regarding standardization and adaptation potentially can mean “grow or die” for the companies.
Now we proceed to present our conclusions, divided into sections covering each of the Ps within our modified marketing mix. As we felt all along, the added “presence” part seemed to be of high relevancy and seemingly not covered within the established four Ps. This is obviously why we also include this fifth element in our following presentation.

Before, however, we are going into our conclusions we will remind of our research questions, to which answers to a large extent are found also within the data analysis. The research questions were:

| Q1: What are the influencing factors that prevent companies conducting online retailing in the Nordic region from fully standardizing their marketing mix? |
| Q2: How do already established companies conducting online retailing in the Nordic region relate to these factors, and |
| (a) to what extent do they adapt their marketing mix? |
| (b) for what reasons do they adapt their marketing mix? |

5.2 Product

For particular products it is highly important to be aware of:

- Certain times – local holidays and traditions - of the year that offer golden sales opportunities locally

It is crucial to latch on to such traditional campaigns, since during these consumers are preset to buy certain goods. Connected to the same product type books, and other media such as music, a crystal clear adaptation issue relates to:

- Translation and "local fame factor"

If a certain product is to a very high degree bound to a national culture, chances are that it will not sell at all elsewhere than in the particular country of origin. This means that following a standardized approach regarding the product range of such segments becomes virtually impossible. Instead it renders an almost 100% adaptation need.
On the other hand, selling toys, for example, puts this in a completely other perspective as then there are few, if any, obstacles for a standardized approach. Another example where adaptation of the local product ranges are rare but completely necessary is:

- Technically sophisticated products and their exposedness to legal aspects

Even though it is relatively seldom that products get stuck and delayed in customs, it does cause frustration among consumers and could in worst case cause to them to choose not to purchase from the particular company in the future. These occurrences do seem to be related to relatively few specific products such as soft air guns, and in most cases if affects when shipping to Norway – a non- EU member.

This leaves us with a two edged general conclusion:

- Adaptation in the product area does for most companies only affect a small amount of their whole assortment, if at all
- On the other hand, for companies that chooses to trade with a specific type of goods which are bound by cultural elements, an overwhelmingly standardized approach becomes almost impossible

5.3 Price

Important to notice in regards of pricing is that there are many possibilities and reasons to apply a differentiated pricing approach. In some countries, Norway in particular, the consumers are prepared to pay more, whereby a possibility opens up for charging higher prices. However, following such an approach requires being proactive and possessing detailed insights in local consumers’ behavior and purchasing power. The examined companies that did choose a standardized pricing policy may lack either the resources or proper insights to manage an efficient differentiated pricing policy, and therefore chooses standardization out of convenience.

Some further local aspects to consider are local differences regarding:

- Value Added Tax (VAT)
- Transportation costs
- Product return policies
- Third party share of profits
All affect the overall product calculus, where a natural correlated action would be to adapt pricing. To sum up:

- We can conclude that there is money to be made by following a correctly adapted pricing approach

### 5.4 Place

We gained a meaningful insight in connection to the fact that we have examined two kind of online retailers, pure players and hybrids. That is the whole discussion about setting up online operations as addition to an initial physical establishment, or opening up physical stores as a pure online player. Intuitively and most likely in reality, the addition of physical stores to a pure online retailer is more demanding than vice versa. This statement is confirmed in several of our interviews as many of the interviewees claimed that going online was a natural and somewhat simple step, whereas opening up physical stores in addition to an online presence requires carefully prepared decisions and resources demanding actions. Also, when it comes to marketing aspects in the latter scenario:

- The local-stemming staff issue, later further addressed, becomes even more relevant when establishing physical sales channels

On the other hand, since no physical stores are at hand, the importance of rapidly and conveniently finding the offer/store online increases. There are:

- Different local search patterns, terms and engines to consider when directing local consumers to the online store in general and to their preferred sections in particular

All companies participating in the study had pursued a central warehouse strategy with practically no stock being kept locally in the countries. This stresses the importance of dynamic analyses and solutions in the logistics area. Hiring a logistics partner that serves the whole Nordic region intuitively appeared to be the natural solution, but turned out not to be the always preferred choice. Rather, a continuously ongoing revision of regional and local transporters/couriers aiming at

- Lowering costs, and
- Speeding up deliveries

is necessary to stay competitive. We end this part by concluding that there are:
• Strategic decisions, involving local parameters, to take within the area of place.

5.5 Promotion

We learned from the literature review that the more similar countries are in a cultural sense, so is the promotion. We did not find any contradiction to this, as the general promotion efforts pursued by the companies did appear to be standardized to a high degree. No specific reasons were given not to standardize with the exception of temporary national campaigns and holidays. Exceptions from the overall standardized approach were consequently promotion of product launches in single countries or during holidays not celebrated in unison throughout the whole region. Last but not the least, promotional texts could for obvious language related matters not be standardized, and their efficiency are to a high degree depending on a

• Correct use of expressions and formalities of local languages

Such issues were largely solved by hiring native personnel, which is something we will get back to. For now, we argue that an absolute success criteria in the promotion is to deliver

• Correct language at the right time

5.6 Presence

In a world that becomes more and more digitalized, and where the web-based tools are becoming increasingly accessible, it is easy to be tempted towards digital “quick-fixes”. Finding suppliers allowing you to act as a “middle-man” and setting up an online store is quite a doable task. An obvious challenge however is to become digitally present both in the

• Quantitative aspect, meaning consumers finding your store, and

• Qualitative aspect, meaning consumers liking your store

As, previously stated, some of the companies in this study have a long history starting with physical stores and mail-orders, adding an online presence. Others have gone online directly. All of them have in common though, that they are completely depending on the sales from their online stores. These stores are then complementing or replacing the physical stores also as meeting places. We have previously addressed some of:

• The store likability aspects such as adapted/local language

It can also be concluded that:
• Function and navigation of the web store can be highly standardized with the extremely important exception that:
  • Adaptations to local payment methods must be made

We have, also, previously addressed some of the “find-store” aspects such as appropriate localized SEO, Search Engine Optimization, and the use of e.g. Adwords marketing. A further similar aspect with a clearly local touch is:

• The role of social media

which can, and will further, leverage ones online presence provided you are aware of the special, local, patterns of it.

5.7 Summarizing Conclusions

We will now sum up the conclusion section with a pair of overall memorandums:

• There are huge efficiency advantages with a standardized marketing mix approach, and to each adaptation there is a cost
• To at all be present in the different Nordic countries markets demand certain adaptations, and
• To be competitive on the same markets, carefully selected other adaptations are recommended

The most prominent action companies in this study has taken is to:

• Hire local-stemming staff

Having such members within their teams allow them to:

• Put pro-active marketing mix adaptations into process, and
• Respond reactively, when needed, in appropriate local manners, to further increase customer satisfaction

5.8 Discussion

When heard or seen, the geographical term Nordic, or the Nordic region, means an almost unique variety of things of high or low importance to most inhabitants in the region. The borders
between the countries are well established since 200 years, but have been changed due to wars and subsequent settlements many times before that. Inhabitants in the different countries cross the borders freely, and frequently, without passports. Three out of the four countries in this study share common language roots. Nevertheless, when emotions are challenged, loyalty to country always seems to go before loyalty to the region. This is made obvious e.g. during sport events and music competitions, where spectators, media and even competitors themselves contribute to building up a sometimes very fierce competitive atmosphere between the countries.

Conducting online retailing is a highly competitive business in general, and so also in the Nordic region. Not only are prices very transparent and easily found online. Many third party sites offer easily maneuvered sophisticated price comparison engines, which further allow consumers to go for the lowest price. Also, the nature of the retailers’ offer is by default simplistic and comparable, and price differences cannot be “hidden” behind complex solution offerings, such as products bundled with services. Furthermore, globally functioning logistics offers allow major online players to conveniently enter new markets, and make low price and volume the name of the game. In this race, local and regional actors risk losing.

A high-level choice for a Nordic online retailer” fighting to stay alive” or even wanting to expand could be to:

• Either enter non-Nordic markets by anglicizing its presence, in order to reach economies of scale, or
• Concentrate even more on crucial local adaptations on the Nordic markets by using local knowledge, thus becoming “local” to such high degree that it becomes a competitive advantage towards non-Nordic actors trying to enter

In this study we could notice thoughts on the former alternative exemplified by a choice between entering a neighboring market, Finland, and the far larger market of Germany. The problem with the Finnish alternative is that it is a relatively small market lagging somewhat behind in terms of technological maturity, and having an additional barrier in terms of its language.

Another question then appears:

• How much and what resources are necessary to successfully implement option number two?

We have seen the political actors in the Nordic region working to lay out a “free for all” competitive field of e-commerce in the region, by removing legal and political barriers to trade,
thus promoting a standardized approach to be held by the actors. This highlights the importance even further on cultural elements not affected by governmental and legal policies.

Further, the question is if those governmental implications result in the Nordic market becoming:

- Even more competitive by inviting market entry of global giants, or if
- A further stressing of the cultural importance potentially scares off foreign actors wanting to enter

and

- Will resourceful international players solve the “cultural” issue by using their resources to attain local-stemming personnel, and thus outplay small local players in possession of local knowledge by birth?

We did notice during the interviews that legal, political and technological aspects were said to be something anyone could learn relatively easy by just doing ones homework, whereas the cultural awareness were something to be found “in your spine”. The question is to what degree this is true?

One “hybrid” solution we noticed was locally adapted web stores and general “presence” for each Nordic country, and an English-language site for all non-Nordic stakeholders. The question is if it is possible to combine the two. How will it affect business abroad if efforts are very focused on the individual, relatively small Nordic markets, but not country-specific at all for the rest of the global market?

5.9 Limitations and Suggestions for further Research

This study gathered its primary data from, and is thereby limited to, Swedish online retailers performing business in the Nordic region. It seems reasonable to think though, that challenges and solutions here presented are applicable to similar actors in the other Nordic countries. We want to recommend though, based on the findings in this study and other relevant studies, some areas of further research that we believe would benefit the business environment and the academy. An interesting area is the future for relatively small and newly established online retailers in the Nordic region. Are they by default doomed to go under as a result of competition from ever-growing global actors, or do also they stand a chance using valuable local market knowledge as their main competitive advantage? Furthermore, a study using primary data from
consumers buying from online retailers would complement, and strengthen or challenge the findings within this study.

Last, we cannot neglect mentioning the generally increasing role of social media and wonder exactly what current impact it has, and even more important, what future impact it will have on business online. We can only hope that this latter subject will be investigated within short, perhaps even by fellow students.
6. REFERENCES

Articles and literature


**Internet sources**


Interviews


Lectures

Andersson, Arne (2014).  Lund University, School of Economics and Management, Lund, Sweden, 10 December 2014
APPENDIX 1: Sample Questions for the Interviews:

- How does your **homepage** differ in different countries?
  - Is it for legal reasons or because you have noticed that the same things do not work in all countries?
- How does your **product** range differ in the Nordic countries?
  - Do you see a pattern which products/brands sell better in some countries etc.
- How does the **price** differ (other than currency) in the various countries?
  - Do you have same offers, campaigns and sales in all Nordic countries, at the same time?
  - How do the methods of payment differ between the countries? Are some systems more popular than others in the countries?
  - Does the price for delivery differ? Why?
- How does the **delivery** differ in the countries?
  - Are some consumers more eager to get their product faster? Who?
  - Do you use a single logistics/distribution partner or different ones for each country?
  - Do you charge the same fee for delivery in each country?
  - Do you offer free returns somewhere, and somewhere not?
- Does your **marketing material** look the same in the Nordic countries (other than language) or do you have to make adjustments to different countries?
  - Can you send out same newsletters etc?
  - Marketing channels: which channels work for which country?
- Do you have separate **customer service** for each country and why?
  - How do consumers react if you do not answer in their native language?
- Which **country** do you find most difficult to operate in? Why?
  - Did you enter all Nordic countries at once or did you expand in one at a time?
  - Why did you start in the one you did?
  - Was it an easy choice?
  - What has been the major obstacles when expanding?
  - What would you have done differently?
  - Is there some particular country that needs extra adaptation?
• Do you have offices/physical presence in all countries or just in one? Why?
• How do you solve translation? By yourselves or through a firm?

APPENDIX 2: PESTLE-Material

Electronic marketing

• Sending out marketing material and messages electronically by using SMS, e-mail and similar channels requires consent from the individual receiver. In Denmark this also applies to legal entities.
• It cannot be part of any deal or agreement between a trader and a customer that the customer has to consent to receiving electronic marketing as a term of a contract between the two. In Finland, there are exceptions from this rule.
• It shall be specified by the sender what channel/s that will be used when conducting the marketing activities. In Finland and Norway it is also required for the sender to stipulate how any times per week those marketing messages will be sent out.
• All types of electronic advertising shall contain easily understandable guidelines regarding how to free of charge cancel future send outs of advertising. This shall have a function which gives the receiver a confirmation of an eventual cancellation. In Sweden all messages have to contain a valid address to which receivers can send their cancellation request directly.

Obligation to provide information

• All costs linked to a purchase, such as cost of delivery and various fees, shall be informed by the trader to the consumer. The sum of those costs can be put to a total sum and be presented to the customer as the price, but in Norway all costs have to be covered specifically.

Right to withdraw

• The trader shall give the customer the option to cancel a purchase during at least 14 days. In Sweden, the period is 14 calendar days and 7 workdays, so if the deadline runs out at a holiday the deadline is extended to the following workday. If the cancellation regards services or custom made goods, the regulations for the right to withdraw differ in each country.
• When sending back a withdrawn good, the trader shall pay back the whole amount the customer paid. The consumer shall pay for the delivery back to the trader, except of in
Finland where the trader pays for the return delivery as well. The return of payment from the trader shall be within 30 days from the day the trader receives the sent back goods, in Norway within 14 days.

Contractual terms

- The trader shall save all contractual terms so that the customer can get ahold of them in case of a dispute. In Denmark the customer has the right to request those terms printed on paper at any given time during the contractual relationship.

Payment

- The trader shall with 30 days return the amount paid by the customer of the customer have paid for the product before it has been delivered. In Norway, this time limit is 14 days.

Source:

APPENDIX 3: Company Key Figures:

<table>
<thead>
<tr>
<th>Company</th>
<th>Turnover</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panduro Hobby (2014)</td>
<td>516 299 000</td>
<td>346</td>
</tr>
<tr>
<td>Hobbex (2014)</td>
<td>79 510 000</td>
<td>36</td>
</tr>
<tr>
<td>Lekmer (2013)</td>
<td>318 455 000</td>
<td>22</td>
</tr>
<tr>
<td>Hööks (2013)</td>
<td>318 997 000</td>
<td>143</td>
</tr>
<tr>
<td>Adlibris (2013)</td>
<td>1 133 321 000</td>
<td>170</td>
</tr>
<tr>
<td>CDON (2013)</td>
<td>1 813 668 000</td>
<td>138</td>
</tr>
</tbody>
</table>

(Source: Allabolag.se)
Lokal kännedom viktigt för växande e – handelsföretag i Norden

Publicerad 2015-05-10 10:37

Sedan slutet av 90-talet har e-handel tagit Norden med storm. Många av dagens stora aktörer, CDON, Adlibris, och Nelly.com bland annat, startades i Sverige och har sedan dess expanderat internationellt. Det första steget för de företagen har dock nästan alltid varit de övriga nordiska marknaderna, men vad krävs egentligen för att en framgångsrik e-handelsbutik skall lyckas även i Norge, Danmark och Finland?

Vid ett första ögonkast ser de nordiska marknaderna rätt så lika ut. Dock finns det små men signifikanta skillnader mellan länderna när det gäller deras kultur, seder och bruk.


- Det är möjligt att standardisera stora delar av marknadsföringen i de nordiska länderna, men det finns en del viktiga aspekter man bör ta hänsyn till, hävdar Adielsson. Till de viktigaste skillnaderna hör det kulturella. Samtidigt bör man vara uppmärksam på nationella lagar och regler. Det krävs alltså lokal kännedom för att framgångsrikt kunna etablera sig i Norge, Finland och Danmark.

Resultaten i studien visar att flera av e-handelsföretagen idag i många fall anlitar personal härstammande från respektive land att arbeta mot de övriga nordiska marknaderna, även om huvudkontoret oftast ligger i Sverige.

Avslutningsvis vill Adielsson ge råd till alla e-handlare som planerar expansion inom Norden:

- Man ska inte ta det för givet att det som funkar i Sverige kommer att funka lika väl i de andra nordiska länderna. Vår studie visar att vi nordbor inte är helt identiska, och det syns på konsumenternas önskemål och beteenden.