SCHOOL OF ECONOMICS AND MANAGEMENT
Lund University

"Fashion SMEs taking over the world"

- a case study of Alice & Sens, Boomerang and Odd Molly

Authors: Charlotta Fredriksson, Mikaela Senator, Wioleta Tall
Supervisor: Ulf Elg

Lund University
School of Economics and Management
BUS 808
Master thesis in International Marketing and Brand Management

Spring Semester 2009
Seminar date 2009-06-03

Thank You

Ulf Elg, Supervisor
Per Holknekt, Co-founder, Board member and Brand Director of Odd Molly
Fredrik Larsson, CEO of Boomerang
Lovisa Janson, Employee and sister of Co-founder Alice Janson, Alice & Sens

Thank all of You, that in one way or another, has helped Us with our Master thesis. A Special thank You to Odd Molly, Boomerang and Alice & Sens who were kind enough to take time off and answer all our questions. Also, a special thank You Ulf Elg who has supported and guided us during this process.

Charlotta Fredriksson | Mikaela Senator | Wioleta Tall

Abstract

Title:	"Fashion SMEs taking over the world" – a case study of Alice & Sens, Boomerang and Odd Molly
Date of the Seminar:	2009-06-03
Course:	BUS 808. Master thesis in International Marketing and Brand Management
Authors:	Charlotta Fredriksson, Mikaela Senator and Wioleta Tall
Advisors:	Ulf Elg and Veronika Tarnovskaya
Keywords:	Internationalization, SMEs, fashion, brands, networks
Thesis purpose:	The purpose of this study is to identify potential factors impacting the internationalization process of a small- or medium sized fashion company. We aim to shed light on potential key factors that can provide an understanding of a successful internationalization process and illustrate our findings in a model applicable to firms with similar characteristics.
Methodology:	A qualitative Case study with an abductive approach. Findings are based on three case companies: Alice & Sens, Boomerang and Odd Molly.
Theoretical perspective:	We have used theories concerning internationalization, branding, incremental learning process, networks and the born global firm.
Empirical data:	Case study with three semi-structured interviews in combination with extensive secondary data collection. Interviews have been held with an Employee of Alice & Sens, The CEO of Boomerang and The Co-founder, board member and brand director of Odd Molly.
Conclusion:	The most important conclusions and contributions are the potential success factors which are aspiration, brand and networks. Through a network, the company can acquire knowledge and reduce its risk. To be able to benefit from a network, a strong brand and a unique sales proposal are essential. The driving spirit behind the brand motivates employees and partners, which further enhance the strength of the brand.

1 Introduction

****

In this chapter, we aim at presenting the background to the research area. It will give the reader a brief overview of the field of internationalization and the fashion industry. Further, in the problem discussion, we will present the gap in current research. The purpose is presented together with the research question, which will be the foundation of the whole paper. Lastly, the limitations of the paper are discussed and definitions of several concepts that will be used throughout the thesis are presented.

****

1.1 Background

"*Cheap Monday Jeans – now conquering the world*" (Manolo.se, 2008)

When reading this quote one would not hesitate to assume that it was referring to the successes of an experienced international fashion giant with great financial resources, advances long-term strategies and well-experienced managers and staff. This is not the case. Cheap Monday is in fact a relatively new player on the market, founded in 2000 by four, in this area, inexperienced friends in Stockholm, Sweden. Their vision was to offer the customer fashion at an extremely good price and their aim was to create clothes that could compete with high-end brands both when it came to attitude and "fashion-level" as well as in quality. During the growth of Cheap Monday they have not yet used traditional marketing, but only a very strong idea on how to present the brand, the famous skull, has been in focus. Although inexperienced with very limited resources, Cheap Monday's clothes and accessories are today sold in 40 countries with over 2000 resellers all over the world (Cheapmonday.com, 2009). As we can see from the example presented above, not only big experienced fashion companies, such as H&M, can grow on an international level.

The fashion industry is a highly competitive billion-dollar industry that employs millions of people and affects almost every consumer every day (Richardson, 1996). Today, the fashion industry is dominated by famous fashion designers, such as Jean-Paul Gaultier and Karl Lagerfeld, who have their home base in one of the four traditional fashion capitals in the world; Paris, London, Milan or New York. These brands are often controlled by multibrand corporate giants like Prada and LMVH (Hauge et al, 2009). However, in recent years, the importance of the fashion industry has grown in many other cities around the world, for example in Singapore, Copenhagen and Sydney (Reuters.se, 2008) As a matter of fact, a significant part of the growth in this industry comes from the smaller, relatively new fashion companies originating from the smaller fashion markets. Sweden, as an example, is a market famous for its many fashion brands (Hauge et al, 2009) and contributed to the fashion playground with an export of 11,6 billion SEK in 2007 (Habit.se, 2007). Since the millennium, the export of products from Swedish fashion companies has increased with 75 percent. Only a couple of years ago, many of the Swedish fashion companies went into international markets, the most important pioneers being Peak Performance, Björn Borg, Eton, Gudrun Sjödén, Filippa K, Nudie and WeSC (Reuters.com, 2008), and we can today clearly see that the investments have paid off (Toftegaard in Askåker, 2008). To exemplify, the Swedish fashion brand Acne Jeans has today presence on 45 different markets and in 2007 the company had increased its sales with over 40 percent and their export with 64 percent. As the CEO of Acne Jeans stated ”We grew on all existing markets and opened three new concept stores abroad – in Oslo, Copenhagen and Hamburg” (Askåker, 2008 ; author's own translation). Up until 2003, the Swedish market was the company's main focus, after which the Scandinavian market came whereas today, the focus is on the whole of Northern Europe. In 2008, the expansion increased further and stores have opened in Vienna, Paris and New York (Askåker, 2008). The industry colleague Whyred , who is now working in 22 markets, is also one of many fashion companies that have a successful past to look back upon. A couple of years ago, Whyred's activities abroad dramatically increased as they established two offices abroad, one in Paris and one in Copenhagen. In 2008, the company doubled their export and their total sales with 60 percent. " If the expansion rate keep this pace the export will be bigger than the domestic sales", says Martin Sjöström, CEO of Whyred, in Askåker (2008). Although the company recently opened their first concept store abroad in Copenhagen, the CEO of Whyred believes that the largest increase in sales the upcoming years will come from the American and Japanese markets (Askåker, 2008).

Fashion reflects how people define themselves and for some individuals it is of greatest essence of knowing "what's in this month" (Solomon and Rabolt, 2004) Besides the fact that the complex phenomenon "fashion" contributes to making the industry challenging, there are several additional aspects adding to the complexity of the fashion industry. The product life cycle is short and many of the products can be quickly imitated as soon as they are available on the market (Richardson, 1996). The predictability on the market is low and requires ability to response quickly on changes in trends and environment. Another characteristic in the apparel industry is the great variation in consumers' attributes and preferences, even within the same region or country the differences can be extreme (Carugati et al, 2008). Besides the fashion industry being challenging, consumers of today also want more of the companies. By demanding authenticity, transparency and social responsibility, the companies branding attempts need to be sincere in order to be successful (Holt, 2002; Berge, 2009).

Even though many small- and medium sized enterprises (SME) within the fashion industry possess limited resources in terms of capital, management and time, many do not own their own production facilities, nor handle their own distribution or even have their own concept stores, they still succeed in internationalizing their activities. According to our examples, and an article written by Hauge (2007), even SMEs, and not only large corporations, have the potential of growing big internationally. Many fashion companies of a small size consist more or less "only" of the products they sell, thus excluding for instance production and warehouses. Thus, for these companies, the creation of profitability and value rests on the ability to produce innovative design, brand value, efficient marketing channels, logistics and distribution where in particular the brand might be the most essential tool to differentiate (Richardson, 1996). The fashion brands' importance could be explained by the shift within the fashion industry – from being a craft-based and localized trade industry, to be an industry with a global division of labor, more mass-production and standardized products. According to a study done by Hauge (2007), the Swedish fashion designers Odd Molly and Acne Jeans are experts when it comes down to making fashion into brands and concludes that this is the main success factor behind their fast growth and internationalization. Without using traditional marketing, theses companies still succeed in building strong brands and rely on the positive word of mouth spread by the consumers worldwide.

1.2 Problem discussion

All fashion companies cannot simply be classified as classical retailer companies (Salmon and Tordjman, 1989; Richardson, 1996). Today, fashion companies can have a more complex structure where the brand, rather than for instance the location of a store, is the main focus. Some fashion companies lack control of the selling environment, some outsource the production to a third country and some might have started out as international players from the start, so called born global firms (Rasmussen and Madsen, 2002). As a response to international threats and opportunities, and changes in consumer demand and behavior, firms conduct a variety of cross-border modes of operations (Morgan-Thomas and Jones, 2009; Carugati et al, 2008). Some firms may internationalize in a gradual and quite predictable way while some firms might skip the otherwise obvious steps in the process due to special circumstances or competencies possessed within the firm (Johansson and Wiedersheim in Buckley and Ghauri, 1993; Vernon, 1966; Cheng et al, 2005; Johanson and Vahlne, 1977). A new emerging view on the internationalization process questions these classical theories, as it has been observed that they are not fully applicable to firms with these new types of characteristics (Rasmussen and Madsen, 2002; Cavusgil 1994).

Although internationalization is not a new term in any way and there has been extensive research done in this field, we can still state that internationalization for small- and medium sized fashion companies is a relatively new phenomenon that have not yet been thoroughly studied. Moreover, the fashion industry characteristics and consumers' preferences and demands have also changed, potentially altering the internationalization process (Askåker, 2008). Are the numerous examples presented in the introduction just fortunate success stories or do these companies possibly have several underlying factors in common when internationalizing their activities? Is there an equivalent model to the sequential models that exists for multinational companies with their own production and distribution? How do small fashion companies deal with their going abroad efforts in today's fast moving environment? The requirements to succeed in the fashion industry seem hard to fulfill being a small actor with limited financial, managerial and operational resources. Which are the main success factors and influencers for an internationalization process within a smaller fashion company? Today, there is no suitable model applicable to these firms. A clear gap in current research can here be observed. The research question to be answered follows:

What are the potential success factors of an internationalization process for a small- or medium sized company within the fashion industry?

1.3 Purpose

The purpose of this study is to identify potential factors impacting the internationalization process of a small- or medium sized fashion company. We aim to shed light on potential key factors that can provide an understanding of a successful internationalization process and illustrate our findings in a model applicable to firms with similar characteristics.

1.4 Limitations

In this paper, we are limiting our research to not touch upon the following aspects; financial factors, such as how the companies' revenue has affected the internationalization process; entry modes and the effects these entry choices might have had on the outcome of the internationalization process; what specific countries are being entered and the characteristics of these countries. In the case of country choices, we will simply look into whether they are psychically distant or not.

1.5 Definitions

To make it easier for the reader to understand the theories and empirical analysis, below follows a list of relevant definitions.

The Born Global concept aims to capture a new export behavior that can be observed among some firms. These firms do not develop internationally as an incremental process. Instead, the born global firms start international activities from their birth, some of them in very distant markets. Some of these born global firms might enter multiple countries at once or form joint ventures abroad without prior experience (Rasmussen and Madsen, 2002). Usually, born global firms view, from the outset, the whole world as their marketplace and they see the domestic market as a support for their international business (McKinsey &Co in Rasmussen and Madsen, 2002).

Brand of origin (BOO) can be defined as the influence of the country where the brand originates from on a consumer's positive or negative perception of a product (Lim and O´Cass, 2001). Thakor and Lavack (2003) presents a more developed definition of BOO; BOO is made up out of multiple inputs or antecedents from which consumers may draw brand origin cues, such as location of ownership, location of manufacture, location of assembly, origin of top management and marketing communications.

Country of origin (COO) can be defined as the influence of country of manufacture on a consumer's positive or negative perception of a product (Ghauri & Cateora 2005).

Internal marketing is an ongoing process that occurs within a company when the company aligns, motivates and empower employees at all management levels to deliver satisfying customer experience. The objective with Internal Marketing is to "sell" the firms to the employees by identifying and satisfying their needs, in order to make them conscious of their service performance. By doing this, the employees internalize the core values of the organization and empower, reframe and motivate themselves (Grönroos, 2004).

Internationalization can be defined as "the process of increasing involvement in international operations" (Welch and Luostrinen, 1988, p.35 in Chetty Campbell-Hunt 2000), although it is an ambiguous term that is defined differently within the research field.

Market oriented means that the company reacts to the market opportunities by following strategies of product differentiation and adaptation (Barney in Hutchinson and Quinn, 2006).

Marketing oriented means that the company explicitly tries to influence the market (Barney in Hutchinson and Quinn, 2006)

The concept Psychic Distance emerged together with the establishment chain model and the Uppsala model. In the literature, psychic distance is referred to as "differences in local consumer's preferences, cultures and business systems that reduce the level of understanding of conditions on the foreign market" (Dikova, 2009).

SME, the abbreviation for Small and Medium-sized Enterprises, commonly occurs in both the European Union and in international organizations. EU Member States traditionally have their own definition of what constitutes an SME, but now the European Union has started to standardize the concept. The current definition is as follows; companies with fewer than 50 employees categorizes as "small", and those with fewer than 250 employees as "medium" (European Commission, 2003).

Unique Sales Proposal (USP) entail that companies of today, especially SMEs, cannot compete directly with larger companies simply on price. Although, by operating as a market "nicher" with differentiated and unique products, SMEs can successfully serve a narrowly defined segment and also serve a small proportion of demand in international markets. Hence, having a USP is important (Barney in Hutchinson and Quinn, 2006).

2 Methodology

****

In this chapter, we will discuss the process in finding the most appropriate research method. We will start with an argumentation for our methodological choices, which will result in a detailed description of the research design, and further our way of conducting the empirical research. We will also discuss the validity and generalizability of the study.

****

2.1 The deductive, inductive and abductive approach

The starting point when conducting a research study is to consider the relation between the theoretical framework and the empirical data. The two main approaches describing this relationship are the *deductive* and the *inductive* approaches. With a deductive approach, the researcher embarks the study with knowledge about the research topic acquired in previous theories. Based on this knowledge, the researcher then formulates a research question that will be answered through collection of empirical data. The intention with a deductive approach is to test, confirm or reject previous theories. The opposite approach – the inductive – begins with the collection of empirical data, and based on this, generates new theory. This does not imply that the researcher starts the study with a "blanc consciousness". No, the researcher has some presumptions, concepts and theories formulated in his or her mindset. The skill is then to use existing theories, as a source of inspiration, for the creation of a new theory. The new theory is the result of a comparison of the theories and the collected empirical data (Merriam, 1994; Bryman and Bell, 2007).

Already in the initial phase of the thesis, we had basic knowledge about the field of internationalization and its related aspects, mainly through previously taken master courses within the subject, even though this knowledge was quite limited. We started with a literature review where we learned about previous theories and received an overview of the research field within internationalization. However, the intention was never to, in a later phase, go out and test the theories we had collected in a deductive manner. Rather, the intention was to generate new theory. The literature review and the including previous theories functioned as a catalysis in the development of the new theory. We believed that with belonged to the inductive approach, rather than to the deductive approach, as we aimed to generate new theory instead of confirming or rejecting previous theory. However, the inductive approach often emphasize the collection of data as a main, first step and then the evaluation of theories. We first formulated a general research question that was followed by the review of theories parallel with the initial collection of secondary empirical data. After interpreting the data, we went back and revised the research question and along the process we have adjusted and further collected new necessary data. This process, going from theory back to the research question to data collection, can be performed several times to secure the right fit between these sections. The method is referred to as an *abductive* approach, the third possible way to relate theory with empirical results in a scientific paper (Alvesson and Sköldberg 1994). To clarify, we believed that we were in between two main approaches and that we instead belonged to the abductive approach. Next, a brief presentation of what the theoretical framework as well as the empirical data consist of follows in 2.1.1 and 2.1.2.

2.1.1 The theoretical framework

The content of the theoretical framework is divided into three main parts; General theories and concepts, Case study- specific theories and concepts, and lastly a review of the theoretical framework.

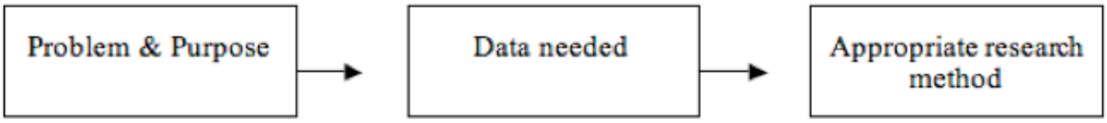
After reviewing the empirical data and the research conducted within the areas of internationalization, small- and medium sized enterprises and the fashion industry we were able to identify several theoretical areas relevant to our research question. These areas were divided into two different parts. Part One consisting of theories and concepts relating to the general research area of internationalization with focus on classical and contemporary theories on internationalization, small- and medium sized enterprises and the fashion industry. Part Two consists of theories and concepts of more case study-specific nature in the form of brands, learning and networks. Further, in Part Three we will review the theoretical framework and here a discussion is held to clarify the main aspects, found in Part One and Two, that we will use as a foundation when analyzing the internationalization processes of our case companies.

2.1.2 The empirical data

In this study, the empirical section consists of both primary and secondary data. A further explanation of these two will follow in the section 2.3.3. In short, the secondary data was collected and interpreted in order to get a more thorough and nuanced picture of the companies of interest in general as well as issues relating to the internationalization of these companies. The intention with gathering our primary data was to acquire deeper knowledge on aspects that could not be found in the secondary data.

2.2 Methodological choices

Every researcher needs to consider the "path of methodological choices" when conducting research. The nature of the research problem should compose the basis of all decisions; in other words, the research problem should lead the researcher to take the correct methodological choices (Bryman and Bell, 2007). The research problem and the purpose of the study should indicate which data is necessary in order to answer the question and fulfill the purpose. When the researcher has clarified which data is needed, an appropriate research method is the next step to decide upon. An appropriate research method is "the tool" that enables the researcher to collect the right data. The path is illustrated in the model 1 below (Bryman and Bell, 2007).



Model 1: Path of methodological choice

Below, we will reproduce our reasoning along the "Path of methodological choices".

Problem and purpose According to our purpose, our primary interest was to *understand* potential and underlying factors that might impact a company's operations abroad. This primary interest could be answered through our second interest; after having identified underlying factors, to explore why and how the internationalization process of a certain company might differ from another. From the initial literature review, we had identified three factors - brands, learning and networks - that we wanted to investigate further. The nature of these factors is intangible, such as relations, experiences and perceived brands. To clarify, we wanted to both understand the internationalization process as well as acquire knowledge about underlying factors that probably were of an intangible character.

According to research theory, there are two main types of studies: quantitative and qualitative. Even though the distinction between quantitative and qualitative is not always clear, there are some main differences (Easterby-Smith, 2002). A quantitative study is the most appropriate when the emphasize is put on quantification when collecting and analyzing data. This type of study is normally aimed to provide wide coverage of a range of situations and is often recognized together with numbers. This is one reason why a quantitative study is not very effective in understanding a process or the significance that people attach to actions. In contrast, the qualitative study has the ability to look at the process of change over a period of time and to, in a more subjective way, investigate the subject (Easterby-Smith, 2002). An example of a qualitative study is when a researcher wants to interpret people's behavior in terms of norms, values and culture of an organization (Bryman and Bell, 2007). If we were to investigate the internationalization phenomenon in terms of how many companies do internationalize its operations, how many success stories exists or what the most common entry mode is, we should have conducted an quantitative study. However, as we intended to investigate aspects such as *how* and *why*, we understood that this information could not simply be understood by using a quantitative method. Information attained in words would help us to understand feelings, experiences and thoughts. Therefore, a qualitative study was the most appropriate in order to get a more in depth understanding of internationalization and its underlying factors. Moreover, a quantitative study is conducted with the process of data collection clearly distinct from the analysis, which is not the case for a qualitative study (Smith-Smith, 2002). This feature further emphasized that a qualitative study is the most appropriate method as we intended to present the empirical data integrated with the analysis.

Data needed The data needed were of two perspectives: a historical and an understanding perspective. The historical perspective was to collect data about how small or medium sized fashion companies that have internationalized its operations until today. The understanding perspective was to collect data that could explain why the internationalization process could take that certain form. More specifically, to understand the underlying factors impacting the process.

Appropriate research method When having considered the nature of the problem, purpose and the data needed, we finally arrived to the third choice – which is the appropriate research method according to previous criteria? Based on the criteria we had gathered so far – a qualitative study, understand the internationalization and issues explaining how and why – we had two main alternatives: interviews with key figures or a case study. These two alternatives are similar, however, they differ on at least one aspect. A potential key figure could be a manager from a fashion company, an employee at the Swedish Trade Council or a retail agent in the fashion industry abroad. We believed that a person from the Swedish Trade Council would not contribute to fulfill our purpose, as this person probably would lack the knowledge about how and why a company has internationalized in a certain way. We believed that this information was probably easiest to acquire from inside the company, therefore, we needed to interview someone from a company that had internationalized. Interviewing a manager can be done with the research method "interviewing key figures", however, in addition to interviews with managers we also wanted to get a throughout picture of that particular company. This means that we also needed to research the company on secondary data. A case study allowed us to go in-depth on a company as we could both get the appropriate interviews whilst researching the company on empirical data in other forms, like articles and homepages. In sum, the case study allowed triangulation, which is to use several methods to collect data (Merriam, 1994). In order to conclude the path of methodological choices, we had now decided to conduct a qualitative case study, which will be further explained in the following section.

2.3 Research method: the qualitative case study

The decision to conduct a qualitative case study is normally taken when a researcher aims at getting an in-sight, to explore and to interpret rather than confirm hypothesis (Merriam, 1994). By concentrating on one particular phenomenon – in our study, the internationalization process – the research strives to shed light on the relation between relevant factors in that certain context. In general, a case study is a research method that entails a detailed and intensive analysis and it allows one to systematically learn about a phenomenon (Bryman and Bell, 2007).

In a case study, the empirical data can be used to highlight, support or question theoretical presumption that the researcher has considered as important before the collection of empirical data (Merriam 1994). This means that a researcher conducting a case study should before and during the collection of data, collect as much information as possible. This information should not only be about the subject directly related to specific research area (in our study, the internationalization process). It should also concern related topics, in our study: characteristics of SMEs and about networks to mention a few (Merriam, 1994). This is another reason why the case study is an appropriate research method to our study. We believed that the theories and concepts we had learned about through the literature review, could be applicable to SMEs fashion companies, however, we needed to question them and perhaps find that only part of the theories were suitable to our type of companies.

The narrative approach is an approach where the verbal medium is crucial to understanding behavior within organizations. This entails that the researcher should pay particular attention to collecting stories about what takes place (Easterby-Smith, 2002). According to our purpose, we wanted to acquire knowledge about a company's internationalization process and to get answers at question such as *why* and *how*. We thought that the best way to acquire this knowledge is to have a person that has experienced an internationalization process to retell what actually occurred. Then, more or less automatically, we would obtain the answers on related issues, such as why the company decided to enter a specific country.

A unique characteristic of a case study design is that the study can include many different types of empirical data, all from documents to interviews, in other words triangulation (Merriam, 1994). This characteristic of the case study method was one of the main reasons for our choice. In addition to the interviews, a case study lets us to further explore the phenomenon through other type of sources, such as articles and companies' homepages.

A typical feature of a case study, is to investigate the research question on a specific example. In other words, it is the decision to answer the research question through studying a particular case (Merriam, 1994). A case can be an event, a organization or a person (Bryman and Bell, 2007). We realized that our types of cases should be companies.

2.3.1 Choice of case object

Even though we now had clarified that we were going to investigate companies, we had to make clear which companies were appropriate to our case study and research question. The criteria of companies were of two types: similarities and differences. The case companies should have expanded their business abroad and they should still have some presence on at least one foreign market. The company should be within the fashion segment within apparel and/or interior design. A last similarity was that the company should go under the group Small- and Medium sized Enterprises. The other type of criteria was the differences. Initially, we thought it would be best to investigate companies that all have internationalized successfully. This initial thought was changed when realizing that it would be an advantage to compare companies that have achieved different levels of success abroad. Obviously, it is difficult to define what an international success is. We are aware about the fact that "international success" is highly subjective and one might think that operating a one market is top of success while another thinks that operating on ten markets is bottom of success. However, we have chosen to define "international success" according to the following parameters: year of creation and number of international markets a company is present on. We are aware of that this might not be the most correct definition, if there is any, however, this interpretation is acceptable to the type of companies we aimed investigating. The criteria are summarized below. The companies' characteristics:

- Internationalized its operations
- Operating within the fashion industry
- Defined as a small- or medium sized enterprise
- Different degrees of success abroad

2.3.2 Choice of case companies

The next step was to select a sample from the population "companies". There are two main types: probability sampling and non-probability sampling. The probability sample is when the researcher randomly selects a sample from the population and when one aims to generalize the result of the sample on the whole population. As generalizability is not the purpose of qualitative research, it is not required to have a probability-selected sample (Merriam, 1994). Moreover, as we needed to select companies that both fulfilled the criteria and with which we probably would have access to, the non-probability sample was the most appropriate sample method to our study.

By having more than one case allows the researcher to contrast and compare the processes (Bryman and Bell, 2007). Our aim was to have several case companies possessing different experiences, thoughts and have achieved different levels of success abroad. Due to the limitations in time and resources of this paper, three cases were estimated to be the maximum number possible to analyze. Three cases, however, felt reasonable as two of them could present the more successful part, whilst the third case could present a less successful internationalization process.

We considered two parameters when deciding upon which companies should be involved in the study. First, it had to be a company that fulfilled the requirements we set in section 2.3.1. Secondly, it had to be a company with which we could presume we would have access to. This resulted in a case study including Alice & Sens, Boomerang and Odd Molly, which all consist of less then 50 employees.

Alice & Sens Founded in 2003, Alice & Sens is a creative and responsibility taking company selling clothing and interior designs made exclusively of ecological fabrics. With head offices both in Stockholm and Shanghai, Alice & Sens has a physical presence through external retailers in six countries. The collection is also available through online shopping retailers (Aliceandsense.com, 2009).

Boomerang Founded in 1976, Boomerang is a fashion company selling "Scandinavian Preppy" inspired casual apparel goods and accessories of premium quality. With head office in Stockholm, Boomerang has a physical presence through external retailers and owned concepts stores in six countries (Boomerang.com, 2009).

Odd Molly Founded in 2002, Odd Molly is a worldwide known fashion brand selling unique designed clothes with emphasis on the love-courage-integrity tagline. With head office in Stockholm, Odd Molly has a physical presence through external retailers, and one wholly owned concept store, in 41 countries (Oddmolly.com, 2009).

2.3.3 Collection of data

The purpose with data collection was to find relevant information that allowed us to be able to shed light on, and reason around, the research question. The reason why we put great emphasis on the combination of both primary and secondary data was the attempt to get an as broad, true and objective view as possible of our case companies.

Interviews are the most common data collection method within qualitative studies. In research theory, it is said that a researcher conducts interviews when he aims to acquire knowledge about something that he or she cannot observe directly. For instance, a researcher cannot observe feelings, thoughts and intentions. Neither can a researcher observe something that already has happened. Therefore, an interview makes it possible for a researcher to get the knowledge through another person's perspective (Merriam, 1994). Once again, the internationalization process and its related issues is something that already has happened. In order to get knowledge about the actual process and how the company at the time was reasoning about it, we had to conduct an interview with someone who had been involved and possessed the information we could not gather in another way.

Documents, including printed sources, are in general produced for another reason than for the research related aim. In order to estimate the value of a document, the researcher must consider if the document in question contains information relevant for the research question and if this information can be systematically extracted. If yes on these two question, there is no reason to use another data collection method (Merriam, 1994). As the nature of our research question entailed both a historical part and understanding part (for further explanation, see section 2.2), we realized that documents would be very valuable for us. For instance, the historical part – how a company has internationalized – could be partly answered through information found in documents. Obviously, only a co-worker of the company would have the answer on intangible issues, but the more factual information could be acquire through document studies. Documents were further valuable to us when we consider aspects such as how the brand is promoted, the external image of the company, etc. Another advantage with documents is that we were able o find much information about the fashion industry in general. A document might be more objective comparing to an interview as the document has been produced for another reason whilst the interview is produce and adjust to this research and to that certain interviewing situation. On the other hand, a document might contain much information that is not relevant for the research question and using different notions and concepts than the researcher normally use. Also, the information is a secondary source. The author's interpretations and purpose have influenced the text (Merriam, 1994). Even though documents had both positive and negative sides, we believed that documents over all were helpful for our study as long as we were aware of the negative aspects of the information source.

To conclude, we believed that documents and interviews were the most appropriate data collection methods according to our research question. Through these, we would be able to acquire knowledge from both sides – the company's side as well as the external side – and this would provide us a broad and nuanced picture of each company. In addition to this, through these methods we would also get a picture of the fashion industry in general. Alternative collection methods are more or less absent. An observation would not have contributed to answering the research question as we are aiming to look historically; neither would consumer focus groups have contributed with any superior knowledge as we are looking internally within the companies. We will now describe each of these methods in detail.

2.3.3.1 Documents

The collection of empirical data started in official documents to acquire as much available information as possible before the interviews. We were determined to have an extensive knowledge about the fashion industry and the specific company *before* conducting the interviews. If this was not the case, we would not have been able to ask the correct questions. As the time was limited for the interviews, it was of most importance that we only focused on areas we could not acquire information about through document studies.

The homepages Aliceandsens.com, Boomerang.se and Oddmolly.com were the main documents. From these homepages we acquired information about the company's vision, collections, key figures, brands, historical development etc. This type of document was highly valuable to our study. Throughout the collection of data from these sites, we were aware of the fact that it might not be an objective presentation of the company.

Through key word searches on engines such as google.com, we found printed data available about the companies. Published articles were the main sources we used from this engine searches. The newspaper providing the articles were Dagens Nyheter, Svenska Dagbladet and Dagens Industri to mention a few. Articles compared to the companies' homepages probably gave us a more objective perspective, as they were written of independent journalists with no specific relation to the companies.

The data collected to the theoretical framework was mainly required through articles published in scientific papers, such as Journal of Marketing and Journal of International Business. The engine used was Elin (Electronic Library Information Navigator) on which searches were done by certain key words such as internationalization, small- and medium sized enterprises, fashion and branding.

2.3.3.2 Interviews

We conducted three interviews, one with each case company. This was to be able to fill the gaps of knowledge, which is to say the knowledge we could not acquire in documents. It was mainly the type of information that originate from inside the company and that could more "explain" certain actions, for instance *why the company had started internationalizing from the beginning?*

Choice of respondents It was essential that the respondent possessed knowledge about the company's former strategies, future strategies and brand strategies, together with general knowledge about the company. We believed that a founder or a CEO would most probably possess all of the knowledge requirements. Therefore we chose the co-founder and CEO of Alice & Sens whose name is Alice Janson, the CEO of Boomerang, whose name is Fredrik Larsson and the co-founder, board member and brand director of Odd Molly whose name is Per Holknekt. The co-founders Alice Janson and Per Holknekt have been involved in respective company from the start (Alice & Sens founded 2003 and Odd Molly founded 2002) while Fredrik Larsson is the CEO of Boomerang since 2003. Fredrik Larsson has worked within the sales department of Boomerang since 1996. However, since Alice Janson during the period of this thesis was in Shanghai, she did not have the opportunity to answer our questions. Therefore, we conducted an interview with Lovisa Janson, sister of Alice & Sens co-founder Alice Janson and employee at Alice & Sens. We believed her to be an appropriate respondent as well, as she has a good insights into the company history in addition to personal family bonds to the company.

It could have been of interest to conduct more interviews with other employees within the companies, this to get more nuanced and objective information. However, it was considered due to limitations in time, that this was not possible. Also, the knowledge necessary is not simply factual, we need the understanding knowledge and the only way to obtain this understanding is by looking at the strategic choices behind the decisions.

This information is something only a CEO or co-founder possess. We believe that the chosen respondents have got the best insights, accept in the case of Alice & Sens, as they were the ones deeply involved in the process. In the case of Alice & Sens, the other co-founder Katrin was also in Shanghai and could not be reached. As Alice & Sens only consists out of the two co-founders on the managerial level, Lovisa Janson was the only available source of information. However, Lovisa possess the essential knowledge because she has observed Alice & Sens from the birth and has a close personal tie, being the sister of the co-founder.

Interview guide The interview questions were formulated in accordance to the previous collected data, taken from documents, as well as through the literature review; especially about brands, learning and networks. The questions were formulated with the intention to fill the gaps of knowledge. The interview guide was structured according to different themes, for instance one group of questions concerned the brand. Within this brand group, several detailed questions were formulated, for example "do you actively work with improving/changing/enhancing your brand?" and "what do you believe Alice & Sens stands for as a brand?" Interview guides for all interviews can be found in the appendices 1-3.

Way of conducting the interviews The face-to-face interviews with Fredrik Larsson and Per Holknekt took place in Stockholm at the companies' respective head offices during a three day period in May, 2009. The interview with Lovisa Janson was conducted in a separate room at Eden, Lund University during a one day period in May in 2009. We had announced for a 45 minutes long interview, which was a more or less a correct calculation. The interviews took place in a separate room with the respondent (one person) and two authors present. We had technical assistance in form of laptop, on which we recorded the interview, and two copies of the interview guide.

We chose to have semi-structured interviews as they give the interviewer flexibility. In a semi-structured interview, the interviewer follows a relatively specified list of themes, like the interview guide previously explained. The interviewer is then within these themes able to formulate the questions and follow-up questions. This flexibility entails that the collected data can be cross-analyzed and more precise than when doing an un-structured interview (Bryman & Bell, 2007). As it was of great importance to be able to go back to the interview to control the questions and answers as well as during the interview be able to focus on the questions instead of writing down the answers, we chose to record both interviews. During the interviews one of the authors acted as the main interviewer and another as a support to make sure that no questions were overlooked and also to help with the follow up questions.

Processing the data Directly after the face-to-face interviews, the two interviewers sat down and wrote a summary of the main points revealed. The next step was to compile data in a more structured way. By listening to the recorded interviews, we wrote down main points from the interview and translated quotations we found were of essence. This summary lately functioned as the basis for the presentation of the empirical data integrated with the analysis in chapter four.

In a qualitative study, the collection of data and the analysis process simultaneously and the relationship between the collection and the analysis is often seen as dynamic. This means that while the researcher collects data, he or she starts interpreting and analyzing it from start. However, this does not imply that the whole analysis needs to be done when all collection of data is finished. In the contrary, when the collection of data is over the analysis just moves into a more intensive phase. The analysis of data is often explained as the process when the researcher tries to put a meaning on the data. The data is reduced and compacted and often presented as a story that is meaningful for the reader. Finally, the main goal for the analysis is for the researcher to come up with trustworthy conclusions and generalizations that are grounded on the empirical data (Merriam, 1994). We believed that the best way to present our empirical data was as a story. Throughout the story presentation of data we intended to analyze according to the factors of essences we had identified in the literature review. We aimed to further summarize the empirical data and analysis in a concluding section where we would present the conclusions and the contributions that might fill the gap in the current research field.

2.4 Criticism of sources

We have throughout the collection of data tried to be as critical, humble and objective as possible. When we have studied the secondary data in form of official documents provided by the case companies, we tried to kept in mind that this source might be subjective. For instance, a company's homepage might highlight their advantages, but ignore mistakes done through times. Regarding the secondary data in form of articles written by journalists that with high probability have no previous connection with the company, we have classified this source as more objective than the previous mentioned source. However, we have even with this source tried to be critical to its contains.

It was of most importance that we were critical towards our primary sources. An interview with a person who is highly involved in the company's business in question is with high probability not totally objective. There is, namely, a risk that this person i "too involved" and cannot see the different aspects from an objective point of view. We were aware about this fact before and during the interviews and therefore tried to analyze the answers in a critical way, filtering out the aspects we found to be more "promotional" than objective. However, we did not have to filter out much and we were actually surprised over how self-critical our respondents were on several answers. For instance, CEO Fredrik Larsson of Boomerang was not reluctant to criticize Boomerang on several questions.

The language concern of this study could be a drawback to us. As we are Swedish and the respondents were all Swedish as well, we felt it was most natural to conduct the interviews in our native language. The answers have then been translated into to English.

The main problem was to translate the quotations from our respondents to yield the same meaning in English as it meant in Swedish. We believe that our level of English is enough high to secure the nuances and real meaning of the answers even though they are translated in English.

2.5 Criticism of research method

Every researcher strives to produce valid and sustainable results, and so do even a researcher conducting a qualitative study even though the concepts validity and reliability differ from a quantitative study. In a qualitative study, it is difficult to measure reliability and validity if you try to measure them on the entire study at the same time and not on each component. By analyzing each component separately, the concepts reliability and validity can be discussed; how suitable is the process of analyzing, are the interviews structured in the right way, are the conclusion based on the empirical data? Obviously, if the criterion for the qualitative study is to provide an *understanding,* the concepts of validity and reliability are different than in a study aiming to explore for example a new law or confirm a hypothesis (Merriam, 1994).

2.5.1 Validity

The concept of validity, both external and internal, will be discussed in this section. The *internal* validity questions how well the result correspond with reality, in other words if the researcher really measure what he or she aims to measure. There are several strategies a researcher can use to secure the internal validity. Firstly, triangulation should be used be being several researchers, using several information sources and several methods (Merrian, 1994). We believe that we have used this strategy in an appropriate way. The interviews complemented by documents have given us both a more nuanced picture through the interviews, and a more objective perspective as the documents are produced for another purpose. We have further used a wide range of different sources, all from primary data collected through interviews to different kind of articles published in different types of journals and magazines. Throughout the study we, the authors, have tried to all be involved in every part of the paper. By doing this, all of us have interpreted the information and we may have to a certain extent avoid getting a too misleading or biased interpretation.

Another strategy to control the validity is to have participant control. This means that the researcher shows the analyzed material for the respondent who provided the information in the first place. The respondent then evaluates how the interpretation of his or her information has been done and gives his or her point of view (Merriam, 1994). This is something we have not followed in this study, as we have not contacted our respondents in order to get their views of the analyzed material from their interviews. This might be a drawback to us, however we believe that we have partly outweighed it by having two authors taking part in the interviews. Hereby, we have reduced the risk that we have interpreted the answers in a totally wrong direction. Further, the third author not present during the interviews, has taken part in the analysis and writing down the empirical material, which also reduce the risk that we have interpreted the information of the interviews in a totally wrong direction.

A third strategy is to have horizontal scrutiny and criticism, which is to have colleagues saying their thoughts and meaning to the results (Merriam, 1994). Throughout the study, we have continuously talked with our classmates who are also completing their master thesis and with our supervisor in order to reduce the risk that we have disregarded any important aspects.

The *external* validity refers to the generalizability of the results, in other words to what extent the results are applicable to other situations than the investigated. Through time, it has been highly discussed whether a qualitative study can generate results that can be generalizable. There are however strategies that can enhance the external validity in qualitative case studies. For instance, the researcher can select a sample randomly in order to increase the external validity. Another option is to extend the case study to include more than one case. If the researcher investigates several cases on the same phenomenon, the cross-analysis increase the generalizability of the study (Merriam, 1994). We believe that as a result of the investigation of three companies, we have increased the potential generalizability of the study. For instance, if we can see a pattern in these companies' internationalizations process, the same pattern might be found in other companies. Of course in this phase of the study we do not yet know which results the study will yield. Hopefully, we will find a pattern and based on this we will be able to create a model. This model will not be applicable on all companies even though they are similar to our case companies, however, the model will hopefully create an understanding of the key success factors of an internationalization process. Then it will be left for the reader to interpret and decide whether the results can be applicable on his or her business.

2.5.2 Reliability

Reliability refers to "to what extend the study can be replicated and yield the same result time after time" (Merriam, 1994). Once again, this concept is quite problematic in social science as the behavior of a person is not static but changeable. This means that if another person conducts the same research, his or her interpretation will influence the study. Even if the same researcher repeats the study, the new respondents for example, can influence the results in their own way. As a researcher belonging to the qualitative approach believes that there exists many different interpretation of reality, there are no strict reference points one can proceed from when deciding if a study is reliable or not. In traditional research of natural science, the researcher tries to sharpen his tool of measurement to be even more objective and he uses statistical techniques to increase the reliability. Researchers of qualitative case studies try instead to educate and practice in order to secure the result to be more reliable (Merriam, 1994).

Even though the reliability in qualitative case studies is hard to determine, there are some techniques that can increase the reliability, which we have adapted. Firstly, we have in detail described the methodological process and the reasoning around the methodological decisions. We have also in detail described different aspects, like how we selected the sample and which role we as authors have played during the interviews. This methodological description will help the following researcher to conduct the same research, which hopefully will yield a similar result. Another technique to increase the reliability is to conduct the research by using a triangulation of methods, which we in the previous section have described.

3 Theoretical framework

****

In this chapter we will present the theories and concepts found, relevant to the purpose of our case study. The chapter is divided into a total of three parts; the first two covering aspects within the areas of internationalization, SMEs, the fashion industry, brands, learning and networks. The third part presents a review of the theoretical framework together with a conceptual model illustrating our main standpoints when entering into our analysis in Chapter 4.

****

The content of this chapter is divided into three main parts; General theories and concepts, Case study- specific theories and concepts and lastly a review of the theoretical framework.

After reviewing the empirical data and the research conducted within the areas of internationalization, small- and medium sized enterprises and the fashion industry we were able to identify several theoretical areas relevant to our research question. These areas were divided into two different parts. Part One consisting of theories and concepts relating to the general research area of internationalization, with focus on classical and contemporary theories on internationalization, small- and medium sized enterprises and the fashion industry. Part Two consists of theories and concepts of more case study-specific nature in the form of brands, learning and networks. Further, in Part Three we will review the theoretical framework and here a discussion is held to clarify the main aspects, found in Part One and Two, that we will use as a foundation when analyzing the internationalization processes of our case companies. These aspects, together with the structure of the remaining case study, will be illustrated in a conceptual model to facilitate the understanding of our framework.

As a result of the characteristics of our case companies, the theoretical framework contains several theories that are not directly applicable to SMEs, meaning that the "requirements" for applying the theory are not completely fulfilled. However, as we are aware of this fact, the intention is to use these theories as a source of inspiration as we enter into our analysis of the empirical data. In addition to these theories, we will also discuss theories more directly applicable to our case companies.

3.1 Part One - General theories and concepts

This section provides the reader with an overview of the general theories and concepts within the field of internationalization, small- and medium sized enterprises and the fashion industry.

3.1.1 Classical theories within the area of internationalization

In this part we present the traditional theories on internationalization. The reason for this is to provide an overview of the historical evolution of the internationalization theories and its related aspects, and also to explore whether there are any common trends within the classical models.

The internationalization process of a company has been a key issue in the field of international business research for many years. As a response to the traditional Heckshner-Ohlin model on comparative costs, Vernon (1966) argued that firms are highly stimulated by their local environment and are more likely to innovate when their immediate surroundings are more beneficial to the creation of new techniques or products. Vernon (1966) further argues that the firm, when adapting to a new market, moves through stages from innovation to standardization and maturity, according to the developing forces of supply and demand for their product.

The sequential process

Another suggested model of the internationalization process - the establishment chain model - describes the internationalization process as a gradual sequential process with the firm progressively moving its operations to foreign markets. The progressively process starts with no regular export to export through independent representatives, to the establishment of sales subsidiaries and, as a last step, to the establishment of production facilities (Johansson and Wiedersheim in Buckley and Ghauri, 1993). What differs this theory from previous theories is that Johansson and Wiedershiem (in Buckley and Ghauri, 1993) argues that most of the previous theories have been investigating large corporations, whilst this theory focuses on small firms originating from small domestic markets.

The incremental learning process

One pioneer within the field of how to describe the foreign investment decision-making process is Aharoni (1966), who argued that the classical theories of investment decision-making had too little relevance in explaining the process within the firm. In other words, he believed that the classical theories had ignored the human element. Based on the thoughts of Aharoni and a further development of the establishment chain model, the Uppsala model was created as an attempt to explain the decision-making process of a firm when it internationalizes its activities (Johanson and Vahlne, 1977). The Uppsala model claims that the greatest obstacles for a firm's internationalization are the lack of knowledge and limited resources. However, these obstacles are reduced along the incremental decision-making process and through the knowledge attained on the foreign markets and operations (Johanson and Vahlne, 1977). As the experiences grow, the firm tends to intensify their commitment to the foreign market. The core aspects in the model are experiential learning and risk aversion and these two together explain why the firm internationalizes in an incremental and sequential process. Hence, the model can predict, to a certain extent, the internationalization process of a firm. The incremental experience is explained as the outcome of one decision makes up the input of the next decision and situation. Further, market commitment occurs in smaller steps, expect from when the firm has large resources. Then, the firm tends to "commit more" by taking larger internationalization steps (Osarenkhoe, 2008).

Psychic distance

The concept psychic distance emerged together with the establishment chain model and the Uppsala model. In the literature, psychic distance is referred to as "differences in local consumers' preferences, cultures and business systems that reduce the level of understanding of conditions on the foreign market" (Dikova, 2009). It is argued that psychic distance is negatively related to the performance of a company and that a firm performs best in foreign markets that are similar to their domestic market (Johanson and Vahlne, 1977). The main suggestion by Johanson and Vahlne (1977) is that the firm should choose new markets with small psychic distances from the domestic market. Moreover, the psychic distance is not only affecting firms that are physically moving abroad. According to Yeniyurt et al (2007), brands are also affected by psychic distance. In their study, Yeniyurt et al (2007) investigated factors influencing the launch of brands into new markets in a global environment. The result revealed that brands are reluctant to launch into countries that are culturally and economically less similar to the home market.

3.1.2 Contemporary theories within the area of internationalization

In this chapter we present theories and concepts that have arisen due to new conditions on the global market. This because these contemporary theories, even though not as well recognized as the classical theories, discuss factors more adapted to the new market- and company characteristics.

The evolving international economy of today is dominated by growing global integration, emerging fragmentation of traditional markets into global niches and the birth of new competitive spaces because of technological developments. This has resulted in a significant variation in how firms enter new markets and also in how firms act strategically on foreign markets. In comparison to the traditional view of internationalization that is characterized by sequential processes, incremental learning and risk aversion, new aspects have bloomed (Osarenkhoe, 2008). According to Osarenkhoe (2008), there are several aspects contributing to the new picture of a firm's internationalization. In addition to the three characteristics of today's economy mentioned above - global integration, global niches and technological developments - the rising number of people with international experience and networks and entrepreneurial capabilities of the owners are all contributing factors to the new tendencies on the international market square.

Born Global firms

During the last years, a concept that questions the applicability of the classical internationalization theories has emerged – the Born Global view (McKinsey & Co in Rasmussen and Madsen, 2002). The concept aims to capture a new export behavior that can be observed among some firms. These firms do not develop internationally as an incremental process. Instead, the born global firms start international activities from their birth, some of them in very distant markets. Some of these born global firms might enter multiple countries at once or form joint ventures abroad without prior experience (Rasmussen and Madsen, 2002). Usually, born global firms view, from the outset, the whole world as their marketplace and they see the domestic market as a support for their international business (McKinsey &Co in Rasmussen and Madsen, 2002). Cavusgil (1994) takes the discussion further and states that born global firms are the new breeds of companies and that the gradual, incremental internationalization process is dead.

The explanation of the emergence of the born global firms is the fast growing global market conditions, development in transportation and communication technologies such as the Internet, together with the rising number of experienced international professionals (Knight and Cavusgil 1996). Aspects to consider when studying these types of firms are networking skills within the organization, for example the owner's prior experiences together with the firm's ability to standardize its marketing efforts and production in a global niche instead of customizing the products to each market (Rasmussen and Madsen, 2002). Further, it is argued that firms originating from nations with a small domestic market have a higher tendency to become born globals. This might be the case because they, to a certain extent, are forced to explore the international possibilities to be able to grow (Madsen and Servais, 1997). Rasmussen and Madsen (2002) conclude that there is, at this point, no clear definition of a born global firm (or of similar concepts such as International New Ventures and Global start-ups), nor a precise operational definition. The concept can be seen as a metaphor under which these companies can be studied and the authors argue for the importance of research being made in this field.

Online internationalization

Another concept is the online internationalization that has come to be more accepted. Yamin and Sinkovics (2006) refer to online internationalization as the conduction of business transactions across national boundaries, where the crossing of national boundaries takes place in the virtual rather the real or spatial world. Yamin and Sinkovics (2006) further argue that the before mentioned psychic distance can be reduced if a firm has online activities. The reason for this is that when a firm gains experience through online activity, it is likely that the firm also generates insights on customer preferences and behavior. When the firm then lately desires to enter the foreign market in a non-online way, it has reduces the psychic distance by having pre-knowledge about the market's consumer groups (Yamin and Sinkovics, 2006).

3.1.3 Small- and medium sized enterprises

In order to acquire a better understanding of small- and medium sized enterprises, we in this part discuss SMEs, with special focus on the characteristics of this type of company, and on theories on SMEs and internationalization. Further, we discuss the limitations or possibilities, both on the domestic and on the international market, which comes as a result of being a SME.

Small firms can be distinguished from large ones on several characteristics; to mention a few uncertainty, innovation and evolution (Storey in Göransson and Lind, 2006). A small company's limited customer base and the lack of resources are examples of uncertainty sources. In addition to characteristics as uncertainty, innovation and evolution, SMEs also differ from large firms in terms of managerial, financial and operating resources (Hutchinson and Quinn, 2006).

Small business Growth Model

Through their model "The Small Business Growth Model", Churchill and Lewis (in Cheng et al, 2005) illustrate how a small business grows through stages – from stage one existence to stage five resources maturity – which means to finally become a large and more complex business. Except from illustrating the growth of a firm, the model also successfully illustrates how a small firm differs from a large firm on five dimensions; management style, organization, the extent of formal systems, major strategy and the relationship between owner and business. For instance, during the first period of existence a small firm normally has a direct supervision as management style, the organization is considered to be simple and the owners actually "are the business". When the firm has grown to medium size and is, according to the model, in a phase of success, the management style is functional and the organization is considered to be in between simple and decentralized. In the last phase, the typical characteristics of a large firm are shown. This is when the firm has obtained maximum growth, which, according the model is an organization that is decentralized and the owners are separated from the business (Churchill and Lewis in Chang et al, 2005).

Internationalization of SMEs

Internationalization is not isolated to only large firms, even small and medium sized firms cross the borders and start to operate abroad. Hollensen (in Göransson and Lind, 2006) claims that some small sized companies expand internationally because it may increase the firm's competitiveness when entering new and potentially profitable markets. Hence, by expanding internationally SMEs can expand their businesses. The choice of going international can also be an integral part of survival and building a sustainable business (Hollensen in Göransson and Lind, 2006). Another reason for going international can be a limited domestic market, which means that companies, even small companies, to certain extent are forced to expand internationally to obtain growth (Göransson and Lind, 2006).

Limitations for SMEs

Internationalization involves a high degree of risk and SMEs have more limited resources to cope with the downside of foreign expansion (Morgan and Katsikeas, 1997). Also due to limited resources, these small or medium sized firms do not in general purchase external advice before internationalizing. External advice could be an informational source that possess the appropriate knowledge about the potential entering market. The lack of external advice might influence - perhaps negatively - their choices in the internationalization process (Carter and Jones-Evans in
Göransson and Lind, 2006).

Moreover, as a result of weak financing and the subsequent need for quick return on investment, SMEs generally have a limited range of entry modes to choose from and a narrower operational base from which international activities can be undertaken. Intensified by limited market knowledge and lack of interaction with key parties, often owners, small firms often do not have the inclination, expertise or awareness to grow and consequently to pursue potential opportunities for expansion overseas. However, the existence of export stimuli can allow SMEs to overcome such barriers to international expansion. International stimuli are those motivating factors, which over-ride these obstacles, and, in the literature, several key themes have emerged as important stimuli, drivers and facilitators of foreign expansion, for instance an international

Possibilities for SMEs

Even though there seems to be many disadvantages and difficulties for a SME to internationalize, SMEs might also have advantages. Namely, it is maintained that although smaller retailers cannot compete directly with multiple retailers on price, retail SMEs might be better focused and equipped to serve specific international markets. By operating as a market "nicher" with differentiated and unique products, SMEs can successfully serve a narrowly defined segment and also serve a small proportion of demand in international markets. In the light of need for competitive strategy through product differentiation (Barney in Hutchinson and Quinn, 2006) it can be argued that retail SMEs must be less marketing-orientated and more market-orientated when considering internationalization activity. In other words, not necessarily influencing the market explicitly, but rather reacting to market opportunities by following strategies of product differentiation and adaptation. The uniqueness and need of niche it further confirmed by Simpson and Thorpe (1996) who found that the product, lifestyle, image and niche of the firm's brand were the key competitive advantages unique to specialty retailers (smaller in size) with successful operations in international markets (Hutchinson and Quinn, 2006). Hence, what an SME need is a Unique sales proposal, USP (Barney in Hutchinson and Quinn, 2006).

3.1.4 Fashion industry and related aspects

In this part we discuss the main characteristics of the fashion industry as well as potential factors for fashion companies to succeed internationally. Further, we will also discuss closely related aspects, such as the importance of a fashion brand and international branding.

Fashion reflects how people define themselves and the fashion concept stretches beyond only apparel goods. Music, toys, food, architecture and diets can be fashion related and change depending on "what's in this month" (Solomon and Rabolt, 2004). Numerous researches have tried to describe how fashion takes off, how new trends are created, who creates them, who will follow and who will not. Early researchers argued that fashion was created in upper-class in society, which then trickled down to lower classes. The upper-class strived to continuously change and innovate their style in order to reaffirm their social class positions; in turn it created new trends and fashion (Veblen in Corrigan, 1997). There were, however, other theories arguing that fashion was spread upwards – trickled-up – instead of downwards. The trickle-down theory is in line with the subculture leadership theory, saying that fashion originates from different subcultures in society and fashion changes according to popular culture reflected in what is worn on the street (Law et al, 2004). Today, the research field is extended to include a variety of theories, from how a company can make use of fashion opinion leaders to how a company can forecast up-coming trends. Even though the opinions are widespread, a concluding remark is that fashion is a complex process that operates on many levels.

Characteristics of the fashion industry

The phenomenon "fashion" is only one contributing factor that enhances the complexity of this industry. As already mentioned in the introduction of this paper, additional aspects are, amongst other, a short product life cycle, low predictability and great variations within a consumer group (Richardson, 1996; Carugati et al, 2008). One more challenge for companies working with fashion is to follow "the cycle". Carugati et al (2008) suggest the fashion year is divided into eight seasons; early spring, spring, early summer, summer, early autumn, autumn, early winter, winter. Eight seasons might be in a bit extreme, however, the main point is that a designer needs to constantly be updated with the new, up-coming trends because of new seasons.

The importance of a fashion brand

As also mentioned in the introduction, the brand is an appropriate and perhaps essential tool to differentiate your products within the fashion industry (Richardson, 1996). However, in standard textbooks about brand marketing, most emphasis is placed on fast moving consumer goods sector (FMCG), manufacturers and retailers but limited light is shed on fashion designer brand in the context of internationalization. This could appear strange as it is often said that fashion design retailing is synonymous with brand image (Moore et al, 2000). Some researchers, though, have investigated the area. One way to reason about international fashion brands, is that fashion designer could ensure a shared international understanding for the brand identity and its meaning through certain strategies. One suggested strategy of Moore et al (2000), is that international understanding of a fashion brand identity is persevered through the standardization of communication strategies and by the exercising of tight controls over merchandising, distribution and pricing strategies.

International branding

Even when it comes to international branding – and not just fashion branding – there is limited research done on this phenomenon, especially in comparison to the enormous amount of research done on the internationalization process. However, there is some research made that focus on internationalization of brands. Brown and Burt (1992) are one of these, and they propose that one vision is to view the internationalization process as based on the transfer of the brand together with its associated image in the customer's minds, across national borders. Like in the general internationalization field, the international development of a brand has often been illustrated as a sequential process. For instance Chang et al (2005), suggest a theory describing the brand development as a process divided in five stages, where brand gets a higher amount of international brand equity along the development.

3.1.5 Summary - Part One

In this part we will bring together the main points from the theory in Part One to get an overview of the researched areas.

When reviewing the first part in the theoretical framework we have found the following. According to several researchers the internationalization process is a sequential process (Vernon,1966; Johansson and Wiedersheim in Buckley and Ghauri, 1993) that implies an incremental learning process (Aharoni, 1966; Johanson and Vahlne, 1977). Also the concept of psychic distance is treated in part one of the theoretical framework, and states that companies should choose markets with small psychic distance, even when talking about brands (Johanson and Wahlne, 1977; Osarenkhoe, 2008). Although according, to Yamin and Sinkovics (2006) this concept can be reduced by the companies by conducting online activities. According to the Born Global view companies do not develop internally as an incremental process, but instead start their international activities from birth (McKinsey & CO in Rasmussen and Madsen, 2002).

When talking about SMEs, Churchill and Lewis (in Chang et al, 2005) illustrate in a model the growth process of a SME. They conclude that this companies differ from large ones on five dimensions; management style, organization, the extent of formal systems, major strategy and the relationship between owner and business. Despite the factor of risk aversion and limited financial resources SMEs successfully internationalize (Hutchinson and Quinn, 2006).

According to Richardson (1996) it is crucial for a fashion company to use your brand to differentiate your products. This can be done by adapting and is preserved through standardization and control over merchandising, distribution and pricing strategies (Moore, 2000).

3.2 Part Two - Case-specific theories and concepts

This part presents theories and concepts of more case study-specific nature in the form of brands, learning and networks.

According to the literature in Part One, we know what important role a fashion brand could play. As Richardson (1996) puts it, the fashion brand is an essential tool, which helps the firm to differentiate its products. But how does the brand actually work? And how is a brand developed, especially overseas? According to Churchill and Lewis in Chang et al (2005), the brand is developed internationally through a sequential process, but is this applicable to every brands existing on a foreign market? As we believe that the brand is a factor that plays a significant role within the fashion industry, we want to further deepen our knowledge about the brand and its related aspects (see section 3.2.1).

The traditional theories, mainly the establishment chain model and the Uppsala model, are in many ways applicable to smaller fashion companies. For instance, the Uppsala model suggests that limited resources and lack of knowledge are two components that contribute to an internationalization process developing in a gradual and sequential way. The step-by-step process is according to the experiential learning the firm acquires from each new situation they are confronted to (Johanson and Vahlne, 1977). This seems to be a quite reasonable way of viewing the process for acquiring knowledge for a smaller firm that both lack of knowledge and has limited resources. But how is it then possible for the so called born global firms to skip the step-by-step process and instead be global from start? How do these born global firms learn and how do they acquire knowledge if they do not follow the sequential decision-making process? This incremental decision process evoked our interest about knowledge and learning, therefore, we also want to further investigate the incremental learning process in the following part of the theoretical framework. We also wish to map put the learning development within our three case companies (see section 3.2.2).

Integrated global marketplace and birth of new technology are only two of many factors contributing to the new conditions of today's economy (Osarenkhoe, 2008). As mentioned, the traditional view of the internationalization as a sequential process has been questioned and a born global approach has aroused. A contributing factor to a born global firm's success is said to be networking skill (Rasmussen and Madsen, 2002), but how does a network function and how can it be utilized? The born global approached evoked our interest about networks and therefore, we will further research on what have been studied in the field of networks in the next part of the theoretical framework (see section 3.2.3)

Hence, we will in Part Two deepen our knowledge within the areas of brands, learning and networks. Within each of these areas, we will mainly focus on aspects that are of interest to our research question.

3.2.1 The brand

Numerous benefits come from developing global and international brands, such as high quality and prestige perceived by local customers and ease in attracting potential employees and partner's overseas. The benefits can also result in cost efficiencies of marketing strategies and facilitate international market entries (Aaker & Joachimsthaler, 1999).

Brand identity and brand image

Brand identity and brand image are two important branding concepts which marketers are trying to bridge a gap between to be able to yield the best results. Brand image is created in the minds of consumers and is how the consumers perceive the brand. The brand image consists of information, expectations and previous experiences of the product. The brand image cannot be controlled by the company as it rather is a psychological symbolic construct in the consumers' minds. On the opposite, the brand identity, which is in the mind of the company, is what the brand is all about and what distinguishable features the brand has that can be instantly recognized. The brand's deepest values should be conveyed in the external signs of recognition, and the identity symbolizes the brand's differentiation from competitors. The identity is also the source of a brand's positioning (Kapferer, 2005).

Brands need to be true to their identity in order to become strong. A company's main concern is to know how the brand image is perceived, which also is the core concept of brand management. It is up to the company to define the brand and its content, and this is made through the brand identity concept (Kapferer, 2005). Even though fashion has a need for constant styling changes, it is proposed that this does not have to be inconsistent with promoting a longer-term brand image. This entails that the brand constantly can change in style, but the total brand is more or less a stable image (Evans, 1989).

Country of origin and Brand of Origin

One way of promoting your brand identity can be to put focus on the country of origin of your brand. One can define country of origin (COO) as the influence of the country of the manufacture on a consumer's positive or negative perception of a product (Ghauri and Cateora 2005). COO implicates that consumers have stereotypes about countries, as well as product categories, that they associate with being superior. In turn, these stereotypes affect the perceived brand image of a product. With globalization being a striking feature of the modern economic landscape, consumers have to take new factors into consideration when deciding on which brand to buy (Ghauri, Cateora 2005). In the case of our case companies it might even be more appropriate to define COO as Brand of origin (BOO), which is defined as the country from which the brand originates (Lim and O´Cass, 2001). Thakor and Lavack (2003) presents a more developed definition of BOO; BOO is made up out of multiple inputs or antecedents exists from which consumers may draw brand origin cues, such as location of ownership, location of manufacture, location of assembly, origin of top management and marketing communications. BOO is not yet as researched in the marketing field as COO but it is a concept strongly linked to a consumer's brand perception.

Strategies for developing fashion brands

In terms of developing a successful international fashion brand, Moore et al (2000) identified three essential elements; a global advertising strategy, a focused development strategy and a carefully controlled distribution strategy. All of these three strategies should be part of the company's main strategy in order to develop a successful international fashion brand. In practice, for the fashion brand this means that it is crucial to have a clearly defined identity and personality, communicated through standardized advertisements, which enables the company to have control over the positioning of the brand image. In addition to the control of the brand, the company will also obtain economies of scale through this global advertising strategy. The second strategy - a focused development strategy - does not necessarily imply that the company should limit their range of products. Rather it implies that the products can be regarded as being "life-style products" – essential but never ordinary and common. Lastly, a carefully controlled distribution strategy entails building networks and relationships to make the brands physically available and economically accessible to the customers (Moore et al, 2000). Within this representative context, the branding of clothing has been found to function as a "communicative short-hand" that acts as an immediate and public device to denote group membership and signifies the values and aspirations of the brand wearer (Evans, 1989).

Corporate story telling

Corporate story telling is another technique in fashion branding. In his article "Telling tales can help you sell your brand to millions", Lindström (2007) argues that story telling is a technique that allows brand managers to captivate the targeted consumers in a strong and credible way. The corporate story telling technique was developed in the US and builds on the fact that each company has a "story telling capital" within the organization that can be used to reach success. Story telling can strengthen a brand externally, as well as internally and incorporate the employees to become more loyal. According to an analysis of the current economic crisis made by The Economist, companies with vivid and truthful messages, so called "no nonsense brands", will be the most successful ones. In these times of uncertainty, consumers value brands with appealing core values and credible concepts (Berge, 2009). This is also in line with the theory of the post post modern consumer by Holt (2002).

Additional aspects of brand building

In addition the importance of brand image, brand identity and storytelling, researchers have also been able to identify several important factors for internationalization such as ethical- and social responsibility and company culture. It is important that there is no gap between these two and therefore, internal brand management is of essence. This entails good internal communication, involvement and relationships, which indicates that people are the keyword when it comes to branding (Burt and Sparks 2002). The companies that seem to have the greatest potential of building a successful corporate brand on an international stage are consequently the ones with a high quality brand identity, readily identifiable stakeholders as well as brand influencers and store operations that align the staff with the brand position. Though, it is important to bear in mind that the majority of the time, even these companies has to adapt to the new market (Burt and Sparks, 2002).

3.2.2 Learning

The incremental learning process

The Uppsala model was one of the first attempts to describe the phenomenon knowledge in combination with internationalization. As already mentioned in 3.1.1, the basic assumption of the Uppsala model is that limited knowledge is viewed as an obstacle to the development of international operations. The required knowledge can, however, be acquired mainly through operations abroad. According to the classical theories on internationalization where firms internationalize their activities in a sequential process, the firms progressively increase their commitment to the foreign market. Thus, they are constantly confronted with new situations and challenges (Johanson & Vahlne, 1977). The Uppsala model suggests that the involvement increases through stages as a result of incremental learning. More specifically, in each new situation the firm gets in, the firm has to acquire new knowledge and to learn, which result in incremental learning process

Learning process and behavioral tendencies in five stages

Anderson et al (1998) have also investigated the notion of learning in relation to internationalization. More specifically, they considered the learning needs of managers in organizations that are relatively inexperienced when it comes to operate internationally. The model illustrates the learning requirements but also suggests behavior tendencies along the internationalization process. Five subsequent and progressive levels of internationalization are defined: aspirational, procedural, behavioral, interactional and conceptual. According to these five phases, Anderson et al (1998) presents what characterize each stage and the learning implications that are acknowledged in the typical stage. The main aspects of Anderson et al (1998) is summarized in Table 1 below.

ASPIRATIONAL STAGE	Desire to internationalize Rational vs. "just happens" decision Reflective learning from previous experiences
PROCEDURAL STAGE	Implement internationalization decision Unsystematic, unstructured and informal operations Learning is primarily "technical"
BEHAVIORAL STAGE	Respond to environmental stimuli, management sensitivity Tacit knowledge Cultural appreciation and empathy
INTERACTIONAL STAGE	Close partnerships to build and maintain relationships Social and business relationships, knowledge and skills
CONCEPTUAL STACGE	Particular "state of mind" to maintain focus on local issues whilst integrating into a broader international perspective Subconsciously learning Changes in attitudes, beliefs and way of thinking

Table 1: Authors' own summary of the model developed by Anderson et al (2008)

In the initial and first part of the internationalization, the aspirational stage, the firm has a desire and wishes to move its business into the international area in some way. A decision to go international can be explained by a rational approach, where it is said that the decision is determined by a financial quantification of the physic assets or of the human resources involved in the internationalization. Rather than a rational decision, some suggest that the decision, instead of being taken in a rational way, just "happens". In this stage, a firm can learn aspects from its pre-experiences.

In the procedural stage the company intends to implement its decision to internationalize. This time, or phase, is often characterized by unsystematic, instructed and informal operations. A reason for this is the poor level of knowledge about the new foreign market and country. It is argued in this stage that managers see their learning needs as primarily "technical", focused on export documentations, market regulations, formalities and so on.

As the company moves into the third behavioral stage, it should here start to respond to environmental stimuli on the market. The company should also during this phase try to appreciate the new cultural and show empathy for the new cultural situation. It is not enough anymore to have only "technical" knowledge – a firm needs to have "tacit" knowledge, which is more how to execute something effectively. This type of knowledge is hard to transmit because it is highly personal and difficult to formalize.

In the interactional stage focus is therefore upon close partnerships with other associated and to create, build and maintain effective and meaningful relationships with new and existing stakeholders. Anderson et al (1998) suggest that this is the key area of learning as respondent companies of all sizes often have significant difficulties stemming from differences in thinking and social action between employees and managers in different countries.

In the final stage, the conceptual stage, Anderson et al (1998) suggest a particular "state of mind" which can maintain a focus on local issues on the market whilst at the same time be able to integrate those dimensions into a broader, international and strategic perspective in order to manage the organization. The firm has until now collected different experiences and observations, which now form and contribute to an "international mindset". Learning implications here are undertaken subconsciously and is about the individual and organizational changes on attitudes, beliefs, feelings, opinions, and ways of thinking to mention a few.

3.2.3 Networks

According to the network research within internationalization, a firm can have relationships with various actors, including customers, distributors, suppliers, competitors, non-profit organizations and public administration (Johanson & Mattsson in Ojala, 2009). When considering retail internationalization, we need to consider a wider range of stakeholders and the relationship with external stakeholders, especially on culturally different markets and when the intention is also to have a long-term approach (Whysall in Elg et al, 2008). Critical external actors can include suppliers, governments, the community, landlords and employees. Also Dawson (in Elg et al, 2008) claims that the relationship with governments is a critical challenge as they control factors such as competition and establishment rights.

Different relationships

The different types of network relationships for entering foreign markets can be divided into formal, informal and intermediary. Despite research only providing inconsequent definitions, a common agreement in previous research is that while formal relationships are related to business activities between two or more actors in the network, the informal relationships are related to personal relationships with family members and friends. In addition to formal and informal relationships, several researchers have indicated the importance of intermediary relationships. In this type of relationships, there is no direct contact between the seller and the buyer. However, there is a third party that facilitates the establishment of the network relationship between the buyer and the seller. According to Oviatt and McDougall (2005), these "brokers" can provide links between actors in different markets and consequently initiate international business activities between the seller and the buyer. Thus, it remains unclear what roles the different types of network relationships may have (Ojala, 2009). According to previous research, internationalization occurs when a firm starts to develop relationships with another firm that belongs to a network in a foreign country. Relationships between the firms in different countries act as a bridge to new markets (Johanson and Vahlne, 199077). Development of these relationships with other actors in the market can be active or passive. In active networking, the initiative is taken by the seller, whereas in passive networking the initiation comes from the buyer's direction (Johanson and Mattsson in Ojala, 2009).

A well-known theory within the area of distribution, the push-pull-system in business, describes the move of a product or information between two subjects. A push strategy is used when there is no consumer demand for a certain product, due to product development or improvement. The product and information are "pushed" to the consumer by distribution and promotion. A push strategy forces the company to have large and variable production batches, an inability to meet changing demand patterns and excessive inventories due to the need for large safety stocks. A pull strategy is used when the consumer requests the product and "pulls" it through the delivery channels. A pull strategy allows the company to decrease in lead-time and to avoid having an inventory, which allows point of sales (Harrison et al, 2003). The push and pull strategies are also interesting to discuss in terms of internationalization. When a company launches its products on a foreign market, it could be seen as a new product launch, even though the product is old on the domestic market. Thus, the launch on the foreign market can be discussed according to push and pull strategies.

The network approach

The network approach emerged from the Industrial and Purchasing group's research on buyer-supplier-relationships and has in the last decade been extended to studies on knowledge transfer, competition, head office subsidiary relationships and not least internationalization. Previous research made within the network approach, has mostly investigated relationships among industrial firms. The networking aspect becomes increasingly difficult in the context of internationalization and this is especially noticeable when working within the retail industry. This is because of the complexities of the industries and the need to manage relationships with a large number of external factors in a new unfamiliar setting. According to Elg et al (2008), there is a clear gap in the research that focus on how a firm can develop a network of relationships with various actors to support and ease the internationalization process.

The basic assumption of the network approach is that the international firm cannot be analyzed as an isolated actor. Instead, the firm has to be viewed in relation to other actors in the international environment (Osarenkhoe, 2008). In a network, the "glue" that keeps the relationships of the firm together with other actors is based on technical, economic, legal and especially personal ties. Further, main emphasis is put on the role of social relationships integrated in business transactions. According to the network approach, all firms in a network are independent and everybody interact with each other in one way or another. This enables the firm to have a high degree of internationalization without actually having a high degree of assets in the foreign market. The network of firms also implies a dependency of each other. For instance, can a firm be dependent on another firm's supplier relationships. Even the relationships a firm has on its domestic market can be useful when the firm desires to internationalize for the first time. Namely, the current relationships can be used as bridges to other networks in other countries (Osarenkhoe, 2008).

A growing number of academics support the adaption of a network perspective to understand and explain the rapid internationalization of young firms (Johnsen, 2007) and according to Osarenkhoe (2008), the small firm is particularly dependent on the nature and quality of its relations with other firms and with the external world. As we discussed in the overview of internationalization, small firms – that are so called born globals - are often reported to start international activities right from their birth, to enter very distant markets right away, to enter multiple countries at once, to form joint ventures without prior experience and so on (Osarenkhoe, 2008). An explanation for this could be that they utilize their networks and contacts to spread their products in the international market through partnerships and joint ventures. Because they lack their own competencies and resources for international market entry, networks are vital. The firms initially conduct their sales activities through a network, in which they seek partners that complement their own competencies. The network perspective takes into account many different types of relationships that may exist between the parties involved. By being part of a network, a firm's internationalization process could proceed more rapidly (Osarenkhoe, 2008).

3.2.4 Summary - Part Two

In this part we will bring together the main points from the theory in Part Two to get an overview of the researched areas.

According to the literature, brands consist of brand image and brand identity. To get a successful brand, Moore et al (2000) suggest three strategies; global advertising strategy, a focused development strategy and a carefully controlled strategy. Corporate storytelling is another strategy that can enhance the success of a brand (Lindström, 2007). Additional aspects of branding are internal brand management and social responsibility.

Moreover, the incremental learning process refers to the way a firm in a internationalization process acquire knowledge. The Uppsala model discusses the traditional way of acquiring knowledge along the internationalization process, which is through an incremental process based on level of involvement. The model of Andersson (1998) discusses the learning requirements in combination with a firm's behavior tendencies along the internationalization process, divided in five stages: aspirational, procedural, behavioral, interactional and conceptual.

The third factor, networks, consists of relations with different actors. The relationships can be either formal, informal and intermediary (Oviatt and McDougall, 2005) and the development of these relationships can be either active or passive depending on the different roles the seller or buyer has (Johansson and Mattson in Ojala, 2009). The network approach discusses how different actors are dependent on each other and how they take advantages of each other's resources, which might be additionally positive for smaller- and medium sized firms.

3.3 Part Three - Reviewing the theoretical framework

Throughout the theoretical framework, we have acquired insights on both general theories on internationalization and also on more case-study specific theories.

When reviewing the literature we have found several aspects that seem to be of importance when internationalizing as an SME in the fashion industry. However, it is at this point hard for us to draw conclusions on how important these factors are, both in relation to each other, and to the potential successful outcome of an internationalization process. It is also hard for us, at this point, to determine whether one factor precedes another or in what way they impact the internationalization process.

3.3.1 Our conceptual framework

In this part we will present our conceptual framework, which will guide us when conducting our analysis and conclusion.

Level 1 of our conceptual framework illustrates how the theories from Part One and Part Two in the theoretical chapter, relate to, and affect, each other and the internationalization process of a small-and medium sized fashion company.

Levels 2 illustrates how we will take the theories and concepts, presented in level 1, into our analysis and apply them on our case companies by focusing on three main areas. These areas are; How to develop an international brand, How to acquire knowledge and How to manage relationships.

In our conclusion, presented in level 3 we will critically review the information found in the analysis in level 2 and accordingly, create our concluding model.

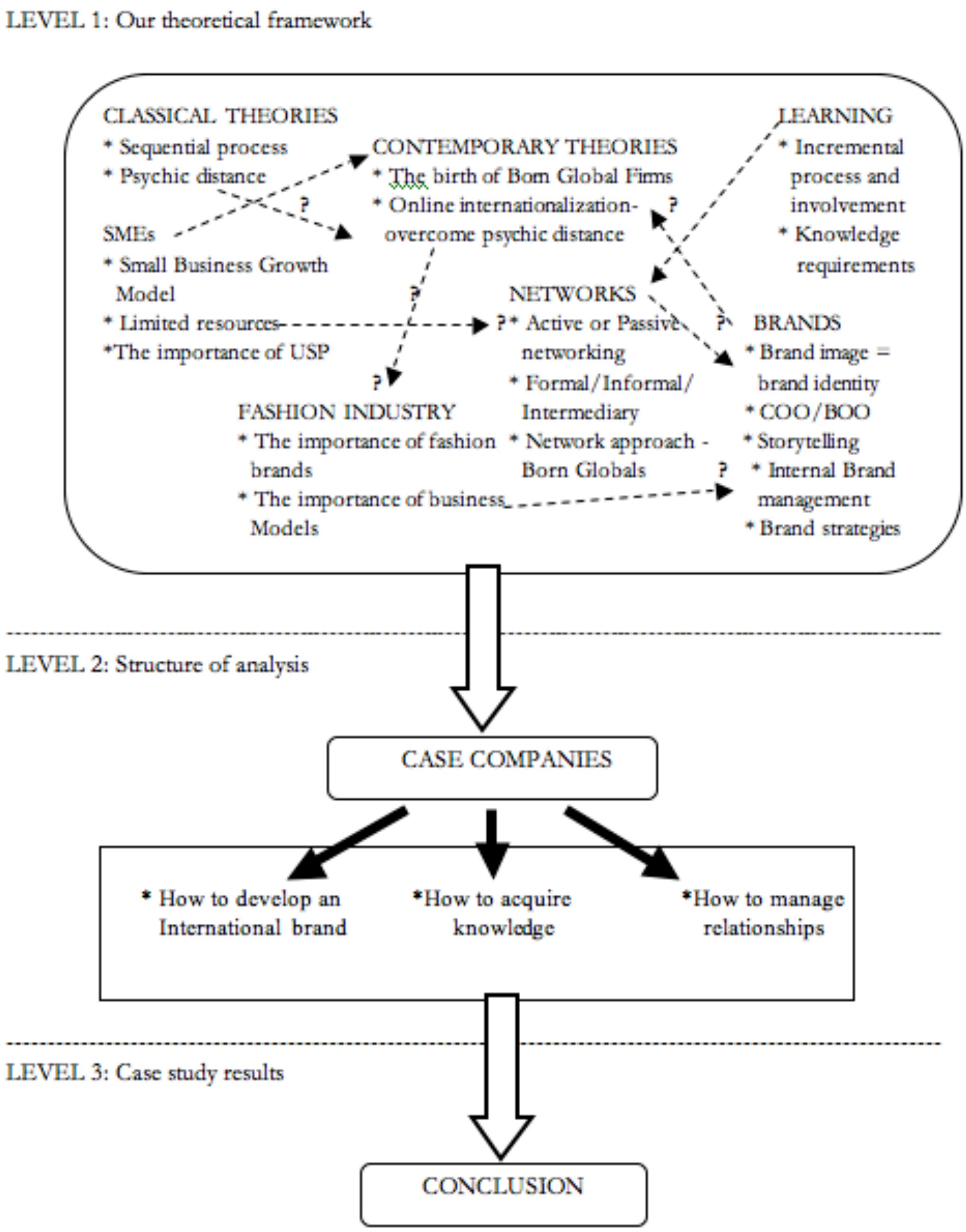


Figure 2 – Conceptual model

The illustrated framework will continuously be used throughout our analysis, and as previously mentioned the intention is not to either confirm or reject the theories, but merely to use these theories as a source of inspiration as we enter into the analysis of the empirical data. Hence, the aim is to see if these theories are applicable to our case companies, but also to explore whether we can find specific key success factors in the case companies' internationalization processes.

4 Analysis of the internationalization process of three fashion companies

****

In this chapter, we will present the empirical data we have collected throughout our case study. The presentations of the case companies will be followed by an analysis of the empirical data according to the theoretical framework. The chapter will end with a summary highlighting the main findings.

****

The chapter is structured in the following way; each case company is separately presented and analyzed (Alice & Sens in section 4.1, Boomerang in 4.2 and Odd Molly in 4.3). Each section begins with a brief company background, including general facts, strategies and historical aspects. This is then followed by an integrated empirical analysis divided into three areas; How to develop an international brand, How to aquire knowledge and How to manage relationships.

4.1 Alice & Sens

Alice & Sens was founded in 2003 by designer Alice Janson and business student Katrin Romare, both Swedish natives who met in Shanghai and who today divide their time between their offices in Stockholm and Shanghai (Aliceandsens.com, 2009). Alice & Sens is a creative and responsibility taking company with inspiration taken from, and manufacturing taking place in, Shanghai. The two founders both speak Chinese. All clothes are made from ecological fabrics with a production process carefully monitored. At the company's webpage you can read: "At Alice & Sens we always look for the comfort of the individual while seeking to enhance her femininity. By using natural materials we bring a calming sense of nature into our collections, and each one carries a design esthetic embracing urban life. We persistently remind ourselves of the importance to seek a higher sense of quality in every aspect of our products, the designs and in the materials. The same thing we seek in our lives, everyday" (Aliceandsens.com, 2009).

Alice & Sens collections are currently available in Sweden, Norway, The UK, France, Italy, Austria and the Netherlands as well as through external online shops. The collections are sold through external resellers and the company has a diversified portfolio selling a number of different products, from clothes and accessories for women to interior designs. The collections hold materials such as cashmere, wool, silk, bamboo and soy and everything is dyed naturally with black and green tea, jasmine and indigo (Glamour, 2009).

After some years of experience producing ecological materials, the company in the fall of 2008 took the step to a 100 % ecological production and the same year Alice & Sens launched their first collection, Future-vintage, consisting of purely ecological materials (Miashoppping.se, 2007). Alice & Sens was born out of the founders' passion for textiles, and the founders' search for the right materials and inspiration for creative designs. It started with a few simple raw silk products but later, after discovering new exciting natural materials and as the unique collaborations with producers and designers developed, they expanded. Inspired by the philosophies and values of the cultures that surround them, they seek to find a balance: in their products and in life (Aliceandsens.com, 2009). Their goal is to create something lasting and in the same sense also make a contribution to the environment. The designs have a unique feel to them, and some of the designs can be recognized by a typical pattern or by large specially designed buttons (Lovisa Janson, Interview 2009). See appendix 2.1 for a peak of the style in their collections, patterns and of the logotype.

At this point in time, Alice & Sens is only available through resellers and external online shopping forums. However, Alice & Sens is hoping to launch its own online store later this year. Another future goal is to open a concept store, probably in Stockholm. The store will be small, authentic and convey the ecological vision of Alice & Sens (Lovisa Janson, Interview 2009).

4.1.1 How to develop an international brand

Bridging the gap between brand identity and brand image

The goal for Alice & Sens is to create something lasting and in the same sense also make a contribution to the environment. The motto is that it is better to make a unique, high quality garment that lasts for years than mass produce goods and make a negative impact on the environment (Salong K, 2008). Everything is done in small scale and the company does not take any decisions that are not in line with their own beliefs and values. The Alice & Sens concept came from the two founders passion for unique designs and ecological thinking, and they strongly believe in their brand. The passion for creating ecological and sustainable products is the very essence of the designer Alice Jansson's life she "lives and breathes Alice & Sens" (Lovisa Janson, Interview 2009; author's own translation).

The brand identity of Alice & Sens is clearly defined through the concepts of natural materials and the urge to create something "lasting". The launch of a totally ecological collection is a clear indication of Alice & Sens brand identity being manifested in their external actions. The brand image is therefore consistent with the brand identity, as suggested by Kapferer (2005). The founders believe in a sustainable way of thinking and acting, and conduct their business in that manner with focus on individuality, close relationships and to be environmentally friendly. The logotype mirrors the simplicity and femininity that the brand strives to represent. The fact that the company name consists of the word "sense" is yet another clear way of conveying their vision. The recognition of showing corporate social responsibility in the external actions and having a connection to the deepest values of the brand is consistent with the recommendations by Burt and Sparks (2002). The ecological production is a long-term commitment to the Alice & Sens brand. The skeptical consumers of today believe that Alice & Sens are sincere and not a "non sense brand", which means that their brand is sincere, as discussed by Berge (2009) and Holt (2002), which indicates that they are on the right track for the future with their brand building. Long-term commitments are good when it comes to building strong brands. The founders are inspired by their surroundings, mainly Shanghai and Stockholm, and this is reflected in the designs and materials. Alice is clearly passionate about ecological fabrics, as stated by Lovisa (Interview, 2009). This fact further indicates the truthfulness behind their Asian-inspired designs and choices of fabrics.

The spread of brand awareness

So far, the Alice & Sens brand has only been spread through word of mouth. The products keep a high quality standard, and by maintaining good relationships with their partners and customers, this good word of mouth is continuing to spread. No advertising campaigns have been carried out and awareness has simply been achieved through PR when participating in several interviews concerning their ecological thinking. The awareness of the Alice & Sens designs have successfully been spread and recognized, as the designer Alice recently has been asked to design a collection for a big, Swedish fashion chain. Some of the factories which Alice & Sens initiated contacts with in Shanghai have grown and today these factories are producing clothing for other famous Swedish fashion designers such as Dagmar, Acne and Diana Orving (Lovisa Janson, Interview 2009).

If Alice & Sens would elaborate on the corporate story behind their designs, and use it in their PR-attempts, it could be an efficient way of conveying their message. The corporate story telling capital, as discussed by Lindström (2007), is potentially of great use in the case of Alice & Sens. The interesting, and a quite unique, history behind the brand could be successfully used. However, we can see that such efforts have not been made by the co-founders so far.

Country and Brand of Origin

The offices in Shanghai and Sweden opened quite simultaneously, and as the two co-founders both speak Chinese and met in Shanghai, the Swedish country of origin is not easy to define. However we would classify Sweden as being the domestic market of Alice & Sens, neither the country nor brand of origin is manifested in their external messages or brand name. On the official webpage you can read that the designs are inspired by Asian and Scandinavian cultures. But as stated by Lovisa: “the emphasis lies on conveying the words quality, good price and ecological products through their brand” rather then the country and brand of origin (Lovisa Janson, Interview 2009, author’s own translation).

The development of the successful international brand

Moore et al (2002) recommends companies to standardize the communication strategies, having a focused development strategy and carefully controlled distribution, in order for the brand to become strong in an international context. The message, no matter on what market the customer is purchasing Alice & Sens´ products, is consistently focusing on their ecological designs, thus, no adaptations has been made. From start, Alice & Sens have had a focused development strategy to become an international player through its ecological thinking. Until now, the two strategies have been successful and according to the model of Moore et al (2000), the two first elements are fulfilled in order to develop a successful brand. The third and last strategy entails a controlled distribution and building networks and relationships abroad, in order to make the brand physically available to the consumers. We believe that this is also a strategy Alice & Sens have succeeded with. They spend time in Shanghai where the production takes place and monitor the production closely with their different actors. This factor will be elaborated in more detail in the networks section 4.1.4.

Serving a niche market

As suggested by Barney (in Hutchinson and Quinn, 2006), Alice & Sens have found a niche for its brand with producing ecological goods and unique designs. Their unique sale proposal (USP) is their extraordinary design-abilities, their strong beliefs in their concept, and the way they have developed unique, recognizable prints on silk. Since the demand for ecological product are higher in other countries than on the domestic market, we believe that Alice & Sens might have made the right choice by expanding internationally. Although, in the international market, they realize that they are competing against much bigger, more experienced companies, but Alice & Sens still believe their concept to be a sustainable competitive advantage (Lovisa Janson, Interview 2009).

4.1.2 How to acquire knowledge

By describing the internationalization process of Alice & Sens, we aim to be able to analyze aspects such as learning and knowledge. Through the learning model of Anderson et al (1998), we will illustrate the knowledge development in the case of Alice & Sens. This model will be used as an analyzing tool, and by comparing the levels of knowledge possessed by Alice & Sens against what is suggested by Anderson et al (1998), we will be able to map out their learning development.

Next, we will analyze whether Alice & Sens has a learning development that has been of an incremental character. As the establishment chain model is the antecedent to the Uppsala model, we will start by analyzing if Alice & Sens´s internationalization process is done in a sequential way. Then, we will discuss the incremental process suggested by the Uppsala model and whether Alice & Sens has taken psychic distance into consideration when internationalizing.

The learning process

The start of the Alice & Sens business took off in the summer of 2004 when the two founders had their first sale of their first very small collection of kimonos and silk scarves in Falsterbo, Sweden. The response was very good as they sold all their goods, and this initiated the two friends to look for resellers and partners on the Swedish market (Lovisa Janson, Interview 2009). After Alice & Sens had sold in their products to several stores in Stockholm, simply by walking around, the following step was to reach international resellers. By participating in several fashion fairs in the Nordic countries, good contacts were established with both large chains and small private resellers all over Europe. The amount of resellers carrying their products in Sweden quickly escalated into a number of stores in Stockholm, among others the famous store Svenskt Tenn. When the business grew, the collection expanded to include cashmere and silk sweaters, and today it also consists out of a variety of accessories and interior designs. As mentioned, the collection today is 100% ecological, accept for the leather bags, and this final step towards sustainable production was taken last year (Lovisa Janson, Interview 2009).

The second market to enter after the Swedish was The UK. The reason for this choice was mainly because of the simple fact that London is a famous fashion capital offering many opportunities. After London they internationalized their business almost simultaneously to all the other countries they are present in today, The Netherlands being the latest. The Netherlands is the market, after the Swedish, where they have the highest sales rates.

All the export efforts are unique; no process or partner relationship is like another. For Alice & Sens it is very important to keep a good and close relationship with all their resellers and this is something they work actively with when they spending time at the headquarter in Stockholm (Lovisa Janson, Interview 2009).

In the model by Andersson et al (1998), the internationalization process consists of five learning stages. In the first level, the aspirational stage, the decision for a firm's internationalization attempts can be either rational or a simple coincidence. As described above, the choice for initially going abroad in the case of Alice & Sens was a rational decision, a decision that had been the founders' aim from the start.

In the second procedural stage, the decision to internationalize has to be implemented. It is important to say that Alice & Sens more or less started to internationalize from start, therefore should the learning development be even more intensive for Alice & Sens comparing to a firm that starts internationalizing after ten years. According to the model, the level of knowledge about the market is quite poor and the learning requirements are mostly on a technical level, for instance about market regulations and export documentations. We believe that the level of knowledge Alice & Sens had during two first phase of internationalization, might have differed depending on what markets they have entered. It can be argued that the knowledge for entering Sweden was of a very high level, not only of a technical level, as the founders are both Swedish natives. However, the knowledge concerning the other countries was probably of a more technical character for the founders. The partner resellers did, however, possess knowledge about the markets and this should have been of great help for Alice & Sens. One could almost say that stage one and two in the model almost came together as one as it all happened relatively fast, and focus was direct pointed at stage three.

In the third behavioral stage, the main emphasis is to get familiar with the culture and obtaining ”tacit” knowledge, which is how to execute something effectively. The firm should also start respond to the environmental stimuli. We can see that the founders have in some way started to respond to environmental stimuli in Shanghai. In the case of the model, Anderson et al (1998) refer to the learning about environmental stimuli on the market the firm sells its products to, which is not the case with Shanghai. At the moment, Alice & Sens do not sell its products in Asia. However, we still believe it is important that the firm appreciates the environmental stimuli on the market of production. Further, it can be argued that Alice & Sens do not still possess all the tacit knowledge in all countries they are present in. Thus, we believe that Alice & Sens have some benefits in terms of knowing the language and culture in the country where their goods are being produced. Their presence in Shanghai makes them close to where it all happens and they can closely monitor the production and by doing that assure good quality.

At this point in time, Alice & Sens is a small company consisting only of the two co-founders. However, they have some employees in the production facilities and part time employees helping them on the Swedish market, including our respondent Lovisa. Therefore, all the design-, research- and strategic decisions have to be made by the founders (Lovisa Janson, Interview 2009). The ecological fabrics and dying techniques used by Alice & Sens are relatively expensive. The big question is how a SME with limited resources still can succeed in producing and selling its products at a reasonable price. The answer is, that by spending time at the Shanghai office, and also speaking the language, Alice & Sens can put a lot of time in finding, bargaining and buying the materials themselves. No middlemen are necessary. These factors also make it possible for them to put a lot of effort into discovering new techniques when it comes to handling the ecological materials and color. For example in their newest collection soy fiber is used. Even though ecological fabrics have become a trend on the Swedish market, this market is still far behind in comparison with other markets such as the American and English when it comes to customer demand (Salong K, 2008). These markets can offer a substantial growth potential for Alice & Sens. The knowledge their resellers possess is probably enough at this stage and by maintaining these relationships, more of the tacit knowledge is transferred to the company. This stage in the model is more applicable on a large firm that moves employees abroad to the foreign country to grasp the culture.

In the fourth stage, the interactional, the focus is on building relationships. Relationships are important for Alice & Sens, to be able to maintain the contact with the factories and production facilities in Shanghai. This is further confirmed by Lovisa who also stated that the relationships with the resellers are of high relevance (Lovisa Janson, Interview 2009). The relations of Alice & Sens will be further discussed in section 4.1.3.

In the final, conceptual stage, the local issues are elaborated into the overall strategy of the company. An international mindset is taken on and the organizational way of thinking is subconsciously changing towards a more global attitude. This international mindset can be argued to be present to some extent in the case of Alice & Sens as their aim from the start was to become a global player. Alice & Sens holds, to some extent, an international mindset considering their brand, which is to maintain focus on local issues whilst be able to integrate these issues into a broad and international strategy. The fact that Alice & Sens from the beginning started with a rapid internationalization, in combination with having two offices might have contributed to the mental mindset of Alice & Sens. The founders have lived in China for many years and the company's philosophy and brand is to a large extent dominated by Asian influences. They do not only have a deeper understanding for their domestic market Sweden, but also for the culture in the country where all their products are being manufactured. Also, for Alice & Sens it is of greatest essence that all parts of the organization understands and believes in the vision of the company. We believe that this attempt has proven to be successful, as employees subconsciously learn together with the organization. You could say that the organization lives and breathes Alice & Sens.

A sequential internationalization process?

We will now analyze if Alice & Sens has internationalized according to a sequential process, such as suggested by the establishment chain model. The establishment chain model proclaims that a firm internationalizes step-by-step and usually a firm starts with no regular export to increase its operations by exporting to independent representatives, to as in a third stage establish relationships with sales subsidiaries and lastly to the establishment of production facilities (Johansson and Wiedersheim in Buckley and Ghauri, 1993). After having analyzed the internationalization of Alice & Sens, we can say that it is hard to see a pattern like this.

They have in several countries moved from no regular export, to export to independent representatives, which is a sequential and gradual process. However, the fact that Alice & Sens has their product facilities in a country where they do not have any other operations, contradicts the model. Also, in the countries were the success have been instant, such as in the Netherlands, they have continued their entry, instead of increasing its operations by exporting to independent representatives, as the model states, they started to sell their collections via a Dutch online shop (Aliceandsens.com, 2009). According to Lovisa (Interview 2009) the company has no intention at all to move on to the third and last stage in the model, but the goal is merely to open one or several concept stores. The model also suggests that a company should feel "comfortable" in one step before entering the next one, which not is the case as Alice & Sens expand their business using several different ways at once. In sum, we believe that it is too early to analyze the process of Alice & Sens with help of the establishment chain model, as there has not been enough time for them to move on to the second stage yet, if that even is the intention. However, from what we have seen of their process up until now, Alice & Sens might not follow a sequential process and instead internationalize in a process where the gradual involvement is absent. We will in the remaining parts of the analysis analyze Alice & Sens from the perspective that they do not follow a sequential internationalization process.

Incremental learning process

The Uppsala model, which builds upon the sequential process entails that a firm's internationalization process can be predicted through the incremental learning process. This because the firm gains experiential knowledge through its operations and the more the experiential learning increase, the more commitment is put on the market (Johanson and Vahlne, 1977). Even though Alice & Sens lacked knowledge and resources in an initial phase, they have internationalized in a rapid way that does not entirely follow a sequential process. A firm following the Uppsala model internationalize in small steps in a low pace. The fact that Alice & Sens from the start made the decision to have a high involvement in Shanghai, without previous experiences, is against the Uppsala model, which states that when the firm lacks of experiential knowledge, they are more risk avert which results in a lower commitment. Even though it is hard to see a pattern in Alice & Sens due to the short amount of time they have been active, we do not think that Alice & Sens can be classified as a firm who follows the Uppsala model.

Psychic distance

After having sold their products in Sweden, Alice & Sens entered The UK as a second market and then almost simultaneously entered the remaining markets. Psychic distance refers to the differences between the countries that reduce the level of understanding of a firm, which is according to the theory negatively related to the performance of the firm (Dikova, 2009). If Alice & Sens had followed the "suggested pattern" they first should have entered the Nordic countries, as they are considered to be most similar to Sweden. However, Alice & Sens entered more psychic distant markets and therefore we can say that they disregarded the most obvious pattern of the psychic distance theory.

However, another pattern can be observed in the case of Alice & Sens. The countries which have been targeted first, are all countries with big fashion capitals – London, Milan, Paris, Oslo, Wien and Amsterdam. It can be interpreted as targeting cultures that appreciate the ecological fashion concept and demand these products, and thereby reducing risk in that sense. By defining the countries after customer characteristics when it comes to fashion, we can see that a psychic distance tendency more or less can be observed in the case of Alice & Sens, although it is not the classical. Also, the perceived psychic distance may have been reduced to some extent by native partners, the resellers, on the market.

4.1.3 How to manage relationships

Different types of relationships

According to Oviatt and McDougall (2005) there are three types of relationships formal, informal and intermediary. Alice & Sens has a strong focus on their business relationships, the formal, but in a sense we could actually define them as informal as they are characterized by an informal and familiar tone, social relationships. They want the people they work with to be a part of the "Alice & Sens way" of thinking and living. Alice & Sens have the intermediary relationships with their agents who provide the products to the consumers. Alice & Sens prefer to have a direct contact with their partners. By not having a number of agents at this point in time makes it possible for the company to have greater control and eliminate possible misunderstandings.

As previously mentioned Alice & Sens started selling their products by having a sale in Falsterbo, Sweden and then actively started to search for resellers. After running their business for a few years, they now continuously met new resellers and created new relationships through the several fashion fairs all around Europe. Accordingly, one could say that Alice & Sens had active networking as they themselves came to the resellers, but today they have a less active approach then initially. However, they are still active because they participate in fashion fairs, which could be identified as active networking.

The closely related push and pull phenomenon is interesting to mention while discussing relationships and networks, even though the phenomenon mostly refers to the distribution of products. One could perhaps say that if the seller, in this case Alice & Sens, has a passive role in the relation of a seller and buyer, they also have an pull strategy. The pull strategy is when the buyers pull the products, which is the opposite of the push strategy where the products are rather pushed out on the buyers from the company (Harrison et al, 2003). In the case of Alice & Sens, we would not take it so far as to say that they are using a pull strategy, as their brand is not strong enough, yet. Alice & Sens rather "push" their products and the information about them, through the distribution chain to their customers. The reason for having a push strategy is that Alice & Sens' products still are relatively un-known to the majority of the consumer. As the brand awareness increase, the company might be able to adapt a strategy more in line with the "pull-system".

The network approach

Osarenkhoe (2008) discusses the importance for small firms to be a part of a network and the social aspect of building good relationships. When starting the business, Alice and Katrin initially established good contacts with factories all around Shanghai to be able to, as a second phase, get a functioning production going. Slowly, the two Swedish entrepreneurs could incarnate their business idea by combining eastern philosophy with Scandinavian design. After one year they had created a network large enough to be able to take the business idea to the final phase (Dagens Industri, 2008).

The first attempts for Alice & Sens was to develop a relationship with a superior silk printing factory and the founders had some pre-experiences within the industry as they had worked with cashmere for five years. It all started when the two Swedes met Mrs. and Mr. Chen on a market in the summer of 2003. They became good friends and they told them about their small cashmere-knitting factory. In the beginning, the Chen´s did all the knitting themselves and owned only one machine. Five years later there are ten employees knitting the cashmere sweaters. The cashmere is taken from inner Mongolia where Mr. and Mrs. Chen has a relative who sends them yarn every month and the style is kept nice, clean and simple enough for them to produce them on these machines. Alice & Sens design and develop their new styles together with Mrs. and Mr. Chen to make sure they still can make the garments in their small factory. In 2006, Alice and Katrin came in contact with Mr. Gu and his brother, who ran a small family owned leather factory, and this was the start of the leather goods collection (Salong K, 2008). The first step towards an ecological production was the bamboo collection. The bamboo raw material is ecologically produced in Sichuan, and sent by train to Shanghai where they have a special factory that uses tea leaves, flowers and roots to dye the fabrics. The result is a color palette that is unique for the Alice & Sens prints. The sewing is made in a small factory run by the Ji family in the outskirts of Shanghai (Aliceandsens.com, 2009).

In their first silk factory, they found Meihong who came to be their very first employee. Meihong is today in control of all their production in Shanghai and she is since four years completely devoted to the Alice & Sens way of thinking (Aliceandsens.com, 2009). It is important for Alice & Sens to have a close relationship with their partners, especially as they exclusively collaborate with small family owned companies in China (Salong K, 2008). In China, nurturing one's relationships is the very essence of conducting business. Alice and Katrin are faithful to their partners, which they consider friends and as the business grows, it is important for them that that they can grow with them. (Salong K, 2008).

In comparison to other foreign entrepreneurs conducting business in China, Alice & Sens may have a big competitive advantage in speaking the Chinese language. The language, however, is not the only obstacle to overcome. There are also very big differences in the cultural mentality. As foreigners, Alice & Sens constantly have to pay attention and be vigilant in the production process. It seems like all comes down to the relationships you have with the people you work with. In China, it is of more importance to go out for dinner with your suppliers than to be on time or to fulfill an agreement (Dagens Industri, 2008).

Alice & Sens might not have a large network compared to their competitors. What they do have is a very well functioning network consisting of several partners with whom they seem to have mutually beneficial relationships with. We believe that Alice & Sens's networking skills have enabled their business to grow in such a fast pace as it has. The ”glue”, which Osarenkhoe (2008) refers to as what keeps the relationships together in a network, could be based on technical, economic, legal and personal ties. Except from the formalities in terms of employment agreements, the relationships they have seem to be very much based on social relationships. For instance, the relationship Alice & Sens have with Mr. Chen and Mrs. Chen started as a very informal relation and has continued in that same way. According to theories, a network can enable a firm to have a high degree of internationalization without actually having put much resources and assets in the foreign market. This is something we can see in the internationalization process of Alice & Sens. They have succeed to have a well working production in Asia, without actually owning the production facilities. As well, their products are successfully sold in several countries where they actually do not even have a boutique or office in. This seems to be all grace to their successful networking skills.

Born Globals

It is also said that a small firm in many cases are depending on the nature and qualities of its relations with the external world. Born global firms, which are characterized to start internationalizing more or less from start without prior experiences and to sometimes very distance markets, succeed because they utilize networks and contacts to spread their products (Osarenkhoe, 2008). When considering this and taking in the whole analysis done of Alice & Sens, we believe that they could be classified as a born global. The main reason for this is their networking skills as well as their rapid expansion to several markets in a short amount of time. It is also said that a network can enable a more rapid internationalization (Osarenkhoe, 2008). Alice & Sens also seems to complement their own competencies with knowledge possess by their partners. For instance in Shanghai, their employees possess knowledge about local issues, perhaps ”tacit” knowledge that the founders themselves do not possess.

4.2 Boomerang

Boomerang was founded in 1976 by two young Swedish entrepreneurs, Kenneth Andram and Peter Wilton. Their intention was to create a Scandinavian clothing brand of premium quality casual clothes. The vision was – and still is – that Boomerang should be the preferred choice for the consumer group defined as "preppies" all over the world, seeking for a Scandinavian lifestyle. The first Boomerang collection consisted of a range of piques, cotton shirts, oxford shirts, cord and canvas trousers, which still today form the basis of the concept Scandinavian Preppy. Scandinavian Preppy – the ultimate tagline of Boomerang – is defined as a style with Swedish heritage. More precisely, it is a style less sporty than the American style, but more casual and less formal than the British. The Scandinavian Preppy style is also according to Swedish climate, its seasons and the Swedish way of living (Boomerang.com, 2009). See appendix 2.2 for the latest collection.

Also in line with the Scandinavian Preppy style, Boomerang has from the beginning strived to make clothes that are both durable and comfortable to wear, yet timeless and modern. The archipelago has always been a source of inspiration for the Boomerang designers with its ever-present sea and ever-changing weather. In addition to the brand and its logotype, Boomerang is also recognized through its unique designed button. This red and green button is always placed third from the top on a Boomerang skirt and is still today produced in nine different stages (Boomerang.com, 2009).

In end of the 80's, the first Boomerang store was opened in Örebro, rapidly followed by store openings in four other cities in Sweden, amongst them in Stockholm. Today, the distribution of clothing is made possible through 200 external retailers as well as through 33 official Boomerang stores, whereof 18 of these are fully owned by Boomerang and 15 stores are franchised. Except from Sweden, the brand is available in Norway, Denmark, Finland, Belgium and the Netherlands (Boomerang.com, 2009).

Initially, the clothes sold were aimed for men even though women often bought and wore the same clothes from the men collections. More than twenty years after Boomerang was born, a woman collection was launched and this was of a great success. Today, the women line stands for 50 percent of total sales. With start spring 2009, a third line is launched – a junior collection aiming for boys and girls aged 3-13 years old (Boomerang.com, 2009). The main competitors of Boomerang are other preppy brands such as GANT and Ralph Lauren (Fredrik Larsson, Interview 2009).

The latest launch for Boomerang – the Boomerang Effect - is a sustainability program encouraging their consumers to recycle Boomerang clothes. These used clothes are returned to a Boomerang store where they can be resold. Either the customer is given a discount when purchasing new clothing as an exchange, or the consumer can choose to buy amongst the second hand collection (CSR i praktiken, 2009). Clothes that can no longer be reused will be turned into rug rugs and carpets or be given to charities (Boomerang.com 2009).

Boomerang's main strategy is to further develop the "lifestyle-concept" they already have started on the Swedish market as well as on existing markets abroad. The intention with the lifestyle-concept is to broader the assortment - from just having men and women, Boomerang will also have the Junior line, accessories as well as a Home line. This will be done by the consequences of the Boomerang Effect. The Home line will consist of the rag rugs, blankets, patchwork quilts, even stools and lampshades that have been reproduced of the recycled clothes (Fredrik Larsson, Interview 2009).

4.2.1 How to build an international brand

Bridging the gap between brand identity and brand image

The corner stones of Boomerang's brand identity are purity, both social and environmental responsibility and the closeness to nature. The CEO Fredrik (Interview 2009) states that the ecological thinking has been a value within Boomerang from the start. Throughout all catalogues, the homepage and advertisements in magazines, the theme of archipelago, sailing boats and nature is exposed. The theme goes under the tagline "Scandinavian preppy" (Boomerang.com, 2009). According to Fredrik, Boomerang has succeeded to, for instance in Belgium, be associated with the themes of the Scandinavian archipelago and sailing. This indicates that Boomerang has successfully transferred the correct image of the brand to other markets, an attempt which has been essential for Boomerang (Fredrik Larsson, Interview 2009). We can see that the brand identity of Boomerang is clearly defined and communicated through the concepts of the Scandinavian archipelago and sailing. Fredrik says that Boomerang is working with a lifestyle concept rather than with fashion in terms of trends (Interview 2009). This means that Boomerang do not adapt, at least not to a large extent, to the current trends on the fashion markets and therefore can the brand image be maintained quite stable. As mentioned in the introduction of Boomerang, the archipelago and the ever-changing weather has always been a source of inspiration for the designers when creating the clothing. This source of inspiration is clearly manifested in all their external messages, which gives credibility to the Scandinavian brand.

As briefly mentioned, the Boomerang Effect is a recycling program where consumer can return worn out clothes. In return the consumer gets either a discount on new clothes or the possibility to choose from the second hand assortment (Boomerang.com, 2009. The intention was to apply the Boomerang Effect program only on the Junior line. However, the program had such positive reactions, that Boomerang applied it on the men's- and women- collections as well. The Boomerang Effect is also launched at the markets abroad. So far, the concept is only possible in Boomerang's own stores. However, according to Fredrik, the next step might be to apply the Boomerang Effect on their multi-brand stores (external resellers) as well (Interview 2009). In contrast to many other companies today, who see the ecological part of the production as a cost, Fredrik says that Boomerang instead regard sustainability as a profit. The strategy to be sustainable needs to be profitable otherwise it would not be possible to think and act in the long-term (Fredrik Larsson, Interview 2009). We can see that Boomerang, through the

Boomerang effect program, is connecting its deepest values of purity and social responsibility with its actual and concrete business actions. If the consumers properly perceive the Boomerang Effect, we believe that Boomerang has succeeded with taking the internal brand identity of nature and purity, which will be reflected in the brand image, in other words the image that is out of control for Boomerang. Such efforts are very important, which is also in line with Kapferer (2005) who put an emphasis on the importance of connecting brand image with brand identity. Boomerang seems to understand the core of good brand management and the importance of a long-term strategy. Another aspect that is interesting for Boomerang is that Burt and Sparks (2002) discuss the importance of corporate social responsibility in brand building. This indicates that Boomerang is on the right track concerning their branding strategies as they have highly integrated the corporate responsibility to its brand.

Spread brand awareness

Boomerang has frequent advertisements in different types of magazines. The image of the brand is successfully communicated through the advertisements and the feeling of nature, archipelago and purity. Lately, due to the launch of the Boomerang Effect, Boomerang has figured more often in newspapers. Articles have been written about the new launch and a great interest has been evoked around this new recycling program. Even stated environmental friendly journals have noticed and announced the new Boomerang effect (CSR i praktiken, 2009). This certainly enhances the truthfulness of the brand and increases the image of nature and purity even more, which then also increase the connection between Boomerang's brand identity and brand image.

The Boomerang brand is also, to some extent, using corporate story telling (Lindström, 2007) in their message. They are conveying, through images in their advertisements, the closeness to nature and inspiration from the Scandinavian lifestyle and the ocean. Perhaps could corporate store telling be actively use by Boomerang as their history is quite ordinary with the two founders and their determination to create a brand of nature and quality. However, the history of creation of Boomerang might not be enough "special" and the corporate story telling should then be focused on conveying the image of nature, just as they do today.

Country of origin and Brand Of Origin

As shown in previous discussions, Boomerang emphasizes the Scandinavian lifestyle through the consistent brand image of nature, archipelago and sailing boats and further with the tagline Scandinavian Preppy. Hence, the Scandinavian origin is clearly manifested in all their marketing and branding attempts and the brand of origin is a strong part of Boomerang's internationalization strategy. It can be questionable whether the brand of origin should be enhanced or not when a company aims to be internationally big. The brand of origin might function as a limitation, but in the case of Boomerang we believe that this enhancement of Scandinavia is appropriate and perhaps inevitable as the "Scandinavian" actually defines the style of clothes Boomerang sells.

The development of the successful international brand

Boomerang has achieved to obtain both the first and the second strategies in the brand internationalization model recommended by Moore et al (2000). As in a first step where the company should have a global advertising strategy, we have seen from previous discussion that Boomerang actually seems to have succeeded to have the same brand identity in all markets. A reason for this is probably that Boomerang has consistently advertised the brand in an identical way with no adaptations, which is in line with what Moore et al (2000) says a company should do in order to obtain a clearly defined identity and personality of the company and its brand. The "Scandinavian preppy" image together with the company's values of purity, nature and responsible thinking is communicated on all the markets the company is present on. Hence, the brand is not adapted depending on the market it is sold on. The advertising and external communications are of the same character no matter the market, and therefore Boomerang enhances a global brand image.

The second strategy is certainly in line with Boomerang's strategy of their lifestyle-concept. As we can see, Boomerang has a very focused development strategy for its brand. Fredrik emphasis that Boomerang is, and especially have an intention to, be a lifestyle brand with products in different categories, with clothing for both men, women and junior as well as an assortment of home products and accessories. Thus, Boomerang seems to focus on how they will develop in the long run. Even though, it could be question how much this development strategy of Boomerang stretches over to international markets we think that Boomerang has successfully adopted the second suggested strategy of Moore et al (2000). The last strategy concerns relationship building in order to distribute the brand and make the products physically available. As this strategy tangles on networks, we will wait with the analysis of this at the moment and instead analyze the networks of Boomerang in section 4.2.3.

Serving a niche market

The theory of Barney (in Hutchinson and Quinn, 2006) emphasizes the need for small enterprises to find a "niche". In spite of the fact that Boomerang's brand successfully being transferred across nation borders, Fredrik mention that the image of a Scandinavian archipelago and its lifestyle is not enough to be successful abroad, or as he puts it "we are not enough unique anyway" (Fredrik Larsson, Interview 2009; author's own translation). Boomerang has a turnover of 200 millions, which is rather unique for a firm in their price segment, and they have a leading position on the Swedish market. In addition to this they have 30 years of experience, which is more compared to one of their main competitors Gant. In spite of this, Boomerang has often been considered as the "little brother" to Gant. With more or less similar style of clothes, Boomerang has had a hard time to compete with a giant company like Gant. Gant is always several steps ahead, especially on the international field and they have been international since they started during the 80's (Fredrik Larsson, Interview 2009). As a smaller actor on the fashion market, it is even more important to be unique, according to Fredrik, who further exemplifies by mentioning another successful actor; "Odd Molly, for instance, they are unique in their style with special applications, embroidery and knitted applications"

(Fredrik Larsson, Interview 2009; author's own translation). He means that the typical style of Odd Molly has been their key to success whilst Boomerang has not yet got the right key. Fredrik further says that Odd Molly has, like Gant, been international almost from the start, which is different from for example Peak Performance. Peak Performance started in Åre, Sweden, and grew successively from Sweden in to the international market. In contrast to Boomerang, Peak Performance has dared to internationalize and have put effort and resources in order to succeed. In addition to this, Peak Performance has a style – brand of mountains – they are unique with. Once again Fredrik emphasizes Boomerang's lack of uniqueness - if Boomerang is aiming to be a brand that resellers feel they have to carry into their stores, instead of Gant and Peak Performance, Boomerang needs to stand out (Fredrik Larsson, Interview 2009).

In accordance with the theory of Barney (in Hutchinson and Quinn, 2006) Fredrik is well aware that it is important for a small enterprise to find a unique niche. Hopefully, Boomerang has found their unique sales proposal (USP) through the Boomerang effect program, which can help them to be unique, both on the international market square and thus, they will have a better chance to compete with the bigger players within the same segment. According to Fredrik, the Boomerang Effect is the key – the uniqueness of the brand – Boomerang has searched for. He expresses: "The Boomerang Effect is the best key you ever could think of and this will help us to be unique on new markets and also on current markets" (Fredrik Larsson, Interview 2009; author's own translation). As we can see, Boomerang has struggled with problems of not being unique and therefore they have lost against giants such as Ralph Lauren, Peak Performance and Gant. It is important to not forget that Boomerang is a smaller company in size, which means that competing with giants might be a very tough process. However, as Barney (in Hutchinson and Quinn, 2006) suggests, Boomerang can concentrate on a market niche through product differentiation and instead of trying to serve the whole market, Boomerang can serve a narrow segment of the market. Apparently, finding a niche has been a challenge for Boomerang. Even though the Boomerang effect might not be a purely product differentiation, which is what Barney (in Hutchinson and Quinn, 2006)) suggests, the Boomerang effect is still a concept that makes the brand and company unique. Then perhaps, this uniqueness can be served on a niche market, which could be a key of success for Boomerang as a smaller actor to succeed internationally.

4.2.2 How to acquire knowledge

The same analysis structure of the learning development as in the case of Alice & Sens will in the following section be applied on Boomerang. In short, to map out the learning development of Boomerang we use the model of Anderson et al (1998). Next, we will analyze whether Boomerang has a learning development that has been of an incremental character, both by help of the establishment chain model and the Uppsala model. Last, we will discuss psychic distance.

Learning needs and behavior tendencies

Anderson et al (1998) suggests that in the first of five stages, the decision for going abroad can be either rational or simply a coincidence. According to Fredrik, it was the desire to grow in long-term that initially made them internationalize. Boomerang entered the nearby countries – Norway, Denmark and Finland – more or less simultaneously. At that time, Fredrik himself considered the small Swedish market as a limitation if you want to expand. Fredrik further says that even though Boomerang had a turnover of "only" 30-40 millions, they thought they already had reached the maximum on the Swedish market. Hence, in order to growth they needed to internationalize (Fredrik Larsson, Interview 2009). As we can see, the choice for going abroad was elaborated and seems to have been a rational decision as Boomerang viewed the small domestic market as a limitation, which was the intention to further growth internationally. In this stage may a firm learn from pre-experiences (Anderson et al, 1998), which is something we do not know if Boomerang has done, however, we believe that if Boomerang had pre-experiences of course they used these.

After having decided to enter a foreign market, the firm comes to the second level in the learning model, which is the procedural level (Anderson et al, 1998). Here, Boomerang should start to implement their internationalization strategy, which they certainly did. Boomerang has different strategies when they internationalize their activities. The different forms are from agents to fully owned stores. At the question if Boomerang has a uniformed procedure when internationalizing, Fredrik answered "I think there are as many different ways of internationalization as there are companies" (Fredrik Larsson, Interview 2009; author's own translation) which indicates that Boomerang do not have a procedure written in stone on how to start internationalizing. Boomerang has worked with different approaches when they have entered markets abroad. Fredrik says that either they have gone through the Swedish Trade Council and let them find a suitable partner for them, or they have exposed their collections on different fashion fairs abroad (Fredrik Larsson, Interview 2009). At the fair, companies might be interested in Boomerang and want to represent them in that particular country. If someone takes contact with them, Boomerang needs to consider how experienced and serious the partner is, its economical situation and if Boomerang wants to enter that market. If these aspects are good, Boomerang will "go for it". For instance, in Finland they have a person importing Boomerang's products against a loyalty fee. The same person has in turn a franchiser who sells the products in a store in Helsinki. In Norway it is different and Fredrik explains that Boomerang has nothing to do with the products in Finland, but in

Norway "it is our own business". Even though Boomerang sells through an agent in Norway, they invoice and deliver from Sweden to Norway. Hence, in Norway Boomerang consider it to be their business, but they work through an agent (Fredrik Larsson, Interview 2009). Denmark is a market where a third and different way of doing operations abroad is applied. Namely, in Denmark Boomerang do not have any agents, but instead they have a couple of retailers they work with. They also have an own store in Copenhagen, from which the store manager presents the collections for the other stores in Denmark. In Belgium, Boomerang has an importer like in Finland. The importer has a store in Antwerp in which he only sells clothes from Boomerang. He also sells the clothes further to the Netherlands (Fredrik Larsson, Interview 2009).

According to the Andersson et al (1998) model, the firm's knowledge about the new country is normally poor. The operations in this initial phase of internationalization are often characterized as unstructured and unsystematic. Even though we know how Boomerang has internationalized on several markets, it is hard to tell whether the operations have been unstructured or not. However, we can reason about the learning development in this phase. According to the model, the learning needs are primarily "technical" and the managers are most often focusing on leaning about market regulations and export documentations. We believe that the learning of Boomerang in this procedural phase has taken different forms depending on which market they have entered. For instance, when Boomerang entered Denmark, the company surely had more technical knowledge about the country than they had when they started operations in Austria. This, because Denmark is a more similar country to Sweden, even in terms of "technical" knowledge. To sum up the learning development in this second stage, we believe that the learning is developing differently depending on which country Boomerang enters.

In the third behavioral stage, the main emphasis is to get familiar with the culture and to obtain tacit knowledge through responding to the environmental stimuli on the new market. The focus is more on "tacit" knowledge, in other words learn how to execute something effectively. It is difficult to know whether Boomerang has appreciate the environmental stimuli or not on their different markets. But on the markets Boomerang is present on today, it seems like they have successful learnt about how to operate effectively. However, Boomerang have experienced to fail in this learning stage, namely Austria is one example of a market Boomerang has retreated from. In cooperation with The Swedish Trade Council they found a distributor who had two available stores and who also intended to sell the products further to other retailers. The distributor had previous experience from selling Tommy Hilfiger before. Even though the stores were built and everything started up satisfyingly, the affaires did not take off. Fredrik says that the stores went quite well, but the sales to other retailers did not work. Boomerang stayed in Austria during two years, but finally the distributor quit and so did Boomerang (Fredrik Larsson, Interview 2009). Probably, there were external circumstances that contributed to the failure in Austria. But it might also be possible that Boomerang in this case did not successfully learnt about the market in Austria, which was then mirrored in the business their agent had on the market.

In the fourth interactional stage, the focus is on building relationships with existing stakeholders from the different countries and according to Anderson et al (1998) this is a phase of important learning. We know that Boomerang has relations with a range of different actors who are operating abroad. With some of these actors Boomerang has closer relationships with, some of these are more independent and distant due to different business arrangements. In this phase Boomerang should then enhance the previous knowledge and keep learning about the different countries, all to be able to maintain their relations. Accept from the relation with the agent in Austria, it seems like Boomerang has succeed to keep their agents. This could be an indicator of that Boomerang has also succeed with acquiring new knowledge.

In the final conceptual stage, Anderson et al (1998) suggest that the company now have an "international mindset" based on the different experiences the firm has collected and the learning is now undertaken subconsciously. The firm should in this phase be able to regard local issues at the same time the firm direct the organization towards a global attitude. We believe that this stage stretches a bit too far in the case of Boomerang. Namely, Boomerang do not need to acquire this international mindset as they do not have the aspiration to become a global company, at lest not at this point. It seems like Boomerang has been a bit reluctant towards operations aboard and they have not actively searched for new potential countries to enter. According to Fredrik, Boomerang does not talk about limitations on the Swedish market and that they cannot know when the roof on the Swedish market is reached. Boomerang has a turnover of 200 millions and Fredrik still does not think they have researched the roof. He further says that it all depends on a broader range of products and in contrast to many other fashion companies that work with trends, Boomerang works with a lifestyle that can be applied on many different product categories (Fredrik Larsson, Interview 2009). However, he also states that they are quite careful and that they work in a long-term perspective; "Instead of rushing away, we wait until we feel that we are good enough" (Fredrik Larsson, Interview 2009; author's own translation).

In comparison to, for instance, Peak Performance (present in over 20 countries) or Filippa K (present in 20 countries), Boomerang's presence in six countries could be seen as a rather small number in relation to their long existence and experience (Peakperformance.com, 2009; Filippa-k.se, 2009; Boomerang.com, 2009). Boomerang feel that they are not mature enough, which according to Fredrik "also is a bit wrong to say as we have more than thirty years of experience and many similar companies internationalize already after a couple of years" (Fredrik Larsson, Interview 2009; author's own translation). However, in combination with that Boomerang feel they have much left to do on the Swedish market, they still search for the right key or tool needed in order to successfully enter a new market. This key should be something nobody else posses on the market. Fredrik describes the typical jargon when Boomerang gets in contact with a client from a foreign market as following; everybody likes Boomerang's products as they seem to be of good quality, of premium material and so on. However, as the client already have Gant, Peak Performance and Ralph Lauren, the client need to take away one of these in order to take in Boomerang instead. Thus, to have someone taking in Boomerang, they need to have something extraordinary comparing to the other brands (Fredrik Larsson, Interview 2009).

A sequential internationalization process?

We will now analyze if Boomerang has internationalized according to a sequential process suggested by the establishment chain model. The establishment chain model proclaims that a firm internationalizes step-by-step and usually a firm starts with no regular export to increase its operations by exporting to independent representatives, to as in a third stage establish relationships with sales subsidiaries and lastly to the establishment of production facilities (Johansson and Wiedershiem, 1975). After having analyzed Boomerang's entering on markets abroad, it is hard to tell whether they have followed a sequential process or not. Boomerang has mainly internationalized through agents, like in Finland. According to the model, Boomerang should have had start with no regular export, which means that Boomerang overleaped the first step. However, a next step for Boomerang in Finland might be to increase their involvement. Before Boomerang entered Denmark and opened a store in Copenhagen, they had certainly "tried" the market before. Thus, the process was done in gradual increasing involvement. The establishment chain model suggests that the firm do not move further to the next step before the firm has succeed and feel "comfortable" on the actual stage, which seems to be the case for Boomerang. However, in the case of Finland Boomerang started with an entry strategy that could be compared to the second step in the model. Thus, Boomerang has internationalized in a sequential process but in some case they have started on a higher involvement level than suggested by the model.

The incremental learning process

As we believe that Boomerang only to a certain extent has internationalized in a sequential way, the incremental learning as suggested by the Uppsala model, could be questioned in the case of Boomerang. Boomerang has, as mentioned, used different strategies for internationalizing on different markets. The Uppsala model tells us that risk aversion and experiential learning are the two notions that result in an incremental process. Through the different experiences Boomerang has had on different markets, Boomerang has acquired experiential knowledge, which should reduce the risk aversion. This in turn, should increase the commitment Boomerang has on the market. According to the Uppsala model, this would mean that Boomerang, for instance in Finland, should increase their involvement on that market by open up an self-owned concept store, instead of only having an agent selling their products. This is something they have not done and according to Fredrik, one of the main reasons to why Boomerang have not "succeeded more" on international markets is because they have not dared to venture a hundred percent. In terms of the Uppsala model, Boomerang is risk averts due to lack of knowledge and therefore they do not "commit more" on the international markets. In sum, Boomerang seems to have an incremental learning process suggested by the Uppsala model, even though they have not internationalized in a clear sequential process with gradual involvement.

Psychic distance
The closely related notion psychic distance (Dikova, 2009) can be observed in the behavior of Boomerang. We can namely observed that Boomerang started their international expansion to countries culturally similar to Sweden, namely in the nearby Nordic countries. Slowly, the internationalization expanded to other countries similar to Sweden within Europe, namely the Netherlands and Belgium. According to Fredrik, Boomerang believes that their brand is most suitable on markets in North-western Europe, as the climate and lifestyles are similar to the Swedish (Interview 2009). We believe that this, however, could be a major holdback for Boomerang as such "mental limitation" might not be the truth. For instance, the climate in Northern America is similar to the Swedish and this large market could offer a substantial growth potential for Boomerang.

4.2.3 How to manage relationships

Different types of relationships
As mentioned, according to Fredrik, Boomerang does not have a uniformed way of internationalizing. They have used different strategies depending on the possibilities existing on the market. For example, Boomerang both owns their own stores, sell through external retailer and through agents. This implies that Boomerang has different type of relations with the different actors in their network (Fredrik Larsson, Interview 2009),. According to Oviatt and McDougall (2005) the relationship can be formal, informal or intermediary. We consider that Boomerang has two types of relationships; first, they have a relationship between the seller (Boomerang) and the buyer (the consumer) in Denmark, where they have a fully owned concept store. This relationship can be either formal or informal. We believe that this relationship is in between, less formal than between two business partners but more formal than a relation between friends.

The interesting part here is the intermediary relationship, which we consider Boomerang has with its agents in Finland and Denmark for instance. Even though these two relationships differ in term of formality and function, the main point is that these agents can be seen as "broker" that provides links between the seller (Boomerang) and the buyer (the consumer). The agent in Norway, who gets his Boomerang products delivered from Sweden, can be seen as the third party that facilitates the business for Boomerang, which we believe have been essential for their business abroad. Fredrik says that one way for Boomerang to start internationalize is to get aid from the Swedish Trade Council who finds representative agents or partners for them. We believe that the relationship with the agent found in this manner starts as a formal relation and the social interaction can be considered to be limited.

When Boomerang (the seller) contacts the Swedish Trade Council in order to get in contact with a reseller (the buyer), this can be classified as having the active role in networking (Johanson and Mattsson 1988 stated in Ojala 2009). As far as we can see, Boomerang has rather been active than passive in their networking. However, when

Boomerang has participated on fashion fairs, we cannot say whether they are active or passive. At the fair, the reseller also has an active role. Therefore, in the case of fashion fairs, Boomerang has been in between active and passive networking. As a new actor in terms of experiences, it is common that the seller takes the active part in the relationship. However, when the actor has been active for a while, the role of the firm might be passive instead, as a result of brand awareness and contacts. In the case of Boomerang, this does not seem to be the case as they still have the active role, after 30 years experience, when searching for new resellers abroad. Perhaps this is due to a limited brand awareness of Boomerang abroad, in comparison with their competitors.

A link can also be drawn to push and pull strategies. As we have defined Boomerang's networking role as active, it should also indicate that Boomerang has a push strategy and pushes its products to the market through advertisements and distribution. However, Boomerang has not an aggressively active role as they do not, at this point in time, have aspirations of becoming a global company.

The network approach

It is said that being a part of a network is very important, especially for smaller firms. However, every firm is actually a part of a network, the differences lies on how well this network is utilized (Osarenkhoe, 2008). Boomerang has, as mentioned, a network consisting of agents and retailer as well as consumers and suppliers. As far as we can see, Boomerang has a satisfying contact with these different actors. The social relationships, however, are also an important factor of networking (Osarenkhoe, 2008). A company can use its previous social relationships to broaden its current network. As far as we can see, Boomerang have not entered any markets through a previous more informal relations, they have instead broaden the network through formal relationships such as through the Swedish Trade Council and fashion fairs. Perhaps, Boomerang could benefit from their existing network by taking advantage of these contacts and use their resources in forms of knowledge and further contacts. Boomerang has a strong advantage through its long experience on the Swedish market. We do not have information on this, but we assume that such an "old" player is part of a very extended network on the domestic market. According to Osarenkhoe (2008) the domestic network can be very useful as the current relationships can be used as bridges to other networks in other countries.

Concerning the type of firms classified as born globals, we can quickly recognize that Boomerang is not one of these. None of the characteristics are fulfilled; they have not rapidly internationalized, not entered several markets simultaneously, neither do they seem to utilize their networks when internationalizing. Instead they have regarded the psychic distance by first entering Denmark, Norway and Finland and also focusing on BOO when marketing their brand.

4.3 Odd Molly

In 2002, the Swede Per Holknekt together with freelance designer Karin Jimfelt-Ghatan started a collaboration that would later result in the world known fashion brand Odd Molly. The core idea was to "let uninhibited design intuition lead the way, bringing forward a fabulous and positive message to women. Key ingredients were to not only make you look great, but also to make you feel great, using the corner stones of love-courage-integrity" (Oddmolly.com 2009).

Odd Molly offers fashion clothes for women, and today the brand can be found in 41 countries in the finest boutiques, from Santa Monica to Tokyo. The famous colorful signature designs can be found in over 1600 locations and are worn by famous Hollywood celebrities as well as by design aware women. The majority of sales occur in Western Europe and North America, but Odd Molly is also present on Australian, New Zealand and Asian markets. In 2008 the largest market is the home market Sweden, followed by Norway, Denmark, US and Germany (Oddmolly.com 2009; Odd Molly Annual Report, 2008).

Through external retailers and one recently opened flagship concept store located in the city of Stockholm, Odd Molly delivers fashion to women all over the world. This concept store is a supplementary distribution channel and however more stores will be opened is to be evaluated during the year of 2009 (Oddmolly.com 2009). According to Per, the performance of the store has so far exceeded the expectations. Plenty of PR has been given the company who opened its first concept store on Friday the 13th of February, on Humlegårdsgatan 13 in Stockholm city. "We like that sort of thing, (referring to the supposedly unlucky number 13) we figured why not do things differently" (Per Holknekt, Interview 2009; author's own translation).

The agents and distributors Odd Molly chooses to work with are carefully selected. Odd Molly is currently represented by 15 agents and three distributors worldwide including several international fashion stores and chains such as Galleries Lafayette and Fred Segal. The brand is positioned in the upper medium price segment and is recognized by the famous folklore signature designs and high quality. The fast growth of Odd Molly is a success story. It has been successful through the company's creative designs, branding attempts and a business model that allows expansion with low capital commitment and minimized risk concerning the stock (Oddmolly.com 2009). Odd Molly entered the Swedish stock market in 2007, on First North, and was then valued to 20 million SEK. In 2008, it is valued to 800 million SEK (Disruptive, 2008). The organization is relatively small with 33 employees in 2008 (Odd Molly Annual Report, 2008).

The typical woman buying Odd Molly's products loves beautiful clothes. She also lives a full life and enjoys other things in life apart from fashion. Therefore, the main competitors are, according to Per, not only other fashion houses. Other experiences such as going out for dinner and entertainment can be seen as competition (Per Holknekt, Interview 2009). Fashion companies competing in the same price segment as Odd Molly in Sweden are Acne, Hope, Hunky Dory, J Lindeberg and Whyred. Internationally, the competition varies depending on the market, but some international competitors are Anna Sui, Antik Batik, Marc by Marc Jacobs and Betty Johnson (Odd Molly Annual Report, 2008).

The style of the official webpage design reflects the Odd Molly brand with its signature clothing embroideries and colorful designs (see Appendix 2.3). Taglines such as "Odd Molly loves you" and "Vive la difference" are embroidered on the clothes and stated all over the web page (Oddmolly.com 2009).

According to the current CEO Christina Tillman, some of the factors that allowed Odd Molly to become so successful lie in their business model. The production is outsourced to agents, is made only towards an order and therefore no stock is kept. Orders made are binding, made six moths in advance and the terms of credit are short to maintain a good cash flow. To further ease the cash flow, earlier, invoices were pawn. The sales agents work on provision and Odd Molly does not have wholly own stores, accept for the newly opened concept store in Stockholm (Disruptive, 2008). This concept store was opened mainly to enhance the brand image of Odd Molly, but was not a part of the initial business model and strategy (Realtid.se, 2009). The business model and the small organizational size simplify a rapid adaptation to new trends (Odd Molly Annual Report 2008).

4.3.1 How to build an international brand

Bridging the gap between brand identity and brand image

Globally, the Odd Molly brand should stand for the same values and be perceived in the same whether you are a woman from Saudi Arabia or Wales. According to co-founder Per, the Odd Molly brand is not in any way compromised or adapted to the different markets, which is further confirm by an internal analysis done by the company. Per states that "My main concern is on what the women on all our markets have in common, this makes it easier to communicate one message globally" (Per Holknekt, Interview 2009; author's own translation). Per further emphasizes that the cliché beauty ideals are not of interest for the Odd Molly brand. The main emphasis is instead on finding the key to a woman's life quality. It can be a simple need for a compliment or the fellowship between women. The Odd Molly brand has not been made up by an advertising company or by the marketing guru Philip Kotler. The brand is what it is, and has sprung from the heart of the founder's ideals and passion for design. The corner stones are "love, courage and integrity" (Per Holknekt, Interview 2009). The fact that the brand comes from the founder's own ideals and manifested in all Odd Molly's branding and PR-attempts, can be seen as an indicator for success according to Kapferer (2005). A brand needs to be true to its identity in order to become strong. Odd Molly's identity clearly comes from the heart of the founder's ideals and this is demonstrated through the unique designs, logotypes on clothing and home page with statements such as "Odd Molly loves you", "Vive la difference" and "love, courage, integrity". This gap between brand identity and brand image that all brand managers are trying to bridge (Kapferer, 2005), can be considered to be minimal in the case of Odd Molly as they reflect their inner values in all their external actions.

Spread the brand awareness

The Danish supermodel Helena Christensen is featured in the Odd Molly spring 2009 campaign, and this is the first consumer targeted ad campaign the company ever features. CEO Christina Tillman states that there has not been a need for official advertising campaigns earlier. The brand has grown by itself through PR, product placement, fashion fairs and other media efforts (Realtid.se, 2009). The brand has its origin in the Californian lifestyle and pulse as the co-founder Per lived there for a couple of years skateboarding on a professional basis in his youth. Per likes the idea of never becoming static and doing your own thing, not accepting the current set of rules the fashion industry consists of (Per Holknekt, Interview 2009). The Odd Molly brand is inspired by the free spirit skateboard girl Molly, Per met during his time in California. Molly's independence and vitality inspires the clothing collection, it addresses women who dare being themselves and going their own way (Folkart, 2009). Per has an intriguing and captivating life story to tell and he has been in the public's eye for some time. His story has contributed to the myth surrounding the Odd Molly brand. He has previous experiences from working with fashion as he was the founder of another successful Swedish brand, Svea (DN.se, 2008).

Corporate story telling is a technique discussed by Lindström (2007) and it can be used to strengthen a brand externally as well as internally and incorporate the employees to become more loyal. The story about Molly, the idea behind the Odd Molly brand, and the co-founder Per's previous experiences and strong beliefs is a good example of corporate story telling and spreading the brand awareness through word of mouth in a credible way. The fact that the brand image of Odd Molly until now has been spread only through word of mouth, probably by satisfied consumers, and successful PR is another indicator of its credibility. The skeptical consumers of today might assume that the Odd Molly brand is no "non-sense brand", a concept that has been discussed by Berge (2009) and Holt (2002). Consumers choose companies with appealing core values and credible concepts, and the Odd Molly story is captivating and sincere. It can be argued that Odd Molly is a credible brand as the consumer's form their perception in more sincere sources then advertisements, such as their friends or own experience of the quality of the designs.

The country and brand of origin

The Odd Molly brand does not reflect the Swedish brand of origin in its message, not even when doing sales to the resellers. Instead, Per says that the emphasis is on the infinite consumer contact across boarders. The reason for not using the Swedish brand of origin, although it can be an easy sales argument when attracting both resellers and consumers, is that the Odd Molly brand should be able to stand on its own. The Odd Molly values are strong enough and should not need to be further emphasized by a country. Per states, "by using the Swedish brand of origin to get ahead you emphasize a short term business relationship… If the focus is only delivering Swedish design, the risk is that the reseller no longer wants to collaborate with you when the demand and trend for Swedish fashion fades away" (Per Holknekt, Interview 2009; author's own translation). Having long-term relationships is of essence for Odd Molly. Because Odd Molly is inspired by various cultures and does not deliver only typical Scandinavian designs, the choice of not using brand of origin in their communications can be seen as a logical choice. The company does not want the brand to be associated with simply being Scandinavian.

Internal brand management

When growing as rapidly as Odd Molly does, it could be a hassle to convey the Odd Molly spirit throughout the whole organization. Per says that the key here is to have an open organization where communication is made easy. He does not care for being called the boss. Instead every employee should feel appreciated and dependent on each other. Social events are a part of the every day routines. Amongst many things, the designers have dinner together in their spare time and every Thursday the office gets together for Guitar Hero. The strong organizational culture pervades everything and the proper actions come naturally, it is a gut feeling that all employees possess. The Odd Molly employees do not give notice to leave because they all have a true passion for working for the company. This is the best evaluation a company can get from their employees according to Per. Most of the employees were attracted to Odd Molly as an employer and got in touch that way. Even in the recruitment process there is no need for a push strategy (Per Holknekt, Interview 2009). These internal attempts reflect the deepest values of Odd Molly, a Scandinavian approach of making business through equality and the corner stones of love, courage and integrity. This internal management depends to a large extent on the two entrepreneurial and passionate co-founders, their passion for the Odd Molly designs has spread to every employee. The internal communication is working well, even though the organization is growing, because of an open environment within the company. The employees are satisfied with the values as there was no push in the recruitment process. The employees came to Odd Molly and therefore, Odd Molly has deeply dedicated employees. Also, this fact of internal brand management and deeply incorporating the employees with the brand identity is manifested externally as the employees act as brand ambassadors for Odd Molly. This further endorses the closeness of brand identity and brand image as recommended by Kapferer (2005) in order to build a strong brand. Burt and Sparks (2002) argue that the key word when it comes to branding is simply people. And we can see that in the case of Odd Molly, that these internal communication attempts are in fact cherishing and appreciating the people within the organization.

The development of a successful international brand

For a brands internationalization process to be successful, the brand image according to Moore et al (2000) has to be stable across national boarders. They also suggest three strategies for a successful brand development. By standardizing the communication strategies, having a focused development strategy and carefully controlled distribution, the brand should become strong in an international context. The standardization attempt of communication strategies is fulfilled by Odd Molly according to Per's statement that the brand is not compromised and not adapted to any of their markets. According to the company's internal analysis, the brand is perceived the same, no matter where in the world you are. The identity is clearly defined and communicated throughout the PR-attempts and we can see that Odd Molly has control over the positioning of their brand image through the standardized global strategy of Moore et al (2000).

Odd Molly has also a focused development strategy for its brand, and has always had. Since the beginning, Odd Molly has been consistent with their carefree life style concept and has clearly focused on this image. Per regard all women, no matter nationality, to be attracted by the same simple things in life. Odd Molly offers these simple things, this carefree life style, through its brand. Odd Molly does not consider trends or shallow beauty ideals as important aspects, instead the brand's foundation is "love, courage, integrity" and this notion can attract a woman no matter where in the world she lives according to Per (Interview, 2009). By taking these statements into consideration, it can be observed that Odd Molly has a focused development strategy of their concept. Interesting here is that we can see that Odd Molly's focused development strategy is applied world-wide and do not seem to have any boundaries in terms of nationalities. The last strategy suggested entails a controlled distribution, building networks and relationships, in order to make the brand physically available to the consumers (Moore et al, 2000). These relationship-building attempts will be discussed in the section 4.3.3 on how to manage relationships.

Serving a niche market

The chief designer and co-founder of Odd Molly Karin Jimfelt-Ghatan won the Swedish famous fashion award "Guldknappen" (translation: The Golden Button) in 2008 (Oddmolly.com 2009. This design award is the most prestigious award in Sweden. Odd Molly has further won international awards such as Retail brand of the year by Swedish trade federation, International prêt-á-porter award and Shooting Star of the year (Oddmolly.com 2009). Just recently Odd Molly was nominated for another prestigious award, "Stora Exportpriset", for the year of 2009 (translation: "The big export award") by the Swedish Trade Council (Habit 2009; Swedish Trade Council 2009). Another indicator for the strength of the Odd Molly brand, at least domestically, is the press release in 2008 made by Swedish "Tradera" auction web site (owned by E-bay). It stated that Odd Molly was the third most searched term on the site, after terms I-phone and vintage (Odd Molly Annual Report, 2008). These mentioned facts points in the direction that the Odd Molly brand is strong and successful, both internationally as well as domestically. Odd Molly presents something unique with its designs and this has allowed the brand to find a clearly defined niche within the upper price segment, all in accordance to the theory presented by Barney (in Hutchinson and Quinn, 2006). The unique sales proposal has been found in the case of Odd Molly and this might have contributed to strengthen the brand and allowed a successful and fast international expansion.

4.3.2 How to acquire knowledge

The same structure of analyzing the learning development of Alice & Sens and Boomerang, will be applied in the following section in the case of Odd Molly. In short, to map out the learning development of Odd Molly we use the model of Anderson et al (1998). Next, we will analyze whether Odd Molly has a learning development that has been of an incremental character, both by help of the establishment chain model and the Uppsala model. Last, we will discuss psychic distance.

The learning development

In the first stage the model suggests that the decision for going abroad can be either rational or simply a coincidence. For Odd Molly, the initial choice for going abroad was elaborated and can be seen as rational because of the small domestic market and Per's observation of the importance for internationalizing as a part of growing bigger. In order for a business to become profitable within the fashion industry a certain quantity of items needs to be produced. According to Per a fashion company like Odd Molly needs to produce a minimum of 200 pieces of one item to reach profitability. These are the standards for the factories. Sweden, being a small market, does not have enough demand to support these large volumes, at least not in an early stage. This was the main reason for Per to expand Odd Molly abroad, simply to become profitable (Per Holknekt, Interview 2009).

Naturally, the domestic market of Sweden was the first market to be exploited for Odd Molly. During the first season, the founders did everything within the company: book keeping, design, production, marketing and sales. For the second season, the aim was to make these sales processes more effective. Odd Molly participated in a Copenhagen fashion fair and got massive response. This was the first step towards an international expansion and a way to showcase the brand to agents all over Europe. In a small stall of six square meters buyers from all over Europe were hustling to take a peek of the collection. From this moment on Odd Molly do not need to find sales agents. The sales agents come to them. After this first fair showcase, agents from Norway, Belgium and Germany were interested in Odd Molly. Today, fashion fairs are a central point in exposing Odd Molly internationally. The majority of the marketing budget is allocated for these fairs and each year Odd Molly participates in 25-30 fashion fairs worldwide (Per Holknekt, Interview 2009).

In the second procedural stage, the firm is supposed to implement the decision to internationalize. Odd Molly does not seem to have a definitive strategy on how they should enter different markets. As Per states, when entering new markets, no entry is the same as another. Every country offers new challenges and surprises. For instance, the entry into the US was more complicated then expected. The Americans prefer working with companies that do business according to the American bank culture tradition. After a while trying to do business in a Swedish manner with no success, Odd Molly could not fight the American standards with checks and bank transfers, and decided to open an office in Los Angeles. A local office was the only solution at the time. Adaptation to the

American way of making business was a necessity for a successful entry in the US (Per Holknekt, Interview 2009). However, the most common strategy for Odd Molly is to, as mentioned, to distribute their products through agents and resellers.

The level of knowledge about the new market is quite poor and the learning is of a more technical character, such as about market regulations, in stage two. When Odd Molly entered the Nordic nearby countries, they might already possess the technical knowledge, as these countries have similar regulations as Sweden. Therefore, the knowledge about these markets could have been of a higher level already from start. However, even when entering a more distant market, the firm might have possessed the technical knowledge anyway. The firm might have had previous experiences from that specific market or obtained that knowledge through their partners. In sum, we believe that the learning requirements have been different for Odd Molly depending on which market being entered.

In the third behavioral stage the main emphasis is to get familiar with the culture and obtaining tacit knowledge through responding to the environmental stimuli on the market. The learning development could be very quick in this stage if the knowledge about the market already existed within the company. However, it is difficult for the company to possess tacit and deep knowledge concerning the 41 countries they are present on. The agents and partners employed for the company abroad can be seen as a middle hand between the cultural knowledge and the company owners. Odd Molly has local employees in some locations and the agents abroad possessing the local knowledge can be considered as close partners. Odd Molly have given these partners an understanding of the essence of Odd Molly, and therefore, they can to some extent be seen as a part of the extended organization.

In the fourth stage, the interactional, the focus is on building and maintaining relationships. Relationships are important for Odd Molly and Per states that the close relationships with agents are the engine of the business. Per further emphasizes the close relationships with agents. “It is the engine of the business, that we have mutual trust” (Per Holknekt, author’s own translation, Interview 2009). Two times per year Odd Molly meet the agents under relaxed circumstances to maintain the relationships. Parties and other informal activities are arranged all over the world. Despite that larger fashion houses, such as Galleries Lafayette, carry more brands and have several other partners, the control of the relationship with these giants are just as good as with smaller resellers. In some countries, the control is even distributed to local representatives that work for Odd Molly. There can be difficulties in understanding the culture and grasping the true demand and nuances in some countries. Per mentions one example from Italy where this problem is solved, a native Italian woman is working for Odd Molly. She is trusted with taking care of all the agents on the Italian market and makes all the necessary decisions (Per Holknekt, Interview 2009). Therefore it can be concluded, according to the statements made by Per, that Odd Molly is actively working on building their relationships and put en emphasis in this stage.

In the final, conceptual, stage the local issues are elaborated into the overall strategy of the company. An international mindset is taken on and the organizational way of thinking is subconsciously changing towards a more global attitude. This mindset might have been attained, at least to some extent, in the case of Odd Molly. The co-founder has spent substantial time abroad and been inspired and influenced by, for instance, the Californian life style. This formed a base when he developed the Odd Molly brand, which previously in this analysis has been confirmed to be a global brand. Therefore, it can be seen that the international mindset, or at least the aspiration for a mindset of this character, exists within Odd Molly, and might have existed since recently after the start.

A sequential internationalization process?

Next, we will analyze if Odd Molly has internationalize according to a sequential process, such as the one suggested by the establishment chain model. Briefly, the establishment chain model proclaims that a firm internationalizes step-by-step and usually a firm starts with no regular export to increase its operations by exporting to independent representatives, to as in a third stage establish relationships with sales subsidiaries and lastly to the establishment of production facilities (Johansson and Wiedershiem, 1975).

When discussion internationalization strategies of Odd Molly, Per stated "when entering new markets, no entry is the same as another. Every country offers new challenges and surprises" (Per Holknekt, Interview 2009; author's own translation). This seems to be true. Odd Molly has in a very short time internationalized rapidly and is today presents in 41 countries. Odd Molly started as the establishment chain model suggests in most of their countries, with no regular export to increase the export to be regular to independent representatives. This indicates that Odd Molly sequentially moves its operations to the foreign market. However, this is not always the case for them. For instance, when entering the US Odd Molly skipped all the steps in the model and jumped to the last step which implies most commitment to the market. Namely, when Odd Molly entered US, they started by opening up an office there. Even though this action had to be made in order to be able to proceed with the operations in that country, it indicates that Odd Molly did not process in an sequential way. Therefore, we can say that Odd Molly seems to internationalize to some extent sequentially but if the circumstances are different, the firm is not afraid to skip all the steps.

Incremental learning process

The Uppsala model that builds upon the sequential process entails that a firm's internationalization process can be predicted through the incremental learning process. This because the firm gains experiential knowledge through its operations and the more the experiential learning increase, the more commitment is put on the market. We believe that it is hard to distinguish how the incremental learning process of Odd Molly. Even though they have lacked of knowledge and resources in an initial phase, they seem to have internationalized rapidly and with different strategies entering several markets more or less at the same time. Another factor that indicates that Odd Molly has not followed a simple incremental process is their rapid expansion. Some countries have been entered simultaneously, with the help from agents, and this indicates that a step-by-step process, taking learning experiences into consideration each time, could simply not have been possible. When generally and historically analyzing all their export attempts, it can be seen that it comes down to grasping the opportunities rather then going through certain stages of learning. Thus, we believe that Odd Molly cannot be classified as a firm who follows an incremental learning process while internationalizing.

Psychic distance

The concept of psychic distance (Dikova, 2009) can be applied to the case of Odd Molly. Odd Molly started their international expansion to countries culturally similar to Sweden, namely in the near-by Nordic countries. Then, the internationalization expanded to other countries culturally similar to Sweden within Europe, for example Germany and The UK, this when contacts were established with agents further away. After a while, the expansion continued to countries further away, for example The US, although the cultural differences between Sweden and the US were not significant. Today, Odd Molly has a presence in 41 countries, and some of them are distant both in terms of cultural similarities and in physical distance from the head quarters in Sweden.

4.3.3 How to manage relationships

Different types of relationships

According to Oviatt and McDougall (2005) there are three types of relationships: formal, informal and intermediary. Odd Molly, who is currently represented by 15 agents and three distributors worldwide, has got intermediary relationships with these partners. These partners are the ”brokers” that enables Odd Molly to sell their products in foreign markets. We believe that the relationships Odd Molly has with their agents and distributors are rather informal. For instance they actively works with arranging social gatherings and arrangements together with their agents and partners twice a year. This is an indication of the important social interaction in the business transactions (Osarenkhoe, 2008).

The development of these relationships with other actors in the market can be active or passive depending on if the initiative is taken by the seller or the buyer (Johanson and Mattsson 1988 stated in Ojala 2009). Odd Molly is passive in their networking. According to Per, odd Molly builds the relationships on attraction rather than on push sales. Having long-term relationships is of essence for Odd Molly and this is also why the aim is to get the resellers and agents attracted to the brand on their own. With this attraction, the trust comes automatically. Further, Per states that it is relatively easy to sell their collection to the larger fashion houses. The large fashion houses carry 50 brands, whereas a smaller boutique only carries a few. These boutiques are of much more interest as these relationships are of more depth and heart. With push sales, the key ingredient important to Odd Molly is missing, namely the “heart” in the relationship. The best way is for the buyer to discover Odd Molly’s collection on its own, fall in love with the designs and thereby experience the passion for the brand. And with this passion, comes mutual trust. Odd Molly should not need to persuade the buyers and agents, it should be the other way around (Per Holknekt, Interview 2009). Thus, Odd Molly is passive networking in a particular sense as they desire to have buyers that truly are attracted to their brand. However, like the other case companies they can be considered as partly active as they participate on fashion fairs. According to Per, the way of meeting agents on a fashion fair is an efficient way (Per Holknekt, Interview 2009).

It is also in this case interesting to analyze whether Odd Molly has a push or pull strategy. As clearly manifested by Per, Odd Molly wants their buyer to feel attraction to their products. This can be fulfilled if Odd Molly starts to push the products out on the market. The pull strategy is thus very clear in the case of Odd Molly, which is also emphasized of the limited advertising attempts they have had. When reasoning about this, we also realize the it is the brand awareness that have made this pull strategy possible for Odd Molly. But how come that Odd Molly more or less from the beginning has succeed in having a pull strategy, even when the brand awareness was limited? We can only reason about this, but a contributing aspect could be both the uniqueness of the brand and the utilization of the existing networks.

The network approach

The importance for small firms to be a part of a network and the social aspect of building good relationships is in this stage well-known for us. Through the analysis we have learnt that Odd Molly seems to have an extended network, in which the social interaction is integrated. According to Per, Odd Molly has close relationships with agents. "It is the engine of the business, that we have mutual trust" (Per Holknekt, Interview 2009; author's own translation). Two times per year Odd Molly meet the agents under relaxed circumstances to maintain the relationships. Parties and other informal activities are arranged all over the world. Although larger fashion houses, such as Galleries Lafayette, carry more brands and have more partners, the control of the relationship with them is just as good as with smaller resellers. In some countries, the control is even distributed to local representatives that work for Odd Molly. There can be difficulties in understanding the culture and grasping the true demand and nuances in some countries. Per mentions one example from Italy where this problem is solved, a native Italian woman is working for Odd Molly. She is trusted with taking care of all the agents on the Italian market and makes all the necessary decisions (Per Holknekt, Interview 2009). The last indicates that Odd Molly has taken advantage of its network, here by letting someone that has the knowledge execute the work when the specific knowledge is needed.

It is also interesting to mention in the discussion of network, the pre-contacts Per Holknekt might have had before the birth of Odd Molly. As a founder of the another clothing brand Svea, Per had probably some previous contacts that he might have used in the management of Odd Molly. Even though this use of might not be of professional character, the informal relation with previous contacts can also be of essence.

Osarenkhoe (2008) discusses the importance of the born global firm's utilization of networks in internationalizing. As born global firms lack the adequate competencies to enter certain markets, the networks become a vital aspect in their internationalization strategy. Being part of a network, the internationalization process of a born global firm could proceed more rapidly. This can to some extent be observed in the case of Odd Molly. As the company started to export early after its birth and this in a rapid pace, the born global concept can be useful in their case. As both stated by Per and discussed earlier in the learning analysis, deep knowledge of all 41 markets is not easily obtained if not having access to local personnel and partners' expertise. The network has surely been of great importance for Odd Molly, and their business model with allowing agents to sell in their products has probably facilitated the fast expansion in a short amount of time.

5 Summary of empirical analysis

****

In the following summary chapter we will present the main points that have been revealed throughout the empirical analysis chapter. The case companies will be contrasted and compared. The presented aspects will be taken into the conclusion and help us, the authors, to create a model suitable for our defined case companies in accordance to the paper's purpose.

****

5.1 How to develop an international brand

The gap between brand identity and brand image is something brand managers are trying to bridge in order to have a strong and successful brand. This attempt has been successful in all the three case companies according to our finding. In the case of Alice & Sens, the closeness between their inner sustainability values and external communications can be observed, among other things, through their ecological collection and close involvement in constantly developing new methods to produce ecological fabrics and dyes. In the case of Boomerang, the inspiration for their designs, the Scandinavian archipelago, is manifested in all their advertisements. The Boomerang effect program is further connecting their values of closeness to nature and ecological thinking with their external actions. In the case of Odd Molly, the two co-founders' ideals and passion for the designs together with statements on their clothing such as "love, courage, integrity" are clearly manifested in all their external communications. Through corporate story telling and PR attempts, Odd Molly has succeeded in conveying a truthful message. Alice & Sens should elaborate on their corporate story telling capital and use it in their PR as they have a captivating history. All the case companies, with Odd Molly being the most successful one, have succeeded with building credible brands. This is something Holt (2002) and Berge (2009) argue is crucial to attract the skeptical consumers of today.

In accordance with Moore et al (2000), all three case companies have succeeded with the three essential elements required to succeed in international brand building. The brand messages are consistent no matter on which market the customer is purchasing the case companies' products. The focused development strategy is undertaken by all the companies with successful long-term focus on how to build the brand. This is especially evident in the cases of Odd Molly and Alice & Sens, this probably because of the presence of an aspiration from birth of becoming international players, which not as clearly can be seen in the case of Boomerang. Boomerang's Scandinavian lifestyle concept can be applied on all markets they are present on. However, limitations on how far the concept stretches in terms of possible markets to enter can exist, which was recognized by the CEO Fredrik Larsson who mentally limits their most appropriate markets to North-western Europe. Boomerang does not have the aspiration to become a global firm at this point in time. Instead, the main emphasis lies on extending the assortment of Boomerang's lifestyle products on the current markets. The limited mental thinking is not observed in the case of Odd Molly who regards all women, no matter nationality, to be attracted by the same simple things in life. The brand of Odd Molly is founded on a lifestyle that can suit any woman, anywhere in the world. This is similar to Alice & Sens whose main emphasis is in producing ecologically sustainable products and unique designs, which is a concept demanded all over the world. The third strategy of building an international brand, building networks and relationships abroad to make the brand physically available, can be observed is successfully undertaken by all the case companies. However, this strategy should be more emphasized in the case of Boomerang. Further elaboration on network will follow in section 5.3.

A small- and medium sized company expanding internationally should try to find a niche and offer differentiated products to serve a defined segment (Barney in Hutchinson and Quinn, 2006). This can be observed in the case of Odd Molly as well as in Alice & Sens. The USP of Alice & Sens can be found in their unique prints made of ecological material. Boomerang has difficulties in finding their uniqueness and differentiating themselves from the global competitors within the same segment. Because of this, their international attempts have been less successful in comparison to Odd Molly's, which has a clearly unique design proposal and a strong brand. The Boomerang effect can be seen as an attempt of trying to differentiate and to find a niche. However this will be enough, the future will tell.

The Scandinavian brand of origin is clearly communicated through the Boomerang brand. Alice & Sens and Odd Molly have a totally different approach and it can be questioned which is the right way to go. In the case of Boomerang, the Scandinavian design and lifestyle is the very essence of the brand and therefore, it needs to be communicated and emphasized. The Odd Molly brand stretches beyond national boundaries and is not only inspired by Scandinavian designs, therefore the choice of not communicating brand of origin can be seen as a correct choice. In the case of Alice & Sens, the domestic market is not easily defined with the mix of two main offices in both Shanghai and Stockholm, founders originating from Sweden but live part time in Shanghai. However, on the company's official webpage one can read that the influences for the designs are taken from both Scandinavian and Asian cultures. The brand of origin of Alice & Sens is not conveyed as strongly as in the case of Boomerang, however, it is not elaborately covered like in the case of Odd Molly either.

Another factor to consider in the findings according to brands is the internal brand management of Odd Molly. By having deeply dedicated and engaged employees, Odd Molly can easily convey the vision and continue to expand their organization without loosing the Odd Molly spirit. As Per stated that the decisions in the every day job routine come naturally, all employees possess this gut feeling. Having dedicated founders, still actively participating in the organization strategies and motivating the employees, can be argued to be an important aspect for SMEs (Burt and Sparks, 2002). Even though Alice & Sens only have very limited employees, they mediate the values of the brands to the their suppliers and partners. Also in this case company, true spirit is continuously conveyed, as the founders are an active part of the company.

5.2 How to acquire knowledge

As observed in all case companies, the initial choice for going abroad was a rational choice. The limitations of the domestic market and the aspiration of growing was the main reason for internationalizing. However, the internationalization processes of Odd Molly and Alice & Sens can be observed to be of a much more aggressive character than in the case of Boomerang.

When analyzing learning through the model of the Andersson et al (1998), it was observed in the case of Odd Molly and Boomerang that the second stage, where the technical information was gathered, could be made more rapid depending on the amount of knowledge the company possessed about the country being entered. It can be postulated that this technical knowledge already exists within the company about certain countries, for instance countries where the similarities to the domestic market exist. Previous experiences and competencies possessed by the employees, for example Per's international experiences from and contacts in the US, can also contribute to a more rapid learning process. This, as the knowledge is transferred to Odd Molly by someone who possesses the required knowledge.

In the cases of Alice & Sens and Odd Molly, it can be observed that they both have rapidly expanded, yet, successfully acquired the knowledge of a more abstract character, in other words ”tacit” knowledge. This could be explained by the utilization of the networks including partners the companies have. Partners within the networks possess deeper knowledge about their local markets and can be seen as a middle hand between the culture and for instance the Odd Molly organization. Odd Molly per se cannot possess deep, tacit knowledge about the 41 countries they are present on, as suggested in the third step. Therefore, their partners in the network possessing this knowledge can be seen as a part of their extended organization.

Regarding the last step in the model of Andersson et al (1998), having an international mindset and incorporating this into your organization and overall strategy, can be seen in the case of Odd Molly. Boomerang however, is observed not to strive for this mindset as their main emphasis lies on developing its lifestyle concept on the present markets. They are reluctant to internationalize further as they lack an USP, they have not yet found their niche. Alice & Sens has like Odd Molly an international mind set as they have a global strategy, which also have been their aspiration from birth.

For Alice & Sens, more or less, the world can be seen as one market with two bases: one in Shanghai where both management and production take place and one in Sweden where also management takes place. Apart from this Alice & Sens have presence on several markets to which the internationalization has happened rapidly and more or less from the birth. This is in contrast to Boomerang for instance, who has its head quarter in Sweden and sells garments to nearby countries that have been entered in a slow pace. Odd Molly with its base in Sweden goes more or less under a global definition with presence in 41 countries. Like Alice & Sens, Odd Molly has rapidly expanded to these markets.

Boomerang started to internationalize their business after being present on their domestic market for many years. Well started, the internationalization process has been in a slow pace. This could be seen as an incremental process as the commitment to the foreign market has been taken in small steps with low commitment at the time.

This is in contrast to Odd Molly and Alice & Sens who have internationalized in a rapid pace almost from birth. The incremental learning as presented in the Uppsala model is not applicable to Odd Molly or Alice & Sens, this because none of them have in a sequential process increased their commitment to the market as the experiential knowledge arouse. Rather when internationalization opportunities arose, the companies decide whether to grasp them. Even though, Alice & Sens lacked of knowledge and resources, they committed anyway by starting the production facilities in Shanghai. Although Shanghai was not a market they started to sell their products on, which is how the Uppsala model indicates to, Alice & Sens still committed in terms of resources. Odd Molly neither follows an incremental process, which can be illustrated in the example of the US entry where they were forced to quickly open an office. Hence, without prior involvement to the US market, Odd Molly took the decision anyway to commit to the business.

The concept of psychic distance can be observed in two of the case companies and a slightly different psychic distance concept can be seen in the third. Boomerang started to gradually expand to the very similar close-by Nordic countries and then further to the culturally similar countries in Europe, all in accordance to psychic distance concept. In the case of Alice & Sens, the psychic distance concept becomes a bit more difficult to grasp. Namely, they have not regarded the ”regular” psychic distance as they did not at first enter the nearby countries to Sweden. However, they have instead entered countries that are similar to Sweden in terms of consumer preferences. The countries, which have been targeted first by Alice & Sens, are all countries with big fashion capitals – London, Oslo, Milan, Paris, and Amsterdam. This pattern can be interpreted as targeting cultures that appreciate the ecological fashion concept and demand these products. By defining the countries after customer characteristics when it comes to fashion demand, we can say that the psychic distance is in some way more or less represented in the case of Alice & Sens. We can see in the case of Odd Molly that they have, just like Boomerang, regarded the psychic distance when they started to internationalize as they entered the Nordics countries first.

However, an interesting aspect that needs to be considered in this discussion is that the opportunities to enter certain markets have, mainly, arouse through the contacts made during fashion fairs and networking. Through networks in distance markets the psychic distance can be overcome as the partners in the network possess knowledge that can help the firm to understand the new market conditions. Hence, the company can successfully enter a distant market even though they do not posses the knowledge.

5.3 How to manage relationships

Even though networks are important in most industries, the importance of networks within the fashion industry is very high. The main reason being the fact that single fashion designers can through networks reach resellers, thus consumers in an easy way.

The three case companies are different in how active or passive they are in their relationships with external actors. Alice & Sens in the starting phase of the business had a very active networking as they themselves contacted the "buyers”. Today, they have taken on a less active approach as they do not actively contact reseller, however they are still active in a sense as they participate on fashion fairs. As far as we can see, Boomerang has always been active in their networking as they have taken the active decision to contact the Swedish Trade Council as well as they have participated on fashion fairs in order to get in contact with new buyers. This is different in the case of Odd Molly, where we can see a pattern of passive networking. This passive networking of Odd Molly is actually strategic as they build the relationships on attraction and prefers then to have partners are attached to their brand. Therefore, Odd Molly is passive in their relationships towards the buyers.

The different roles in networking can be reflected in the case companies’ push respective pull strategies. Although Alice & Sens today has a more passive approach than they used to have, we would not take it so far as to say that they are using a pull strategy. This because they still rather "push" their products and the information about it, through the distribution channels. In their role of active in the relationships with buyers, Boomerang is ”pushing” the products to their markets. However, it is important to say that Boomerang is not pushing in an aggressive way as they do not at this point in time has the desire of becoming a global company. This is in contrast to Odd Molly, whose aim is to get the resellers and agents attracted to the brand on their own, and therefore, in contrast to the other two case companies adapts a pull system, which means that their customers request the product and actively pulls the products through the distribution chain. Odd Molly is the only one that has succeeded with this, much because of their strong brand awareness and USP.

Aside from the different approaches in terms of active and passive, the current network of the company can be managed and utilized in different ways. Both Alice & Sens and Odd Molly cherish their intermediary and informal relationships and try to mediate the “heart” of the organization to these networks. For instance, Odd Molly is actively arranging social gatherings together with their agents and partners twice a year, to make the intermediary relationships more individual and personal. Boomerang has a network consisting of agents and retailers as well as consumers and suppliers and the contact with these are satisfying, As far as we can see, Boomerang rather focus on formal relationships than informal ones, for instance the relations obtained through the Swedish Trade Council. To summarize, in the cases of Odd Molly and Alice & Sens we can see a clear personal involvement from the entrepreneurs Per and Alice. It is their ability to socialize and network, together with their strong beliefs in the vision that makes them be able to use their networks as a competitive advantage when internationalizing.

Referring to the internationalization process of Alice & Sens, they entered, after the launch of products on the Swedish market, UK and following markets in a rapidly pace, more or less simultaneously and did not regarded the regular psychic distance in the sense of entering the nearby Nordic countries after Sweden. These aspects indicate that Alice & Sens can be considered as a born global. An additional aspect that enhances this fact is their use of networking they have had since start. Odd Molly has also internationalized in a rapid pace and several times with simultaneous entering on some markets. This indicates that they also could be considered as born globals. However, we do not want to stretch it that far as Odd Molly had a growth and started to build their business on the domestic market before they started to internationalize. Additional aspect indicating Odd Molly to not be born global is that their first internationalization took place in countries with low psychic distance. Although Odd Molly utilize their extended network in a successful way, which has contributed to the rapid growth to 41 countries. On the contrary, Boomerang is easily not defined as a born globals due to their slow internationalization on initial markets with low psychic distance. As mentioned, the internationalization process has mainly been of an incremental character, which in many ways can be the opposite to the internationalization process of a born global firm.

6 Conclusion

****

In this chapter we will conclude what has been revealed throughout the empirical analysis. Based on the main findings we answer our research question, which will be illustrated in a model. We will present our concluding findings in a model and answer the research question. Further, recommendations for SMEs within the fashion industry will be presented in the section of managerial implications. The theoretical implications will be presented, followed by suggestions for future research.

****

6.1 Fulfill the purpose

The purpose of this study is to identify potential factors impacting the internationalization process of a small- or medium sized fashion company. We aim to shed light on potential key factors that can provide an understanding of a successful internationalization process and illustrate our findings in a model applicable to firms with similar characteristics.

Throughout this paper, we have argued for the importance of brands, knowledge and networks in the internationalization process of fashion SMEs. As revealed in our findings, these factors have influenced the process of our three case companies, however, to different extents. Following, each of the factors will be elaborately described according to our findings.

6.1.1 Discussion

A brand, and more specifically a strong and unique brand offering a unique sales proposal, plays a significant role in succeeding internationally. It is of great importance to connect the brand identity with the brand image and to have a stable brand image and focused strategy across national borders. But most important, having the mental aspirations – the willingness and determination - of taking on an international mindset.

By having a unique and strong brand, a pull strategy and passive networking is made possible. With this comes numerous of benefits, for instance dedicated partners. By having a unique sales proposal in a clearly defined niche, the chances of succeeding internationally can be considered high. If no unique sales proposal exists, the mental aspirations to keep internationalizing one's firm can be considered minimal due to fierce competition in the fashion industry. Through corporate story telling and a sincere message, the brand has the potential of becoming strong and credible. Internal brand management, if handled properly, is another factor that can strengthen a brand externally and this is also reflected in an international context.

By not emphasizing the brand of origin in external communications, the relationship building with resellers, as well as consumers, can become of a more long-term character.

Brand or origin should therefore only be emphasis if it can be considered to be an essence of the brand.

The incremental learning models have been found to be inadequate to fully describe the actual process of a fashion SME. This is especially evident to firms with a rapid expansion and where a born global firm perspective can be applied. A SME that internationalizes its business quickly after its birth has been observed to overleap certain learning stages recommended by current incremental learning models. These overleaps are evident when taking on simultaneous market entries, taking on several entry strategies at once, or reacting to arising circumstances on the market which forces or enables the company to make necessary commitments not in line with a gradual internationalization process.

These overleaps are also a result of a rapid expansion pace where the opportunities offered by partners within the network are taken without thoroughly reflecting however enough knowledge has been obtained through previous experiences. The partners, such as agents and resellers, possess local market knowledge and can be considered to be a part of the extended organization. Through the partners, the necessary knowledge is obtained in order to proceed to a new market, although the tacit and in depth knowledge, which normally is necessary when expanding internationally, do not exist *within* the organization. Thus, the importance of networks and good relationships with partners abroad has been observed to have a significant impact on a SMEs' knowledge development, and of an internationalization process in general.

The internal competencies within the firm, such as the owner's previous experiences or passion for a specific cause, can be seen are highly influencing the process. This was evident in two successful cases where the founders were passionate about internationalizing the business and about the brand values. Also, by possessing technical and factual knowledge within the organization about certain countries can indicate a faster internationalization process within this specific market.

Psychic distance has been found to influence the internationalization process; the case companies have regarded psychic distance starting with countries with similarities in culture and physical distance. In one case it was revealed that countries with specific cultural consumer characteristics were targeted initially. The targets were the home countries of the European fashion capitals where the demand for their unique products was considered high. The psychic distance is in line with SMEs need for reducing risk. However, psychic distance cannot fully be seen as a main factor influencing which countries are entered. The relationships created, through for example fashion fairs, and the opportunities that arise with these relationships, influence to a large extent which internationalization path a company chooses to take. These relationships can function as a bridge to a foreign market. If the market is distant and psychic distance considered as high, this can be overcome when the partner possess the knowledge needed to understand the market. Participating on fashion fairs is a good way to show case your brand and create contacts.

Having networks and actively working on improving relationships, both internally within the organization as well as externally with partners, agents and manufacturers, is of high significance. A network is of great essence when entering a market and it offers benefits such as accumulated knowledge and risk reduction in terms of lower commitment, both in terms of financial and personnel. Thus, a functioning network is crucial for a SME in an international context. The network is especially important and evident in a firm that internationalized quickly after its birth. A pull strategy and passive networking can be concluded to be most efficient, however this is only possible if the brand is strong and unique. To get the brand to be strong and unique, the brand image and brand identity need to be bridged. A SME has to be aware of the importance of good and long-term relationship commitments as it can help to obtain a successful internationalization process.

6.1.2 Answering the research question

After the above discussion, we will now answer our research question. This will be done through a model based on the findings revealed in the case study we have conducted. Accordingly to the model, we will explain the different aspects and how they relate to each other.

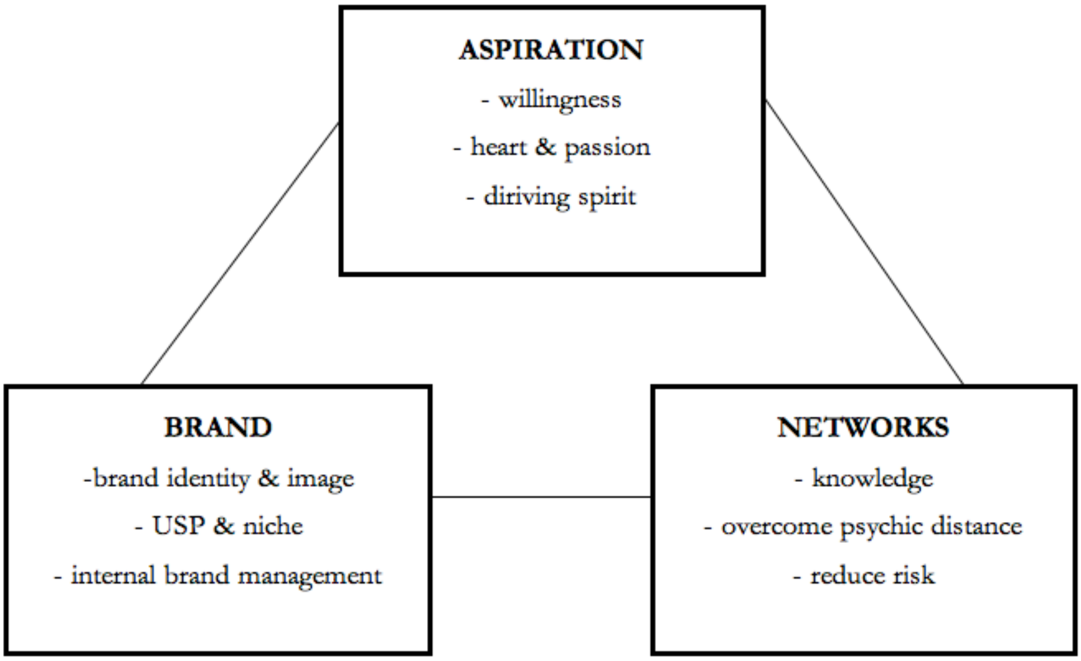


Figure 3 – Three success factors

As presented in the model above, we have identified three potential factors of a successful internationalization process of a small- or medium sized company within the fashion industry. These factors are aspiration, brand and network. They are interrelated to each other and none of them precede one another. In order to have a successful internationalization process, none of them can be excluded or replaced by something else.

Aspiration entails that the company must have a willingness to grow and internationalize, but also to commit and grasp opportunities. This aspiration has the strongest impact when it comes from the founder, CEO or similar. Characteristics important for these individuals are to be passionate, committed and really have their heart set on growing internationally. Also, they need to have a strong belief in the company's vision and live as they learn. These characteristics have great impact on employees and other individuals that have relations with the company such as buyers, suppliers and agents.

Brand In order to build a strong brand there must be a fit between the brand identity and the brand image. For a SME within the fashion industry it is crucial to offer an authentic and sincere brand that customers can relate to. To secure this fit, internal brand management is necessary. In addition, it is also essential to be able to offer a unique sales proposal to your customers and to create your own "niche" in the form of a unique concept.

Networks Being a SME in the fashion industry entails that in order to become successful, even though having scarce resources, the firm needs to expand internationally. By utilizing networks, companies can acquire knowledge they otherwise would not be able to obtain. The knowledge in terms of understanding the foreign market, increase the number of potential markets to enter and helps to overcome the concept of psychic distance The risk is reduced for the firm as the network's resources can be used and therefore the firm's own commitment is lowered.

In order to clarify how aspiration, brand and networks are influencing each other, we will describe how a firm will have a successful internationalization process according to the factors.

The strong brand in combination with a unique concept can enable the firm to get a unique sale proposal and be able to serve a niche market. With its strong brand and USP, the firm is an attractive actor in the eyes of partners, which entails that mutual relationships can be built. In additional to this, the strong brand and the USP enables the firm to more easily and rapidly extend their network. By expanding the network, the possibilities for further spreading the brand and the product increase. This because through the network the firm can be ”served” knowledge they would not that have been able to acquire, at least not in a rapid pace. The knowledge in terms of understanding the foreign market, increase the number of potential market to enter, this even when the psychic distance is high. The risk is reduce for the firm due to the network as the network's resources can be use and therefore the firm's own commitment is lowered. The best utilization and further extension of the network is only possible if the firm has the aspiration to internationalize. The willingness to further grow and to grasp possibilities through its network. The driving spirit behind a firm, for instance the founder, is reflected in the corporate culture. An employee who is inspired by the corporate culture and a passionate founder will become more motivated to conduct business and to interact with new partners. This passionate company with a driving spirit enhances the value of the brand identity, which makes the brand even stronger. With an even stronger brand, the unique sales proposal is even more manifested, which results in an extended network as new partners become interested. The success further increase the willingness to growth and the motivation factor within the firm is high. To answer the research question:

What are the potential factors of a successful internationalization process of a small- or medium sized company within the fashion industry?

A short answer, the potential factors are aspiration, brand and networks. Through a network, the company can acquire knowledge and reduce its risk. To be able to benefit from a network, a strong brand and a unique sales proposal are essential. The driving spirit behind the brand motivates employees and partners, which further enhance the strength of the brand. With this conclusion, we believe we have fully answered our research question.

6.2 Implications and future research

6.2.1 Theoretical implications

We will in this section reason about how this case study has contributed to the existing theoretical field. Through this study we have seen that the incremental learning processes, suggested in the Uppsala model, is not applicable on SMEs experiencing a rapid expansion pace. We can observe a shift towards the importance of considering the theories of born global firms when trying to understand the internationalization process of a fashion SME.

In contrast to the Uppsala model, the network approach is of high importance to fashion SMEs. This can be explained by two reasons. These types of firms often are much dependent on the relationships with the middleman, such as agent, distributor and reseller, and such a network can facilitate the internationalization process.

The psychic distance theory has been confirmed to a certain extent. If incorporating the belief that specific and desired consumer characteristics on the market is a factor that reduces the psychic distance, it can be confirmed. The notion of psychic distance is however, not considered to be an important success factor.

Our findings agree with previous theories in the extent that the importance of a strong brand within the internationalization process of a fashion SME is high. Further, to have a genuine and unique brand with a vivid and captivating story attached to it has been observed an advantage when internationalizing.

6.2.2 Managerial implications

We consider the paper's findings to be applicable on other fashion SMEs. This especially in the case of small fashion companies with intentions to internationalize their business in the purpose to grow. The results presented can also, to some extent, be applicable on SMEs within other similar sectors than the fashion business. For instance, in sectors where brands are important tools for differentiation such as in the fast moving consumer goods sector. Our findings can also be of interest for born global firms within similar sectors. For a manager of a fashion SME in the process of internationalizing, the main learning outcomes from our case study are:

- Building a strong brand is crucial - bear in mind corporate story telling, bridge the gap between brand identity and brand image and take on an international mindset. Incorporate this mindset into the core of the brand, long-term strategy and internally within the organization.

- A unique sales proposal and serving a niche market is the very essence of succeeding internationally. It is especially important for a small player with a yet unknown brand. By being unique, pull sales and passive networking is made possible. With this come dedicated partners and strong relationships built on mutual trust.

- Networks are essential – put efforts into your relationships and consider your partners as an extension of your organization. It will give you benefits in terms of knowledge and reduce the risk when entering new markets.

- Aspiration of becoming an international player, and be dedicated to this international vision, is another factor of high relevance.

6.2.3 Future research

It could be suggested, in another study, to include other fashion SME cases in order to generalize the study further. It could be of use to compare the results with a study made with cases from another country than the Sweden.

It could be interesting to look into however the results would differ if case companies using other entry modes then the ones used in this paper would to be investigated. Entry modes are one of our limitations, however we still consider this factor to be an important aspect within the internationalization process. It could be interesting to see which entry mode is the most efficient. This can be tackled in several ways, for instance from a cost effective perspective or purely which entry mode is the most efficient for a fast expansion for a SME.

Another aspect that has been revealed in our findings is the importance of dedicated founders. It would be of high interest to in-depth try to understand to what extent this dedication and passion from a founder's side play in an internationalization process.

References

Aaker, D. A., Joachimsthaler, E. (1999) "The lure of Global Branding", *Harvard Business Review*, 77(6):137-144

Aharoni, Y. (1966) "The foreign investment decision process", *Journal of Business*, 40(3):352-353

Alvesson, M, Sköldberg, K (1994), "Tolkning och reflektion, Vetenskapsfilosofi och kvalitativ metod", Lund, Studentlitteratur

Andersson, V., Graham, S, and Lawrence, P. (1998) "Learning to Internationalize", Journal of Management Development, 17(7)

Askåker, J (2008) "Exportrekord för svenskt mode". Dagens Industri 17 march 2008,

Barney,J.B. (2002), "Gaining and Sustaining Competitive Advantage", Prentice Hall, Englewood, Cliffs, NJ in Hutchinson, K., and Quinn, B. (2006), "SME retailer internationalization: case study evidence from British retailers", International Marketing Review, 23(1):25-53

Berge, L (2009) "Bärande berättelse". Svenska Dagbladet 12 April 2009

Boomerang Official webpage (cited 26 April 2009). Available from: http://www.boomerang.se

Brown, S. and Burt, S. (1992) "Conclusion - Retail Internationalization: Past Imperfect, Future Imperative", European Journal of Marketing, 26(8-9:80-85

Bryman, A. and Bell, E (2007) #Business Research Methods", 2nd edition. Oxford University Press, UK

Burt, S., and Sparks, L. (2002) "Corporate Branding, Retailing, and Retail Internationalization", Corporate Reputation Review, 5(2-3):194-206

Carter, S., Jones-Evans, D. (2000), "Enterprise and Small Business", Harlow, Prentice Hall in Göransson, M. and Lind, C. (2006), "Internationalization of Swedish Fashion" A study of Small Sized Fashion Design Companies", School of Business Stockholm University Bachelor Thesis, Business press

Carugati, A., Liao, R., Smith, P. (2008) "Speed to fashion: Managing global supply chain in Zara", 2008 4th IEEE International Conference on Management of Innovation and Technology, 1494-1499

Cavusgil, S. T. (1994), ”A quiet revolution in Australian exporters”, Marketing News, 28(11):18-21

Cheap Monday Official webpage (cited1 April 2009). Available from: http://www.cheapmonday.com

Cheng, J. M-S., Blankson, C., Wu, P. C. S., Chen, S. S. M. (2005) "A stage model of international brand development: The perspectives of manufacturers from two newly industrialized economies - South Korea and Taiwan", International Marketing Management, 34(5):504-514

Chetty, S. Campbell-Hunt, C (2003) “Paths to internationalization among Small and Medium-sized firms: a global versus regional approach”, European Journal of Marketing, 37(5/6): 796-820

Churchill, N.C. and Lewis, V.L. (1983) "The Five Stages of Small Business Growth", Harvard Business Review, 61(3):30-40 in Cheng Ming-Sung, J., Blankson, C., We, C.S.P. and Chen, S.M.S. (2005) "A Stage Model of International Brand Development: The Perspective of manufacturers from two newly industrialized economies- South Korea and Taiwan, Industrial Marketing Management (34):504-514

CSR i praktiken.se (2009) ”Boomerang stärker profilen med genomtänkt återvinning” (cited 6 May 2009). Available from:
http://www.csripraktiken.se/2009/02/18/boomerang-starker-profilen-med-genomtankt-atervinning/

Dagens Industri (2008) Temabilaga: " Internationell expansion, Shanghai för sina fötter” 2008: 14-15

Dawson, J. (2000) "Retailing at Century End: som challenges for management and research", The International Review of Retail, Distribution and Consumer research, 10(2):119-148 in Elg, U., Ghauri, P.N. and Tarnovskaya, V. (2008) " The role of networks and matching market entry to emerging retail markets", International Marketing Review, 25(6):674-699

Dikova, D. (2009) “Performance of foreign subsidiaries: Does psychic distance matter?”, International Business Review, 18:38–49

Disruptive (2008) ”Odd Mollys fantastiska resa”, (cited on 26 April 2009). Available from:
http://disruptive.nu/2008/01/31/odd-mollys-fantastiska-resa/

DN.se (2009), “Från uteliggare till innedesigner”, (cited on 5 May 2009). Available from:
http://www.dn.se/nyheter/fran-uteliggare-till-innedesigner-1.647982

Elg, U., Ghauri, P.N. and Tarnovskaya, V. (2008) " The role of networks and matching market entry to emerging retail markets", International Marketing Review, 25(6):674-699

Easterby-Smith, M,. Thorpe, R., Lowe, A. (2002) *"Management research: An introduction"* 2nd edition, London: SAGE Publications Ltd

European Commission (2003), " SME Definition" (cited on 26 April 2009). Available from: http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm

Evans, M. (1989) "Customer behavior towards fashion", European Journal of Marketing, 23(7):7-16

Filippa K Official Webpage (cited 25 April 2009). Available from: http://www.filippa-k.se

Folkart (2009) "Odd Molly", (cited on 11 May 2009). Available from: http://www.folkart.se/kreator.php?aid=57

Ghauri, P. and Cateora, P. (2005), *International marketing.* 2nd edition, London: McGraw Hill.

Harrison, P.T., Lee, H.L. and Neale, J.J. (2003). "The Practice of Supply Chain Management: Where theory and Application converge", 2nd Edition, Springer Publications

Glamour.se (2009), "Alice & Sens" (cited 24 April 2009). Available from: http://www.glamour.se/mode/modelexikon/a/alice-sens/

Grönroos, C. (2004), "Service management och marknadsföring – en CRM ansat", Liber Upplaga 1:2

Göransson, M. and Lind, C. (2006), "Internationalization of Swedish Fashion" A study of Small Sized Fashion Design Companies", School of Business Stockholm University Bachelor Thesis, Business press

Habit.se (2007), "Modeåret 2007" (cited 24 April 2009). Available from: http://www.habit.se/iuware.aspx?pageid=99816

Harrison, T.P., Lee, H.L. and Neale, J.J (2003), "The Practice of Supply Chain Management: Where Theory and Application Converge", 2nd Edition, Springer

Hauge, A (2007) "Dedicated followers of fashion – an Economic Geographic Analysis of the Swedish fashion Industry". Dissertation Uppsala University, Sweden

Hauge, A., Malmberg, A., Power, D. (2009) "The spaces and places of Swedish fashion", European Planning Studies, 17(4):529

Holknekt, Per (Co-founder, Board member and Brand Director Odd Molly). Interview on the 7th of May 2009, Stockholm, Sweden

Hollensen S. (2004), "Global Marketing", 3rd Edition, Harlow, Prentice Hall in Göransson, M. and Lind, C. (2006), "Internationalization of Swedish Fashion" A study of Small Sized Fashion Design Companies", School of Business Stockholm University Bachelor Thesis, Business press.

Hutchinsson, K., Quinn, B. (2006), "The role of management characteristics in the internationalization of SMEs: evidence from the UK retail sector", Journal of Small Business Enterprise and Development, 13(4):513-534

Holt, D.H. (2002), "Why do Brands Cause Trouble? A dialectical Theory of Consumer Culture and Branding": *Journal of Consumer Research",* 29(1): 70-89.

Janson, Lovisa (Employee and sister of Co-founder Alice Janson, Alice & Sens). Interview on the 20th of May, 2009, Lund, Sweden

Johanson, J. and Mattson, L. (1988) " Interorganizational Relations in Industrial Systems: A Network Approach Compared with the Transaction-Cost Approach", International Studies of Management and Organization, 17(1):34-49 in Ojala, A. (2009), "Internationalization of knowledge-intensive SMEs: The role of network relationships in the entry to a psychically distant market", International Business Review, 18:50-59

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

Johanson, J., Wiedersheim-Paul, F. (1975) "The internationalization of the firm - Four Swedish Cases", Journal of Management Studies, October, pp 305-322 cited in Buckley, P. J., Ghauri, P. (1993) "The internationalization of the firm: A reader", Academic Press Limited, London

Johnsen, R.E. (2007) "The role of focal suppliers in strategic networks for internationalization", Journal of Fashion and Marketing, 11(1):135

Kapferer, J-N (2005) "The post-global brand". Journal of Brand Management, 12(5): 319-324

Knight, G.A., Cavusgil, S.T. (2004) "Innovation, organizational capabilities, and the Born- Global firm", Journal of International Business Studies 35(2):124-141

Larsson, Fredrik (CEO Boomerang). Interview on the 5th of May 2009, Stockholm, Sweden

Law, K. M., Zhang, Z-M., Leung, C-S. (2004) "Fashion change and fashion consumption: the chaotic perspective", Journal of Fashion Marketing and Management, 8(4):362-374

Lim, A. and O'Cass, A. (2001), "Consumer brand classifications: an assessment of culture-of-origin versus country-of-origin", The Journal of Product and Brand Management, 10(2): 120-136.

Lindström M (2007) "Telling tales can help sell your brand to millions", Dagens Industri, Appendix Media:21

Madsen, T, K, Servais, P (1997). The Internationalization of Born Globals: an Evolutionary Process? International Business Review, 6, (6), 561-583

Manolo.se (2008), "Cheap Monday Jeans- Nu erövrar de världen" (cited 23 April 2009). Avaliable from:
http://manolo.se/2007/02/09/cheap-mondays-jeans-nu-erorvrar-de-varlden/

McKinsey & Co.(1993) Emerging Exporters. Australia's High Value-Added Manufacturing Exporters, Melbourne: McKinsey & Company and the Australian Manufacturing Council In Rasmussen, S, E, Madsen, T, K (2002) "The Born Global concept – Paper for the EIBA conference December 2002". University of Southern Denmark, Department of Marketing

Merriam, S. B. (1994) *"Fallstudien som forskningsmetod",* Swedish edition, Lund: Studentlitteratur

Miashopping (2008), (cited on 24 April 2009). Available from:
http://www.miashopping.com/brands/

Moore, C.M., Fernie, J. and Burt, S. (2000) " Brands without boundaries: The internationalization of the designer retailer's brand", European Journal of Marketing, 34(8):919-937

Morgan, R.E., Katsikeas, C.S. (1998), "Exporting problems of industrial manufacturers", Industrial Marketing Management, 27(2):161-76

Morgan-Thomas, A., Jones, M. V. (2009) "Post-entry Internationalization Dynamics: Differences between SMEs in the Development Speed of their International Sales", International Small Business Journal, 27(1):71-97

Odd Molly Annual Report 2008

Odd Molly Official webpage (cited 26 April 2009). Available from: http://www.oddmolly.com

Ojala, A. (2009), "Internationalization of knowledge-intensive SMEs: The role of network relationships in the entry to a psychically distant market", International Business Review, 18:50-59

Osarenkhoe, A. (2008), "A study of the enablers of non-sequential internationalization process among small and medium sized –firms", International Journal of Business Science and Applied Management, 3(2): 2-20

Oviatt, B.M. and McDougall, P.P. (2005) "Defining International Entrepreneurship and Modeling the Speed of Internationalization", Entrepreneurship Theory and Practice, 29(5):537-553

Peak Performance Official Website (cited 25 April 2005). Available from: http://www.peakperformance.com

Rasmussen, S, E, Madsen, T, K (2002) "The Born Global concept – Paper for the EIBA conference December 2002". University of Southern Denmark, Department of Marketing

Realtid.se (2009) " Odd Molly gasar trots lågkonjunktur" (cited on 26 April 2009). Available from:
http://www.realtid.se/ArticlePages/200902/06/20090206151024_Realtid180/20090206151024_Realtid180.dbp.asp

Reuters.com (2008), "Sydney, Dubai make biggest strides in fashion:study" (23 April 2009) Available from:
http://www.reuters.com/article/newsOne/idUSSP11167120080715?pageNumber=2&virtualBrandChannel=0&sp=true

Richardson, J. (1996) "Vertical Integration and Rapid Response in Fashion Apparel", Organization Science, 7(4):400-412

Salmon Walter, J. and Tordjman, A. (1989) "The internationalization of retailing", International Journal of Retailing, 4(2):2-17 cited in Burt, S., Davies, K., Dawson, L. and Sparks, L. (2008) "Categorizing patterns and processes in retail grocery internationalization", Journal of Retailing and Consumer Services, 15:78-92

Salong K (2008, "Alice & Sens: Ekologiska kläder måste inte vara beiga!" (cited 26 April 2009).
Available from: http://www.salongk.se/artiklar/import/2008/3/14/3718/index.xml

Simpson, E., and Thorpe, D. (1996), "A conceptual model of strategic consideration for international retail expansion", in Akehurst, G., Alexander, N. (Eds),The Internationalization of Retailing, Frank Cass, London, pp 57-96

Solomon, M, R, Rabolt, N, J (2004) “Consumer behavior in fashion”. New Jersey Upper Saddle River: Pearson education

Storey D.J. (1997), “Understanding the Small Business Sector”, International Thomson In Göransson, M. and Lind, C. (2006), “Internationalization of Swedish Fashion” A study of Small Sized Fashion Design Companies”, School of Business Stockholm University Bachelor Thesis, Business press

Thakor V, M. and Lavack M, A. (2003), “Effect of perceived brand origin associations on consumer perceptions of quality”, The Journal of Product and Brand Management, 12(6-7): 394-408.

Veblen, T. (1975 (1899)) "The theory of the leisure class", Augustus M. Kelly, New York cited in Corrigan, P. (1997) "*The sociology of consumption",* Sage Publications Ltd, London

Welch, L.S., and Luostarinen, R. (1988), "Internationalization: evolution of a concept", Journal of General Management, 34-55 in Chetty, S. (2003) “Paths to internationalization among Small and Medium-sized firms: a global versus regional approach”, European Journal of Marketing, 37(5/6): 796-820

Vernon, R. (1966) "International Investment and International Trade in the Product Cycle", The Quarterly Journal of Economics, 80(2):190-207

Whysall, P. (2000) "Addressing ethical issues in retailing: a stakeholder perspective", The International Review of Retail, Distribution and Consumer Research, 10(3):305-3118 in Elg, U., Ghauri, P.N. and Tarnovskaya, V. (2008) " The role of networks and matching market entry to emerging retail markets", International Marketing Review, 25(6):674-699

Yamin, M., Sinkovics, R. R., (2006) “Online internationalization, psychic distance reduction and the virtuality trap”, International Business Review, 15(2006):339–360

Yeniyurt, S,. Townsend, J., Talay, M. B. (2007) "Factors influencing brand launch in a global marketplace", The Journal of Product Innovation Management 24: 471-485

Appendix

1 Interview guides

1.1 Interview guide: Lovisa Janson

The interview with Lovisa Janson, sister of co-founder Alice Janson and employee at Alice & Sens, took place in a separate room at Eden, Lund University in Lund on the 18th of May, 2009.

***To this date, Alice & Sens are present on several markets apart from Sweden,**
What years did you enter the markets you are present on today?
In what order did the firm enter these markets?
What were the reasons for choosing those markets?
What type of distribution does Alice & Sens have on these markets?
On what market is Alice & Sens most successful?
What has been the biggest challenge when internationalizing?

*** For a fashion company the brand is seen as being one of the most important resources,**
What does the Alice & Sens brand stand for?
Does Alice & Sens have a strong brand?
Does Alice & Sens actively work on with changing/improving/enhancing the brand? If yes; in what way? If no; how come?

***Alice & Sens is a relatively small fashion company in comparison to many of their competitors,**
What limitations have Alice & Sens recognized as a result of being a small firm?
(for example: limited financial resources, lack of knowledge about markets, staff, networks)
How do you find partners abroad?
What characterizes the relationships you have with your partners?
What do you believe to be the result of these relationships

***How would Alice & Sens define their targeted segment?**

***What does Alice & Sens believe is their biggest competitive advantage?**

***What does the future hold for Alice & Sens?**
(expand to more countries, open a concept store, hire more staff, alterations in collection)

1.2 Interview guide: Fredrik Larsson

The interview with Fredrik Larsson, CEO of Boomerang, took place at Boomerang's headquarter in Stockholm on the 5th of May, 2009.

*** To this date, Boomerang operates on five markets apart from Sweden. What were the reasons behind the decision to internationalize your activities?**
What years did you enter the markets you are present on today?
What were the reasons for entering those markets in the order you did?
What kind of distribution form do you have in each country?
In which country can you see that your efforts have been of most success?

***How does the process behind a decision to enter a new market look like?**
How do you find partners abroad?
What characterizes the relationships you have with your partners?
What do you believe to be the result of these relationships?
Where or from whom do you obtain knowledge?
Does the internationalization process differ depending on which market you enter? If yes, how?

***What problems have occurred when internationalizing and what has been the greatest challenge?**
When we initially took contact with you concerning the interview, you said that Boomerang has a leading position at the Swedish market but that you were not the best example of succeeding internationally. Could you please elaborate on this statement?
Have you had the intention of succeeding abroad to a larger extent then you have done so far?
Is there any market you have tried to enter but failed? If yes, why do think you did not succeed?

***Have you managed to convey the same image abroad as Boomerang stands for in Sweden?**
What does Boomerang stand for?
"Scandinavian preppy", is this something Boomerang strongly emphasizes?
Is "Scandinavian preppy" a limitation abroad? Have you considered brand of origin effect?
How do you think the "Boomerang effect program" affect the brand? Is it different in Sweden in comparison to the other markets you are present on?

***What do You believe to be the hardest thing, being an SME?**
Is the competition harder abroad than in Sweden?
Do you have the same target customer/segment in all the countries you work in?

***Do You have plans to continue internationalizing? In what way/How? What country/countries? What will you do differently?**

1.3 Interview guide: Per Holknekt

The interview with Per Holknekt, co-founder of Odd Molly, took place at Odd Molly's headquarter in Stockholm on the 7th of May, 2009.

***To this date, Odd Molly operates on 41 markets apart from Sweden. What were the reasons behind the decision to internationalize your activities?**
What years did you enter the markets you are present on today?
What was the reason for entering these countries in the order you did?
What do You believe is the reason behind your great success in The US and Germany?

***When deciding to internationalize further; what does the process look like?**
Where do you find your partners? Have you had use of relationships and contacts from before?
What characterizes the relationships you have with your partners?
What do you believe to be the result of these relationships?
Where or from whom do you obtain knowledge?
What does the power relationship look like between Odd Molly and the distributors/agents/resellers/other partners?
Does the internationalization process differ depending on which market you enter? If yes, how?

*** What problems have occurred when internationalizing and what has been the greatest challenge?**

***What do You believe is the reason behind your success both on the domestic and international markets?**
How do you work to show off your brand abroad?
What role do you play as a co-founder, both internally as well as externally?

*** What do You believe to be the hardest thing, being an SME?**
Is the competition harder abroad than in Sweden?
Do you have the same target customer/segment on all the markets you are present on?

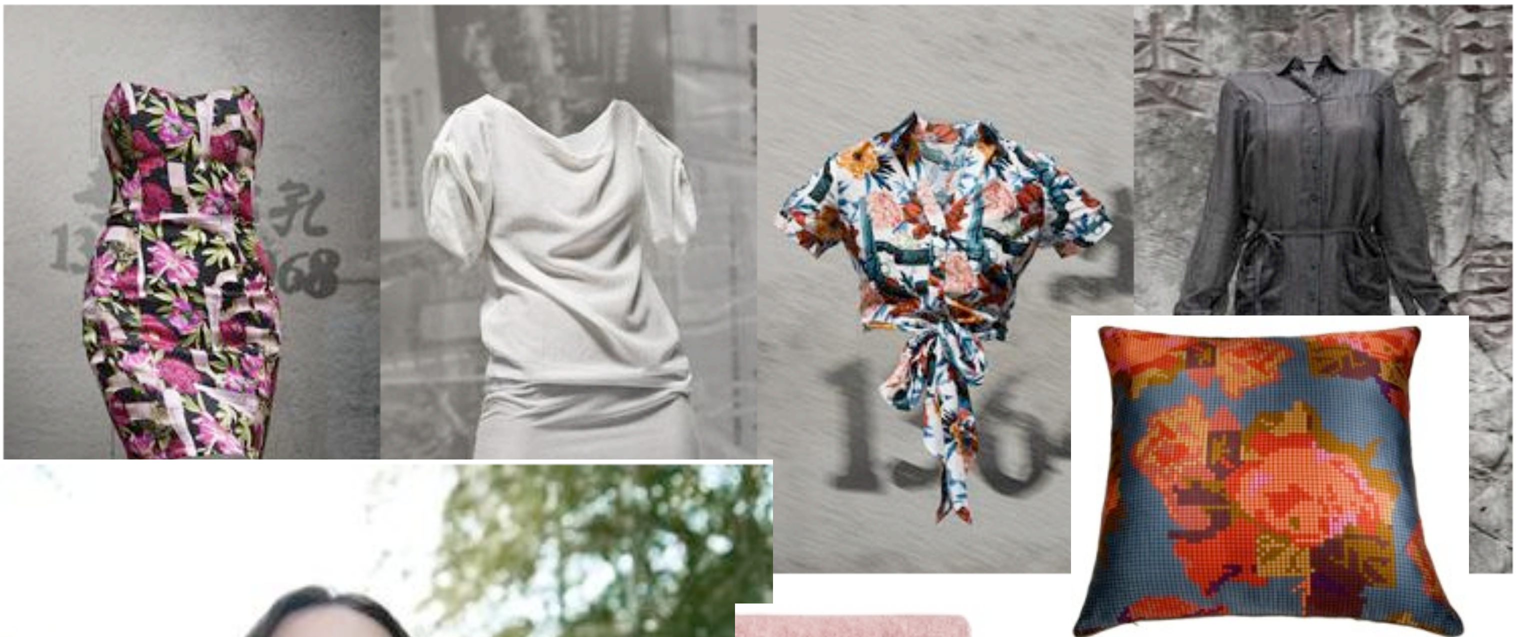
***What are Odd Molly´s plans for the future**
What countries are in line?
What is your dream/goal with Odd Molly?

2 Company related material

2.1 Alice & Sens

Alice&Sens

ABOUT US COLLECTIONS RETAILERS CONTACT PRESS



Bamboo turban
100% bamboo
Colours:

2.2 Boomerang

2.3 Odd Molly


VIVE LA DIFFERENCE
home
collections
odd diary
press/media
retailers
contact
investors
Sign up for our newsletter!
e-mail
s/s 2009
come inside the world premiere opening of the first odd molly concept boutique
helena christensen photoshoot
odd molly loves you