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Market Opportunity Analysis Frameworks in the Context of the Technological Advancement of Firms

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Abstract

Market opportunity analysis (MOA) frameworks are tools used to assess a firm's potential in a new market and are an important resource for firms considering expanding. Some of these tools are intended for initial high-level screening of markets, while others are more comprehensive analysis tools. These MOA frameworks are increasingly crucial in a modern business context, as the internet has brought together markets worldwide, allowing businesses to operate in multiple locations with relative ease. While there have been some additions, these frameworks have remained largely the same for nearly 50 years. With that in consideration, examining how technological business developments have impacted traditional MOA frameworks has both theoretical and practical relevance.

For all companies, but particularly for companies that are highly reliant on technological solutions, the impact of technology on MOA frameworks should be assessed. Therefore, the purpose of this thesis is to determine if traditional market opportunity analysis frameworks should be updated to account for contemporary technological developments and, if so, how. This research is based on a single-case study using a market research and analytics agency attempting to expand in new markets using a new technological solution. Semi-structured interviews were conducted with MOA practitioners and a professor of business research, marketing, and entrepreneurship. This study found that while academic methods and principles may still generally work well, they could benefit from minor restructuring and the more explicit incorporation of technological development within MOA frameworks. While technology is a major factor that should be incorporated, the complex environment that businesses operate in results in multiple areas for future research that would benefit those in academia as well as practitioners.

Key words: Market Opportunity Analysis, Market Potential, Market Screening, Technology

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List of Abbreviations

AI	Artificial Intelligence
CETA	Comprehensive Economic and Trade Agreement
CSF	Case Study Firm
EPI	English Proficiency Index
ESS	Error Sum of Squares
EEA	European Economic Area
EFTA	European Free Trade Association
EU	European Union
EUSKFTA	European Union-South Korea Free Trade Agreement
FMCG	Fast Moving Consumer Good
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IDI	Inclusive Development Index
IE	Industry Effectiveness
ICT	Information and Communications Technology
IT	Information Technology
IMF	International Monetary Fund
ITU	International Telecommunications Union
MF	Market Forecast
MO	Market Opportunity
MOA	Market Opportunity Analysis
MP	Market Potential
MMS	Maximum Market Share
NAFTA	North American Free Trade Agreement
OECD	Organization for Economic Co-operation and Development
OMOI	Overall Market Opportunity Index
PESTEL	Political Economic Social Technological Environmental Legal
RMS	Regional Free Trade Agreements
SF	Sales Forecast
SP	Sales Potential
SME	Small and Medium-sized Enterprises
SD	Standard Deviation
SWOT	Strengths Weaknesses Opportunities Threats
VUCA	Volatile Uncertain Complexity Ambiguity
WEF	World Economic Forum

1. Introduction

In an effort to become more successful, many businesses will attempt to expand, either by selling new products and services in an existing market or bringing existing products and services to new markets. While this is generally seen as a good ambition, careful planning is needed to ensure that the business expansion is a worthwhile effort. To determine how businesses should utilize their resources to reach their potential, they often use market opportunity analysis (MOA) tools to determine the size and demand of a specific market (Kuada, 2016). These MOA tools serve as a way for businesses to evaluate their potential in both new and existing markets.

1.1. Background

In the Uppsala internationalization process model, Johanson and Vahlen (1977) describe the typical internationalization process and identify that firms usually establish themselves in new markets by first selling via an agent, then establishing a sales subsidiary, and finally starting production in the new market. However, before this first step of internationalization, firms should assess the market opportunity (MO) to determine whether this first step of establishing a partnership with an agent to sell in the new market is a worthwhile exercise.

However, in the last 50 years, the world has changed in ways that are hard to believe. Particularly, technological advancements have changed everyone's daily lives. In 1975, computers were bulky, complicated, and expensive devices with limited functionality. For example, the IBM SCAMP was bulky, used primarily as a calculator for various financial and statistical analyses, and typically cost between \$9,000 and \$20,000 (Smithsonian Institute, n.d.). At the time, people thought that computers would improve vastly, and they were correct. In 1965, Gordon Moore accurately predicted that the number of transistors on a microchip would double every two years while the price was cut in half (Tardi, 2022). Fast-forwarding to today, cellphones can do the same tasks as these bulky devices of the past and more, fit in a pocket, and can be purchased for a fraction of the price of the early computers. Even more recently, there have been significant changes in the last 20 years. In 2000 only seven percent of the world was online, while today, that number is over fifty percent (Hillyer, 2020). Already it is clear that this has had an immense impact on business. These technological changes have allowed for the creation of born-global firms, companies created to address a global niche from inception (Tanev, 2012). However, it has also made many business

environments more volatile, uncertain, complex, and ambiguous (VUCA) and introduced wicked problems that cannot be solved by traditional problem-solving frameworks (Bennett and Lemoine, 2014; Camillus, 2008).

Even though technological capabilities have already enabled immense changes in how things are done, Brynjolfsson and McAfee (2014) suggest that society is entering the second machine age and expect further changes in how information is shared and consumed. They also claim that digitalization improves the physical world and will only become more critical in the coming years. This advancement and adoption of new technology has lowered the cost of interacting and transacting across the globe. Technology has provided businesses with access to much larger groups of potential customers and created new methods for reaching them (Manyika, Lund, Bughin, Woetzel, Stamenov, & Dhringra, 2016). This lower barrier to entry has led to many businesses launching globalized initiatives that would otherwise not be possible.

Due to the ease of access to new markets and a more connected and globalized world, many businesses find themselves needing to assess their potential in new markets. To do so, companies should utilize a combination of tools to evaluate, among other things, their industry, competitors, and demand before committing resources to an expansion. If a proper analysis is not conducted, businesses can devote resources to markets unnecessarily when there are good alternatives and fail in their market entry. To help guide businesses, tools with typical analysis elements have emerged, such as Woodruff's (1976) *A Systematic Approach to Market Opportunity Analysis*, which helps companies understand their customers and market and suggests several types of analysis to assess potential market opportunities.

1.2. Problem Discussion

Literature provides reason to believe that technological development will continue to drastically change the ways of doing business and require a shift in currently used methodologies. For example, Brynjolfsson and McAfee (2014) point out that machines had not been good at complex tasks but recently have begun doing things such as diagnosing disease, listening and understanding speech, and even empowering machines to move around warehouses with no guidance. Soltanifar, Hughes, and Göcke (2021) argue that new technological capabilities enable an entirely new manner of conducting business. Digitalization has enabled business model innovations and the

development of platform economies that previously could not exist. “Data, information and knowledge are the new factors of success that lead to new market opportunities and business models through their intelligent combination and networking with operational performance and service provision.” (Soltanifar, Hughes, and Göcke, 2021, p. vii). They state that implementing these aspects to support all levels of the organization will be a valuable resource to create and sustain a competitive advantage. Therefore, the presence or absence of these capabilities in a market or a firm can significantly impact market opportunity.

Due to the level of globalization in the last 50 years, enabled by technological advancements, MOA has arguably become a more common practice in the business context for evaluating new markets to potentially expand in. Some of these methods are relatively simple and easy to apply, such as the method of analogy which utilizes a firm’s performance in its home market and compares it to a similar level of performance in a new market to estimate its potential. While this can be an excellent first step, this kind of method lacks insights into the competition, differences in customer base, and industry trends that may impact the ability of a firm to enter a market. For this reason, more comprehensive methods have been formulated. Such as Woodruff’s (1976), *A Systematic Approach to Market Opportunity Analysis*, which proposed a three-level structure to specify the market opportunity and make accurate marketing decisions. However, even while firms’ capabilities and operating environments have changed significantly, existing frameworks have been the same for nearly 50 years. For example, Kuada (2016) proposed a framework with the same analysis elements as Woodruff (1976), primarily contributing details on more specific methods for particular analysis elements. Due to the significance of the technological advancements and social demographic changes in this time period, these frameworks may lack analysis components or frame them inaccurately and, therefore, produce incomplete strategies.

This creates a challenge for firms, as traditional MOA frameworks may be limited in their ability to account for these challenges simply because these developments are so recent. Moreover, Iansiti and Kakhani (2020) point out the substantial changes in the competitive environment that technological improvements bring. Their argument focuses on business model innovations driven by artificial intelligence (AI) that disrupt the competitive landscape and create challenges for existing firms. “Our AI turns big data into valuable insights. We develop efficient tools for this and make them accessible to people and companies.” (Deepsight, n.d.). These innovative AI-

driven firms are blurring the lines between industries and create additional competitive pressure through the threat of new entrants seeking to capture market share (Porter, 2008). This particular development influences market opportunity by enabling firms to swiftly pass the borders of specific sectors and implement industry-spanning solutions. Firms that understand the generalizability and platformization of their products and services can yield fast growth and create market opportunities. Therefore, firms ought to consider the impact of the changes in MOA frameworks. Further, Haigu and Wright (2020) argue that new technological capabilities enable a better understanding of consumer needs. This understanding stems from big data sets that modern technology can easily gather. Firms that can derive value from this data by conducting meaningful and purposeful analyses can use the data as a source of competitive advantage. Haigu and Wright's (2020) argument is relevant for MOAs because the presence of technical ability is, to an increasing extent, becoming a market opportunity determinant.

Another challenge that these developments present is enhanced because many frequently used methods are limited in their ability to determine market opportunity on their own accurately. If this was clear in the literature for the technique, it would be less problematic, but many of these methods do not clearly state their limitations. For example, as described in chapter 2.1.3 Key Supporting Principles, Gruber, MacMillan, and Thompson found that many new firms only conduct one MOA, even though there are benefits to running an MOA on multiple markets. Further, supporting analyses are required to make the models work and overcome their limitations.

1.3. Research Question and Purpose

As literature and professional and academic experts observe, one of the most pressing challenges firms face is the rapid technological development and the opportunities, threats, and challenges it creates for businesses. With these substantial changes and developments to the ways of doing business in mind, this thesis aims to contribute to theory by investigating the need for an updated MOA framework to reflect significant changes in technology and the impact of digitalization appropriately. Further, the thesis will examine the usability of the frameworks in a professional service industry context, as opposed to the business-to-consumer or commodity trade context where the frameworks in the literature were utilized. A case study with a professional service firm will serve as an illustrative and explorative case study. The explorative characteristic of this paper

will be enhanced with insights from business and academic professionals. Based on the case study findings and the expert insights, the report will assess the need to update and, if required, propose how to enhance existing frameworks.

Based on the problem described above and to fulfill the purpose of this thesis, one main research question was developed:

“Should traditional market opportunity analysis frameworks be updated to account for contemporary technological developments, and if so, how?”

The following chapters will review and synthesize relevant literature on MOA and engage with different stakeholders. The gained insights will then be applied in a case study to understand the usability of current frameworks in the updated business context reshaped by significant technological changes. The case study application will allow in-depth insight into the MOA process and enable the authors to argue about potential framework improvement opportunities. The goal of these steps is to fulfill the purpose of this thesis. Given that certain terms can have multiple definitions depending on their specific context, certain key terms have been defined for the context of this thesis in Appendix A.

2. Literature Review

The section will build on the previously identified information on challenges and offer a more in-depth understanding and context. Further, the literature review investigates the current MOA landscape to provide a comprehensive overview of the different frameworks available to those interested in conducting a MOA. The MOAs are assessed for suitability to tackle the contemporary challenges using specified criteria. The evaluation will serve as the base for synthesizing the preliminarily most suitable models to provide a new and comprehensive approach to MOA.

To find information on MOAs, the authors searched scholarly databases for current literature and frameworks used by academics as well as practitioners using keyword searches on terms such as but not limited to market opportunity analysis framework, market potential, market analysis, and market assessment. After finding an initial set of literature, the authors used a snowball method to search for additional sources and review them for relevance in the context of this thesis. Additionally, reputable industry journals were searched for topics on current trends that have the potential to impact business and highlight changes.

2.1. Market Opportunity Analysis Methods

MOA offers a systematic approach to an academically sound and practically-oriented feasibility analysis. Thereby, it enables usage by scholars, as well as marketers and consultants (Stevens, Sherwood, Dunn, & Loudon, 2012). Analyzing the market opportunity of products, brands, and companies is a common business practice, utilized prior to launching a new product or entering a new market to determine market potential. This way, businesses gain a deep understanding of market conditions and can make more accurate and informed decisions (Woodruff, 1976; Woodruff & Gardial, 1996).

The following section evaluates selected scientific MOA frameworks for their approach and ability to provide accurate results in the context of the challenges mentioned above. Various evaluation criteria have been established to ensure a consistent and objective evaluation of the literature and its value for the larger theoretical body and this study. These criteria address (1) objectivity, (2) structural certainty, (3) depth of analysis, (4) foresight, and (5) consideration of technological developments. The criteria were developed in a comparing and contrasting process that identified common themes, strengths, and drawbacks of the different literature. Consequently, these criteria

were applied to all literature to achieve consistency, comparability, and objectivity in the evaluation (Saunders, Lewis & Thornhill, 2019). With these criteria, objectivity relates to possible biases. Structural certainty will evaluate how clearly defined the process is. The depth of analysis assesses the depth of understanding obtained and variables considered. The foresight criterion relates to the model's ability to make assumptions about the market opportunity development. The consideration of technological developments refers to the explicit and detailed investigation of technological capabilities and the opportunities and threats it can create in particular markets or for specific products/services. As this evaluation aims to determine the ability of individual MOA methods, this will not be conducted on literature in chapter 2.1.3, Key Supporting Principles.

In order to synthesize the framework, an integrative review was conducted, and the selected literature was grouped by similarity of purpose, resulting in three clusters: Screening Methods; Comprehensive Methods; and Key Supporting Principles. Screening methods are sufficient for the initial screening when an organization first decides to conduct a market opportunity analysis. Comprehensive models comprise several supporting analyses that form a more well-rounded picture of market opportunity. Lastly, the key supporting principles are considerations that should be made in all types of methods.

2.1.1. Screening Methods

To begin a MOA, it might be beneficial to conduct an initial screening of potentially interesting markets. Papadopoulos and Denis (1988) and Waheeduzzaman (2008) provide various international market screening and selection methods. They argue that a screening process should precede the final, detailed assessment of the selected market and serve as a manner of identifying potentially interesting markets. Hence, the methods in this cluster can be a valuable first step in market opportunity analyses by reducing the number of markets to be analyzed and increasing cost-efficiency. Further, they outline two main strains of selection methods.

Market grouping methods attempt to group similar countries into clusters based on their overall political, economic, and social status. Then, the rationale is that the market cluster that fits closest to the home market will be the most attractive (Papadopoulos & Denis, 1988). Other research then suggests adding more micro-economic factors to the analysis, such as consumer attitudes and

lifestyles, to receive more in-depth findings than mere macro analysis can provide (Wind & Douglas, 1972). However, this moves beyond market selection and into demand analysis.

Waheeduzzaman (2008) presents the chain ratio method. It can be a straightforward process to determine the market opportunity of a company in a new market using market grouping. This method relies on readily available secondary data and has simple underlying calculations to make statements on the market opportunity. Generally, the model assumes that specific characteristics, e.g., market share and target group, are consistent among a cluster of countries. This implies that all countries of a cluster, grouped according to selected variables, have the same market conditions and market opportunities (Waheeduzzaman, 2008).

On the other hand, market estimation methods use a selection of variables to determine a preference ranking of different markets based on their estimated attractiveness. The variables vary across approaches but may include things such as societal affluence, market size, growth trends, and competition. This allows for a distinct focus on specifically required market characteristics. The analogy method, outlined below, is one example of this type of screening method (Papadopoulos & Denis, 1988).

Method of analogy is a somewhat typical method for estimating market opportunity. The underlying premise is that the level of economic development produces a demand for distinct offerings. Therefore, the model compares the economic development of countries or regions to determine the market potential. This method assumes that when the economic development levels are similar between the home and host markets, demand for the firm's product or service will be comparable as well (Waheeduzzaman, 2008).

Overall, market grouping and estimation methods for international market selection provide somewhat simple and cost-effective manners for screening markets and estimating market opportunities (Papadopoulos & Denis, 1988; Waheeduzzaman, 2008). However, they both have limitations that practitioners should be aware of. The variable selection may impact the estimates by introducing bias into the analysis, which reduces objectivity. The models assume that practitioners know how to select the appropriate variables for analysis, but in reality, bias is likely to impact the decision (Kahneman, 2011). The lack of structural certainty offered by the models

enhances this limitation. The methods can result in a subpar outcome if suboptimal evaluation variables are selected. Furthermore, depending on variable selection, the depth of analysis may be restricted. Social and economic factors do not necessarily reflect market potential and may disregard product-specific characteristics. This creates a substantial limitation by potentially misleading the firm to concentrate resources on a possibly inopportune set of markets. Regarding foresight and technological developments, one can argue that the methods implicitly note these two criteria by, e.g., equating economic development level with a particular technical development level or integrating economic trends. However, there is no explicit note of either of the criteria, leading to, unless clearly focused, narrow results concerning their ability to predict and address technology (Bartha, 2019; Corporate Finance Institute, n.d.; Gavetti & Rivkin, 2005; Waheeduzzaman, 2008). The models might be a suitable solution to provide a quick screening of a large number of markets for the sake of cost-efficiency. However, a more comprehensive MOA should follow to provide a solid foundation for a strategic decision making.

Sheng and Mullen (2011) also developed methods for market screening, similar to Papadopoulos and Denis (1988), but perhaps in a less limited manner that reduces the number of trade-offs that must be made. Their framework proposes a hybrid model for MOA that combines the overall market opportunity index (OMOI) with the gravity model to assess market potential more accurately on an industry-specific level (Sheng & Mullen, 2011).

The OMOI was first developed by Cavusgil (1997) to measure and rank the market potential of the largest economies from the perspective of a US-based company. The goal is to provide these firms guidance with their international expansion plans (Cavusgil, Kiyak, & Yeniyurt, 2004; Mullen and Sheng, 2007).

The gravity model of international trade was first developed by Isard (1954) as a metaphorical model based on Isaac Newton's law of gravity. The underlying assumption is that economic sizes and distance between two locations impact trade flows (similar to gravity, mass, and distance). This model is not set to predict flows accurately but instead provides a metric for gap analysis when compared to observed values. Thereby, it helps firms discover potentially underserved markets (Gould, 1994; Hutchinson, 2005).

Overall, the hybrid model developed by Sheng and Mullen (2011) adds understanding to market screening and selection methods by providing insights into various cultural and political variables that impact total exports. These variables may be relevant for internationally operating companies. Geographic distance and language differences with the host country negatively affect trade flows, making increasing geographic and linguistic distance a market opportunity reducing factor. Greater market size and economic intensity in the host market, and the presence of regional and free trade agreements (RTAs) with the host market, on the other hand, are enhancing trade flows and can, therefore, work as market opportunity increasing. Cultural distance and foreign direct investment (FDI) have mixed effects, where cultural proximity generally enhances market opportunity, and FDI generally reduces it by supplementing trade flows. See Appendix B for a detailed definition of the variables in this framework.

While providing these relevant additions to the theoretical body, the framework also has drawbacks. The model was developed using data from physical product industries based in the USA (Fast Moving Consumer Goods (FMCG), automotive, industrial goods and machines, clothing, and more). Therefore, without additional case studies, its validity may be limited to these sectors in the USA. The international trade with professional services and intangible products, such as consultancy, IT services, and software, is not investigated in their research. The lack of these investigations limits generalizability, especially since Sheng and Mullen (2011) add that different types of products are affected differently by the gravity model. For example, linguistic distance to the host country affects consumer goods export more negatively than industrial goods export. Nonetheless, Sheng and Mullen (2011) provide some guidance for using their work in a different context. Their findings of market opportunity enhancing and reducing factors are likely transferable between markets with similar development status as the USA.

Moreover, the framework seems suitable for extensive political and economic matters, as it allows the user to rank different markets' attractiveness. This can be useful when developing foreign trade policies and agreements or conducting initial screening of potentially relevant markets on an aggregate industry-specific level. In the context of this literature review, Sheng and Mullen's (2011) approach is seen as relatively objective by employing widely accepted academic methods, models, and considerations. It also provides some structural certainty and can, thus, be used with surety by practitioners. Concerning the depth of analysis, the model does not consider other

influential factors, such as competition, addressed in more practitioner-oriented frameworks like Woodruff's (1976) or Kuada's (2016) framework (see chapter 2.1.2 for a review of the two models). By adding a trend analysis that, among others, investigates technology trends, the Sheng and Mullen (2011) framework can provide some foresight, also about technology. Without this added trend analysis, the model is limited in those two aspects. Overall, the model can be valuable in screening potentially interesting markets and identifying gaps between market potential and market penetration. Further, the framework can contribute to market opportunity analyses by adding a cultural factor to the equation that remains unaddressed in other frameworks, such as cultural distance. For example, Bremmer (2014) found evidence that locals will try to block out foreign firms, thereby negatively impacting market opportunity.

See Table 1 for an overview of these methods and their strengths and weaknesses.

Table 1 Overview of Screening Methods

Name	Description	Main Strength	Main Weakness
Chain Ratio	Determines market opportunity using market grouping, assuming market characteristics are consistent among a cluster of countries.	This method is a straightforward process that relies on secondary data, making it easy for businesses to carry out.	This method can be prone to bias and allows for many user modifications, impacting the depth and objectivity of this model.
Method of Analogy	Compares economic development in a new market to the home market, using the difference in economic development as the potential difference in market opportunity.	This method incorporates economic differences between markets, allowing for a more detailed comparison.	This method can be prone to bias and allows for many user modifications, impacting the depth and objectivity of this model.
Sheng and Mullen (2011) Hybrid Model for Export Market Opportunity Analysis	Combines the market opportunity index with the gravity model to assess market opportunity at an industry-specific level.	This method incorporates cultural and political variables to account for differences between markets.	This model has limited testing outside the context of physical product industries in the United States, drawing questions of applicability in other contexts without further testing.

2.1.2. Comprehensive Methods

While the methods described in 2.1.1 are suitable screening methods, many other factors need to be considered when conducting a detailed MOA. This is where more comprehensive frameworks

come into play. The frameworks discussed in this section more closely evaluate demand, industry factors, and the business environment. Many of these frameworks include similar elements, but they all have their contributions, as discussed below.

The Woodruff (1976) MOA framework provides a three-level structure to specify the market opportunity and make accurate marketing decisions. The first level consists of economic analyses assessing market conditions, particularly segmentation, demand, channel, industry, and competitor analysis (Woodruff, 1976).

Outputs from these analyses provide qualitative and quantitative data about the so-called determinants of market opportunity in level two of the framework: market size, marketing program requirements, and competitor performance. Each of the five investigations of step one will provide input for two or three of the determinants. According to Woodruff (1976), market size can be understood by combining information from the segmentation, demand, industry, and competitor analysis. Marketing program requirements can be determined by considering all five analyses, and competitor performance can be ascertained by combining the channel, industry, and competitor analysis findings. In addition to these types of analysis, Golicic, McCarthy, and Mentzer (2003) recommend starting the MOA process with a macroenvironmental analysis that includes forces outside of the firms' control that can impact market opportunity, with examples such as economic, technological, social, political, and regulatory factors. Using the determinants, the researcher can conduct four calculations (see Appendix C for a detailed explanation of the calculations) to ultimately develop a one-year sales forecast for the company, product, or service investigated. To make the analysis more accurate and less prone to limitations, Day (1981) recommends using both top-down and bottom-up thinking that combines managerial aspects with a more market-oriented view. Furthermore, Woodruff (1976) argues that the demand forecasts must be complemented with a qualitative understanding to ensure optimal market penetration and future growth. Essential, among others, are customers' needs, demographic profiles, satisfaction with currently offered products and services, and non-demographic characteristics, e.g., lifestyle (Woodruff, 1976).

This quantitative and qualitative information will allow the user to make the critical marketing decisions of level three. Together, qualitative and quantitative data allow managers to select the target market and determine the required corporate resources to achieve market targets. Further,

the qualitative learnings about the market enable users to make critical decisions about the design of the marketing program directed toward the market target (Woodruff, 1976).

Kuada (2016) takes a systematic approach to MOA that resembles Woodruff (1976), although providing more detail on the execution of the analyses and data sources. To help facilitate accuracy, Kuada (2016) seeks to guide the data collection process by providing examples of sources of market information, such as industry and global sources and customers, users, and influencers. This general outline is followed by in-depth explanations of the underlying aspects of each of the analyses, such as rationales, methods, and assessment variables.

Overall, the MOA framework established by Woodruff (1976) provides structural certainty for an inductive process evaluating and comparing different markets. Additionally, it incorporates various critical variables to enable a more holistic view of market opportunity and how to realize it. By doing so, the framework offers a solid foundation for any strategic decision regarding expansion with a significant depth of both qualitative and quantitative analysis. The supplemental MOA instructions offered by Kuada (2016) provide more in-depth explanations and guidance on executing the study and assessing variables.

However, these frameworks also have shortcomings that should be considered. Firstly, it can be argued that they are prone to bias from the individual researcher. Confirmation and anchoring bias, for example, can easily enter the calculation and data collection process and thereby substantially change the analysis outcomes (Kahneman, 2011). Furthermore, the framework can produce varying results by fostering tacit knowledge (Schilling, 2017). Not all underlying assumptions about causality and others are clearly explained, and both frameworks' definitions of appropriate methodologies for conducting the analyses are somewhat limited. This level of subjectivity can create differing understandings and evaluations of variables and impact the reliability of the study. Moreover, Woodruff (1976) describes and exemplifies the process of conducting an MOA in a business-to-consumer context and does not explicitly describe if or how this framework could be used when operating in a business-to-business context. However, Kuada (2016) includes the companies as buyers when describing market size, making the framework more usable in a business-to-business context. Additionally, Weber (1977) adds to Woodruff's (1976) market potential concept by defining industrial market potential as the unit of sales potential that arises

from a function of the total number of customers and the average number of occasions that these customers buy the products over a defined period of time, usually one year. By looking through this lens, it explains that the market potential metrics are likely applicable in the business-to-business context. Lastly, due to the age of the framework, Woodruff (1976) is limited in addressing the relevance of modern technological developments on market potential. While Kuada (2016) provides a much more recent update to MOA frameworks, it relies on dated sources which may indicate there is still a need to make updates incorporating modern insights. One might argue that developments in business processes are implicitly accounted for by affecting the outcomes of each of the analyses. However, the explicit note of their potential impact could help firms better understand their operating environment, e.g., competition, trends, and industry developments, which has blurred the lines between industries making segmentation analysis more difficult. As a current mega trend, digitalization, with its potential to reshape, create, and make entire industries obsolete, might be a particularly compelling topic for modern businesses (Snabe, 2015; Soltanifar, Hughes & Göcke, 2021)

Also, in support of conducting a more robust MOA, Saunders (1980) describes cluster analysis as an exploratory method that scores elements on several dimensions and then groups them according to their similarities. This grouping is beneficial when conducting a segmentation analysis. It is considered a helpful method because it provides a middle ground between the two extreme perspectives that either everything is unique and inviolable or that the population is entirely homogeneous (Saunders, 1980). Once combined into clusters, the distance between the clusters is measured to create a hierarchical clustering sequence. The distance between the mean position and the original position of the elements is referred to as the Error Sum of Squares (ESS).

Saunders (1980) notes that it is common to select the number of clusters based on when further combining clusters results in a significant increase in the ESS. However, Saunders (1980) notes that this method is often unsatisfactory, as there is frequently an absence of a noticeable increase. From a managerial standpoint in a marketing context, it would be most beneficial to analyze several levels of the clustering hierarchy and select the most appropriate level for the specific context. With the level of detail Saunders (1980) provides, the method has a high level of structural certainty, with limited risk of straying from the intended use. Additionally, if appropriately

conducted, this method results in varying levels of analysis that can be tailored to the specific depth needed and an individual instance.

Even with the benefits of Saunders' (1980) cluster analysis, some limitations need to be considered before selecting this method. For example, because the technique requires selection based on similarity, there is a high level of subjectivity involved, potentially leading to differing results if the analysis were to be carried out by different individuals. Additionally, while it may not necessarily impact the analysis, this method does not explicitly consider technological developments, which could mean the impact of these developments may not be given full consideration. This approach also does not provide great foresight beyond the immediate usage of the analysis' results. This analysis would need to be updated frequently as the environment changes to ensure accurate decision-making. Saunders (1980) also identified that while the method is generally flexible, difficulties have been created by a lack of additional research on the success of these methods in a practical context; a consistent challenge when journals are not encouraging applied studies and instead are promoting more theoretical studies.

Stevens et al. (2012) approaches MOA from a more practice-oriented perspective and incorporate it as a part of a feasibility study, which they argue is the ultimate purpose of every MOA. They propose a three-level analysis that allows for identifying opportunities, financial evaluation, and matching appropriate internal resources. The process starts with screening external factors: the PESTEL environment, demand structure, and competitive forces. This investigation is followed by a financial analysis that estimates costs, revenue, and initial and ongoing investments. This data enables the practitioners to understand the required monetary commitments and the returns that can be expected. The third step is an internal analysis. It examines the opportunity's match with company purpose, business objectives, and available resources. Based on the identified fit and the findings of previous steps, the firm can rank opportunities and make relevant decisions about the next steps.

Overall, Stevens et al. (2012) adds to the review by confirming the suitability of commonly observed aspects of market opportunity and simultaneously proposing a stage-gate-oriented and practically applicable framework. Further, it adds financial elements to the equation and adds entirely new thinking to market opportunity theory by suggesting an internal analysis. Also, a

benefit of this model, it particularly addresses the social, cultural, and technological environment, which helps account for digitalization in businesses. This method also provides a sufficient level of structural certainty; however, some level of individual interpretation is still required. While the types of analysis are suggested, the methodology for those analyses is up to the user, potentially leading to different results. Relatedly, objectivity in this model is only as good as the supporting data. Due to the room for interpretation available to the user, there is a level of bias that can be introduced in the process, reducing objectivity (Kahneman, 2011). However, if this method is used correctly, it can both be objective and provide a deep level of analysis that incorporates internal, environmental, and financial factors.

See Table 2 for an overview of these methods and their strengths and weaknesses.

Table 2 Overview of Comprehensive Methods

Name	Description	Main Strength	Main Weakness
Woodruff's (1976) A Systematic Approach to Market Opportunity Analyses	A three-level structure consisting of several types of analysis and calculations is used to specify market opportunity.	This method incorporates qualitative and quantitative analysis of the determinants of market opportunity.	While it mentions the types of analyses to be conducted, there are limited details about carrying out the analyses, lowering the structural certainty, and potentially allowing users to impact the results.
Kuada's (2016) A Framework for Market Opportunity Analysis	A model that resembles Woodruff's (1976) model but with more detail on the execution of the analysis.	The additional practical details on the analysis increase the structural certainty compared to Woodruff's (1976) model.	Because of the incorporated qualitative analyses, there is a level of bias that can impact the results.
Saunders' (1980) Cluster Analysis for Market Segmentation	An exploratory cluster analysis method that groups and ranks elements according to similarity.	Allows for analysis on multiple levels of clustering, which can give decision-makers different insights in various scenarios.	The level of subjectivity allows users to incorporate their own biases.
Stevens et als (2012) Market Opportunity Analysis	A three-level model that incorporates external, financial, and internal analysis	This model adds a financial element and an internal analysis, giving the model more practical applicability.	There are suggestions for the type of analyses to be conducted, but the specific methodology is up to the user, leading to differing levels of success.

2.1.3. Key Supporting Principles

In this section, overarching and supporting principles are reviewed. These principles describe general learnings rather than MOA approaches. These learnings are relevant to any researcher, regardless of the chosen screening or comprehensive method. The defined principles may help the user improve the overall quality of the MOA by providing additional insights into the structure or reducing bias.

Day (1981) argues that all aspects of the market, including barriers, constantly change. Hence, an MOA provides a picture of the current market situation and possibly some more or less accurate outlook depending on the depth of trend analysis. Strategists need to be aware of changes and trends and conduct recurring investigations to stay up-to-date on market developments and the materialization of opportunities. With this, Day (1981) brings technology as an important factor for market opportunity into play.

Gruber, MacMillan, and Thompson (2008) set out to review the impact of firms' initial market choice. Their study found that new technology firms are responsible for high levels of innovation and wealth creation but that new firms also tend to conduct only one MOA. Gruber, MacMillan, and Thompson (2008) found that while there is a diminishing return on investment in running more than one MOA, firms that do conduct more than one MOA tend to be more successful than those firms that consider only one market. While this study does not provide contributions on how to conduct an MOA, it is essential to note that assessing multiple markets is a key success factor for firms entering new markets. Often firms operate based on limited data due to resource constraints, but there is no replacement for a thorough MOA. By analyzing multiple markets, a firm can be much more confident that their market entry choice is the best decision for them at that time.

Torres and Kunc (2016) provide a compelling study about the importance of the awareness of available corporate strategic resources and capabilities to identify market opportunities. Similar to Day (1981) and Stevens et al. (2012), Torres and Kunc (2016) argue that strategic resources can determine market opportunity by offering insights into feasibility. Further, they present a case study showing that even though two firms have nearly the same resources at their disposal, their differing awareness led them to identify and pursue different opportunities. From an objective standpoint, the opportunities would have been available to both organizations and not only one of

them. By providing this case, Torres and Kunc (2016) make a point for using holistic data and a multi-perspective approach to MOA and the feasibility of identified opportunities. Multiple perspectives are essential to reduce bias and lead to more wholesome market opportunity identification.

Rahman, Akbar, Trotter, Thompson, Timilsina, and Bhattarai (2020) developed a three-dimensional conceptual framework for MOA applicable to the sesame industry in Northern Australia. In line with Day (1981), the framework sees resource availability, global and domestic demand and supply, market share analysis, and trends as integral to MOA. Rahman et al. (2020) acknowledge that other factors might also be influential but, according to them, only to a neglectable extent. This constitutes an essential contribution to the theoretical understanding of the determinants of market opportunity.

Moreover, the article provides valuable insights into sector- and country-specific market size assessment and general trend analysis. Rahman et al. (2020) present a selection of market size assessment tools: analogy method (see chapter 2.1.1 for review), trade audits, chain ratio method (see chapter 2.1.1 for review), and cross-sectional regression analysis. Trade audits and cross-sectional regression analysis can provide accurate data on market sizes. Trade audit data offers precise records for the trade with commodities and industrial goods, but not for the service industry. As proposed by Rahman et al. (2020), cross-sectional regression analysis is unsuitable for the business-to-business context since it relies on population data and not on company data.

To estimate market size development, hence, market opportunity to come, Rahman et al. (2020) suggest trend analysis. This analysis is relevant to the research because it reveals industry trajectories, demand developments, and future growth opportunities. Thereby, it can prepare a firm to achieve sustainable success. This type of analysis is commonly found in MOA frameworks.

Overall, Rahman et al. (2020) are relevant for the thesis. They provide valuable review and confirmation of methodologies and, thereby, contribute to the successful synthesis of an MOA framework for the context of this study.

2.2. Synthesizing MOA Frameworks

While various authors modified existing frameworks for case studies, many seem to lack certain elements. Then again, others include these elements but, in turn, trade them off for other aspects. Therefore, based on insights from the previous sections on the literature's strengths, weaknesses, and limitations, a holistic MOA framework was synthesized to create an approach with fewer limitations and higher structural certainty and accuracy. The conceptual framework of the synthesized MOA method can be found in Figure 1. This framework was used in a case study to assess its merits and, since it is based on existing models, investigate the need to update current MOAs (see chapters 3.3.1 and 4.2 for details).

Firstly, the method of analogy offers a straightforward and cost-efficient manner of screening many markets simultaneously. Thereby, it provides a superficial overview of the market landscape. This approach was chosen for preliminary screening as it will allow the user to substantially reduce the number of markets to evaluate in later phases by adding a preselection variable. In turn, this improves cost and time efficiency. Further, the model is suitable as an initial step because considering economic development levels can provide a valuable preliminary understanding of basic market conditions (Waheeduzzaman, 2008). This step must be understood as a pre-screening step when facing a large number of potential markets, but the findings must be substantiated in the next step.

In phase two, the markets selected in the previous step should be assessed in more detail using Sheng and Mullen's (2011) framework. This hybrid model allows the firm to evaluate market potential more holistically by considering the geographic, cultural, and linguistic distance to the market, as well as the market size and economic intensity. Further, it addresses FDI and RTAs, as described in chapter 2.1.1. The hybrid model assessment will enable a more comprehensive understanding of the selected markets and the influential economic and cultural factors. Additionally, the model combines relevant, reliable, validity-tested, and recent academic theories. It provides more structural certainty and knowledge about correlations than other models. Ultimately, this second market screening produces a final selection and ranking of potentially opportune markets. The top markets then enter the next phase of in-depth market opportunity analysis.

In the third phase, the firm should apply a modified version of the framework proposed by Woodruff (1976) and Kuada (2016) to the most promising markets of the previous step. Woodruff (1976) and Kuada (2016) provide, according to current academic standards, a comprehensive, detailed, and holistic approach to MOA that, when enhanced by overarching MOA principles, can capture an accurate qualitative and quantitative picture of the market. To begin, the company should conduct a macroenvironmental analysis to determine outside forces that can impact the firm's ability to enter, operate, and succeed in this particular market. Next, the firm should perform an industry analysis. After becoming familiar with the industry, direct competitors and their offerings are analyzed. Knowing the industry and direct competitor offerings, the firm can run a demand analysis to determine its current, latent, and incipient demand. Afterward, segmentation analysis defines different customer segments based on clustering approaches. Knowing customers and demand, the user can conduct a channel analysis to examine ways to reach particular customers. After completing these analyses, using formulas from Woodruff (1976), the firm can determine its market potential, market forecast, sales potential, and sales forecast.

With the third step, the researcher completed the MOA and obtained a detailed qualitative and quantitative understanding of the market. This understanding will provide valuable insight into the market and guide strategic decisions about entering the market and the best approach to doing so.

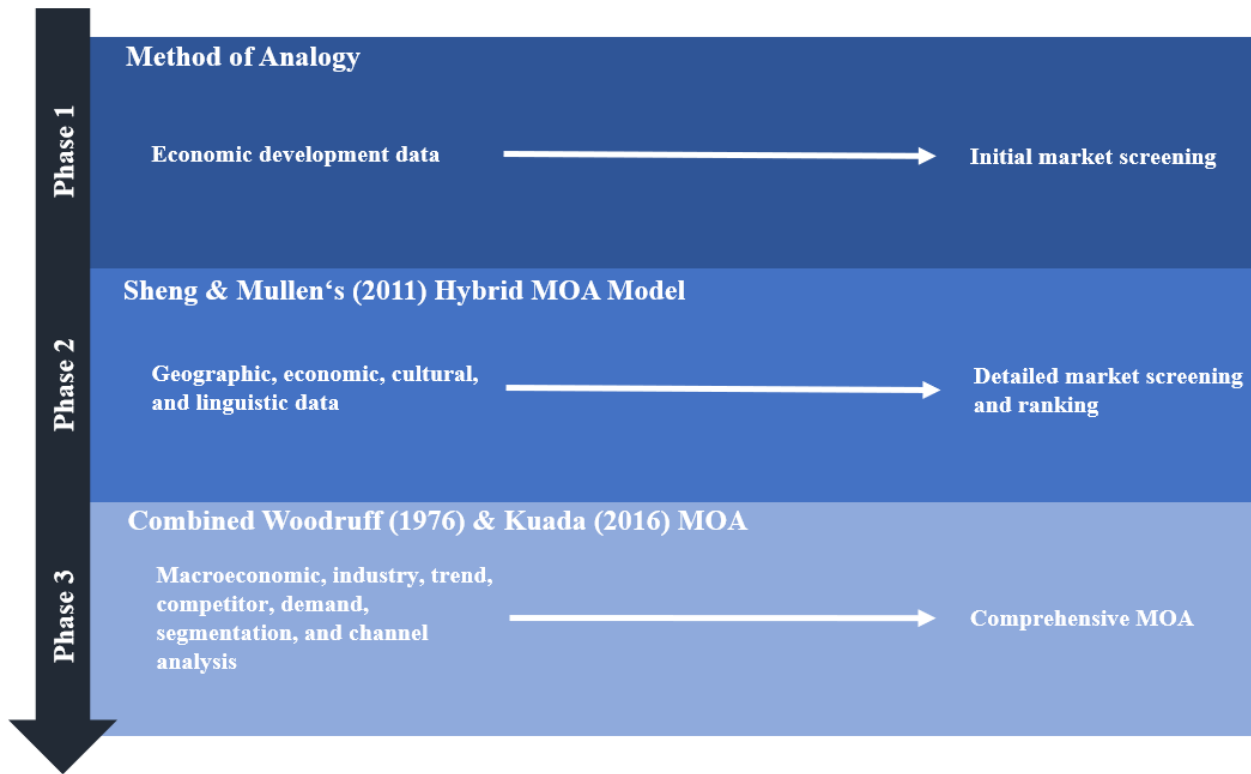


Figure 1 Conceptual Framework of the Synthesized MOA

3. Methodology

The methodology chapter outlines the chosen research design. Firstly, it describes the reasoning behind the selected research design. Then, it explains how the data was collected along with the process for applying the synthesized framework and analyzing the collected data. Further, this section considers the validity and reliability of the research methods. Finally, the chapter addresses the ethical implications of the research.

3.1. General Research Design

This study followed a qualitative inductive action research approach, a systematic process of examining evidence, to enable the combination of diverse data and gain up-to-date knowledge about MOAs and current business challenges from various relevant perspectives. The action research followed a straightforward design that applied the framework derived from the literature review in chapter 2.2. While this action research method results in less generalizable information than other methods, it was selected for this instance as it offers practical insights which can be beneficial in the context of a case study (Klein, 2021). An inductive approach was chosen to give the authors the ability to build theory based on empirical data, as opposed to testing a hypothesis, as described by Bell, Bryman, and Harley (2019). Additionally, Creswell and Creswell (2018) identified that conducting a case study as a mode of inquiry when following a qualitative approach can be beneficial. A more exploratory, qualitative method was considered an appropriate choice for the purposes of this research due to the nature of the issue researched in the thesis, which is difficult to measure and has not been robustly researched in a similar manner (Creswell & Creswell, 2018).

For the purposes of this thesis, the authors used a single case study to investigate the potential impact of technological developments on MOA frameworks. This approach offered relevant practical primary data examined through a theoretical lens. While a more robust multiple case study involving multiple firms would allow for more findings that are more generalizable (Mills, Durepos, & Wiebe, 2012), they also require a larger time and resource commitment (Yin, 2018). For these reasons, a single case study was considered a suitable method for this research. To enhance and triangulate the findings of the single case study, the authors engaged in semi-

structured discussions with industry professionals and academics to elicit views and opinions from the participants (Creswell & Creswell, 2018).

3.2. Types of Data and Data Sources

To support the previously mentioned triangulation, both primary and secondary data were used to fulfill this study's purpose and investigate the need to update MOAs thoroughly. Research literature was first and foremost collected from academic databases made available by Lund University. Additionally, relevant course literature addressed during the International Strategic Management master's program at Lund University provided insights and inspiration. An essential secondary data source was company-internal documents that offered knowledge about market conditions, consumers, entry strategies, and marketing and technology-related topics. These sources facilitated insights into general business challenges, trends, industry-specific knowledge, technological development, MOA frameworks, current academic practices, contextual knowledge relevant to the study, and an understanding of firms' practices and practical issues. Much of this knowledge was then used to synthesize a new MOA framework that is up to current academic standards and can address global changes, developments, and challenges.

The study also produced primary data from empirical research and six interviews with industry and academic experts. For the purposes of this study and to maintain objectivity, the interviewees were anonymized and given pseudonyms, which are described in Table 3 below. The semi-structured interviews, which followed an interview guide described in Appendix E, lasted between thirty-three and sixty minutes. A semi-structured method was chosen to identify key topics that the authors wanted to address while providing flexibility to follow the specific context of the individual interviews (Bell, Bryman, and Harley, 2019). Experts were sought out using a purposeful sampling approach according to a set of criteria (Saunders, Lewis & Thornhill, 2019). One of the criteria for audience selection was a minimum of four years of professional experience, preferably more, to ensure that participants are sufficiently knowledgeable and can contribute practical experience. Further, in the screening process, the authors were actively seeking individuals that have been exposed to MOA. Another criterion was the ease of access to the interviewee to ensure that the discussion could be organized and conducted promptly and within the thesis' time limitations. Further, an agency or academic background was desirable because the

knowledge adds value to the talks. This constellation of individuals was recruited exclusively from personal and company networks using formal communication channels, such as LinkedIn or email. See Appendix D for an example of initial communications with interviewees.

Table 3 Interviewee Overview

Organization Details	Pseudonym	Interviewee Location	Interviewee Position	Years of Experience	Interview Date
Market Research and Analytics Firm	Adam	Netherlands	Global Strategy Director	15+	14 April 2022
Market Research and Analytics Firm	Brad	Germany	Managing Partner Germany	15+	14 April 2022
Market Research and Analytics Firm	Charlie	Netherlands	Chief Executive Officer	15+	15 April 2022
Market Research and Analytics Firm	David	United Kingdom	Research Manager	4-6	15 April 2022
Market Research and Analytics Firm	Eric	United Kingdom	Research Manager	4-6	26 April 2022
University and Consultancy	Frank	Netherlands	Researcher and Professor of Marketing and Entrepreneurship	15+	26 April 2022

To gain insight into how current frameworks are viewed in academia in light of business model innovation and digitalization, the authors conducted one interview with an expert in academia. To understand perspectives in the industry, the authors interviewed five individuals that work with marketing, specifically on MOA and related topics for market research firms. The interviews provided a valuable understanding of the suitability of academic MOA methods to deal with contemporary practical business challenges.

Another source of primary data was a case study. The synthesized MOA framework described in chapter 2.2 was applied in this case study. The case study formed a source of primary data by allowing the authors to use the approach in practice and make observations, evaluations, and critical reflections about the technique's suitability to deal with current business challenges. To practically apply the model, given the authors' resource constraints, some data were collected from organizational documents, interviews, and academic papers and databases.

In the described way, the data sources had various strengths by ensuring versatile, detailed, and holistic data accessible with relative ease, e.g., via interviews with connections, academic databases, and organizational documents, to fit within the timeframes available for the project. By conducting interviews with people from various geographic, cultural (e.g., Germany, Netherlands, Poland, UK), and occupational backgrounds (i.e., different agencies, academia), the impact of individual cultures on the study is reduced.

3.3. Process of Data Collection

The above-described constellation of data and data sources was collected in an approach aligned with the research design and the action research technique. The first step was the initial literature review and evaluation to create the synthesized MOA framework required for the research design and the case study. This data collection step comprised exclusively of secondary data retrieved from databases and company reports as described in the previous chapter. This process is essential to building the foundation for this study. Further, it provided in-depth insights into contextual factors relevant to the issue. As described in chapter 2, data were collected using keyword search followed by an evaluation of the literature using consistent criteria in line with MOA requirements and current challenges.

The next element of this thesis that required data collection was the case study. The case study comprised two screening steps followed by six analyses and the calculation steps described in chapter 2.2, Synthesizing MOA Frameworks. To perform these analyses, the authors used secondary data, as described before, and supplemented this data with primary data from the semi-structured interviews.

The following data collection step was the evaluation and critical reflection of the application of the synthesized MOA framework. As the synthesized framework was applied, the authors reflected on the steps taken and the value provided by the steps in the context of the challenges. This reflection was guided by the same evaluation criteria applied in the literature review: (1) objectivity, (2) structural certainty, (3) depth of analysis, (4) foresight, and (5) consideration of technological developments. This empirical data provided an understanding of the suitability of current methods in the complex new business context. Simultaneously, the reflection aimed to provide an understanding of how the current situation could potentially be improved. Hereby, the authors presented ideas for coping and discussed suitability to find appropriate approaches for improvement through deduction. This investigation and reflection served as a primary data source that provided an understanding of the suitability of existing methods in the context of contemporary business challenges and practical implications. By conducting a case study utilizing the synthesized framework described in chapter 2.2, the authors collected relevant data for possible recommendations for future design and use of the framework.

Furthermore, semi-structured interviews were used to collect primary data on academic and professional MOA practices. The purpose of the interviews was to enhance findings through triangulation and a combination of primary and secondary data in all research steps. The semi-structured method was chosen to ensure the conversations followed a guide for consistency and comparability while leaving room to elicit opinions from the interviewees. The script was shared with the interviewees beforehand to enable preparation for a deeper and more detailed discussion to optimize the value of the talks. Certain sections were redacted to avoid leading, biasing, or anchoring the respondents when sharing the questions. A copy of the internal script, which was used by the authors to guide the conversations, and the external script, which was sent to the interviewees prior to the conversation, can be found in Appendix E. The questions addressed the interviewees' background, trends in the industry, and modifications to practices and MOA in

general in light of changes and challenges described by the interviewee. Furthermore, the semi-structured interviews provided the freedom to ask detailed questions about the impact of different professional and cultural backgrounds (Creswell & Creswell, 2018). The authors interviewed experts from academia and industry to support a well-rounded approach that addressed concerns both in academia and industry. This approach was considered advantageous by enabling an understanding of MOA for professional services companies, as well as an up-to-date insight into current research practices and existing research gaps. The interviews were conducted via video conference to ease access to a broader set of experts from different and distant locations, leading to more extensive data breadth. The discussions were documented using consensual recordings and note-taking. Due to existing connections with the interviewees, the conversations had a friendly and interactive atmosphere. Further, due to the explorative nature of this research, the impact of hidden motives and relationships is minimal. Since the study explores the domain, all answers are valuable; there is no right or wrong.

3.3.1. Operationalization of the synthesized MOA framework in the case study

The case study followed the conceptual framework introduced in Figure 1, starting with the method of analogy. The most recent 2018 Inclusive Development Index (IDI) of the World Economic Forum (WEF) was used to create the analogy. The IDI is a suitable metric as it accurately reflects the economic development level and is measured independently. The IDI is a weighted average score of twelve underlying variables, with higher scores representing more advanced economies (World Economic Forum, 2018). This data can then be used to compare markets and provide a preliminary insight into markets that should be included in further steps. Indexing helped create meaningful comparisons between markets. Similar development levels will give a rough indication of which markets might be easier to enter as specific economic prerequisites are met. A selection of 15 top markets, meaning the highest Indexed IDI scores, works well since the following steps will further rank and analyze selected markets. Depending on the range of scores observed, the cut-off point is set dynamically to ensure that 15 markets remain in the selection. This logic provided an optimal sample size for analysis in the subsequent phases, considering resource and time limitations. Countries with a value above 100 have more potential than the home market (Waheeduzzaman, 2008).

To apply the Sheng and Mullen (2011) hybrid model, users must collect data about market characteristics and use statistics to create a ranking. For the purpose of this study, this quantitative approach to the model was replaced with a qualitative technique due to time and resource constraints and to increase practical usability. While potentially reducing accuracy, this adjustment was valid, as this screening step is followed by an in-depth, comprehensive MOA method to overcome limitations.

The first variable was geographic distance, which negatively correlates to market opportunity. With increasing distance, market opportunity will decrease (Sheng & Mullen, 2011). Therefore, the market opportunity-reducing effect of geographical distance will increase with distance. The impact of geographic distance was measured and classified using a qualitative approach oriented on Sheng and Mullen (2011) and Frankel (1997). In this instance, the distance between the host and home market and the qualitative consideration of continental location played a determining role (Frankel, 1997; Sheng & Mullen, 2011). Google Maps was utilized to provide information on the distance between capitals and the continental location through keyword search. For same-continent countries in relative proximity, the impact was seen as small. A medium effect was attributed in same-continent countries with somewhat further distance, and space to countries outside the continent was evaluated as having a large impact.

The market size has a market opportunity-increasing effect, meaning the larger the market, the larger the opportunity. Market size was measured using the urban population of the host market as the metric, forming a simplified approach to Sheng and Mullen (2011). Nonetheless, the metric accurately represents the market size, as more than 80% of global GDP is generated in urban areas (World Bank, 2020). Therefore, urban population is chosen as a metric over total population because total population has the risk of overstating market size in countries with a relatively larger rural population. World Bank data provided easy access to this metric. Market size and resulting opportunity were evaluated as larger or smaller, considering the home market's urban population as the base. A variance of more than 50% was evaluated as much smaller or, respectively, much larger.

In line with Sheng & Mullen (2011), GDP per capita was selected as a metric to determine economic intensity. Higher GDP per capita has a market opportunity-enhancing effect (Sheng &

Mullen, 2011). World Bank data provided access to this metric, measured in 2020. Market size and resulting opportunity were evaluated as larger or smaller, considering the home market's GDP per capita as the base. A variance of more than 20% was seen as much smaller or much larger.

Cultural distance slightly reduces market opportunity, meaning increasing distance reduces opportunity. The cultural distance was determined using the weighted average of the difference of the six Hofstede (1980) cultural dimensions between home and host country according to Yeganeh (2011). This approach is superior to the method suggested by Sheng and Mullen (2011), who use Kogut and Singh's (1988) Cultural Distance Index, as it adds an academically-tested weight to the dimensions. Thereby, it can more accurately predict the impact of specific cultural dimensions on actual cultural distance. Data was obtained from Hofstede Insights. After calculating the cultural distance, it was classified on a 4-point scale from very low to medium-low to medium-high to very high. A low value means many cultural similarities. The data set's mean (M) and standard deviation (SD) were used to establish this rating. Values were classified as low when lower than $M-SD$, medium-low when between $M-SD$ and M , medium-high between M and $M+SD$, and very high when higher than $M+SD$.

Next, language distance was investigated. It has a market opportunity reducing effect with increasing language distance. The proficiency of the markets' language in the other markets was seen as a measurement. Higher incidence equates to lower distance (Dow & Karunaratna, 2006; Sheng & Mullen, 2011). In the case of business communications, the incidence of English was used as a measure as English is the most commonly spoken language in a business-to-business context (Dziubaniuk, Barner-Rasmussen, Kaporcic, Ivanova-Gongne, & Markovic, 2021; Sava, 2022a). Data on the incidence was obtained from the EF English Proficiency Index (EPI). The EPI was also used as a scale for evaluation.

Higher outward FDI from the home market slightly reduces market opportunity. It is measured as net outward FDI as a percentage of the GDP (Sheng & Mullen, 2011), using the GDP reported by The World Bank. Due to the lack of country-specific data, an equal effect for all countries was attributed.

Finally, the market opportunity enhancing variable, presence of RTAs, was investigated. A simple qualitative assessment of the RTA strength was conducted, and based on that, the strength of the effect determined. Keyword search provided data on RTAs.

The collection, combination, and comparison of the described data allowed the authors to make a sufficiently valid educated estimation about market opportunity enhancing and reducing factors in the selected markets. Based on this, a qualitative ranking with the top markets was created and moved to the next phase.

In the third phase of the conceptual framework, an adapted approach guided by Woodruff (1976) and Kuada (2016) was applied. Official government information channels and various academic and popular databases were used to collect data. First, a macroeconomic analysis was conducted using a PESTEL analysis that also employs some foresight. For the following industry analysis, Kuada (2016) suggests utilizing Porter's Five Forces (Porter, 1985). In addition, to understand the industry trajectory, trends were considered following Day's (1981) suggestions. This analysis mainly relied on primary data from interviews, company internal documents, and industry data from scientific databases. The next step is to conduct a competitor analysis using SWOT to understand the competitive position of direct competition, as suggested by Woodruff (1976). In the fourth step, demand for the studied service was determined. With this, a differentiation between the current, latent, and incipient demand was made. These three types of demand were researched following Kuada's (2016) approach. A combination of primary and secondary data about market conditions, customers, and trends was used. To increase the specificity of the aggregate demand analysis, a segmentation based on clustering approaches followed. In a deductive process, this step determined particularly interesting customer segments according to *a priori* selected characteristics, such as size, sector, international operations, digitalization capabilities, and existing relationships aligned with Kuada's (2016) suggestions. Friedman and Furey's (1999) approach guided the following channel analysis. They suggest identifying customer buying behaviors and motivations and tailoring sales channels accordingly, with company resources in mind. Therefore, primary and secondary data were used to understand customer needs and case company capabilities to ultimately find the most beneficial marketing channel option.

Finally, after the six analyses of the third phase are conducted, the market potential, market forecast, sales potential, and sales forecast were calculated following Woodruff's (1976) approach. Due to a lack of available and reliable data on the number of firms buying shopper research, their purchase probability, and significant differences in pricing of services, the market potential, and market forecast calculation has been reversed. Instead, potential and forecast were determined using available quantitative and qualitative data on current market revenues and industry effectiveness levels. This reversal was valid, as it used available accurate data of later calculations to trace back starting variables and, thereby, omit the missing data. Mayer, Melitz, and Ottaviano (2014) suggest using market revenue as a proxy for market size. As Woodruff (1976) indicated, sales potential and forecast were calculated using qualitative and quantitative data from the analyses and the previous calculations.

3.4. Data Analysis

To make use of the collected data, the authors carried out analyses on the collected primary and secondary data as well as the information obtained in the case study to provide meaning in the broader context of MOA frameworks. In order to organize and analyze textual data, the authors transcribed the interviews and manually coded that information, along with other collected data, according to themes as described by King (2004). For the purpose of this study, the initial themes that were identified were: industry changes, trends, and developments; MOA best practices; and commonly experienced challenges in applying MOA.

As mentioned in chapter 3.3, the authors utilized the same criteria to reflect upon the synthesized framework used to evaluate the literature. The authors used the reflections of applying the synthesized framework to suggest whether the synthesized framework was beneficial, detrimental, or if there are additional elements that would have been beneficial to add compared to the components included in traditional MOA frameworks. The authors considered deviations between the approach proposed in the synthesized framework and the steps taken in the case study. If utilized elements of the synthesized framework are not accounted for in the frameworks identified in the literature review, that confirms a need to update existing MOA frameworks. Simultaneously, if aspects of the synthesized framework do not add value to the MOA, this could indicate a possibility for framework simplification.

Moreover, a template approach utilized themes identified in the literature review. King (2004) suggested starting with a few pre-defined themes, determined at the beginning of this chapter, to help guide the analysis and revise this template while through the data. As new themes, topics, or trends became apparent, they were added to the template moving forward. While this method can potentially result in templates that are too shallow to allow for interpretation or too complex to be manageable, this method was chosen due to the ability to modify for this specific case study as well as the fact that it creates a well-structured approach that produces a clear description for the study (King, 2004). Further, due to the study's design with two authors and a supervisor, a cross-checking approach between authors and consultation with the supervisor ensured that the analysis remained focused and relevant (Creswell & Creswell, 2018).

3.5. Validity and Reliability

As described by Creswell and Creswell (2018), validity is one of the strengths of qualitative research, as it differentiates whether findings are valid from a variety of perspectives. During the research process, validity was ensured by taking an objective stance and promoting triangulation by engaging diverse stakeholders from professional and academic perspectives (Creswell & Creswell, 2018).

One of the validity-reducing factors that could affect the interpretations of the study's findings was the authors' biases, values, and personal backgrounds. The authors attempted to reduce the impact from the beginning by reflecting upon themselves and identifying their biases. The rationale is that awareness may reduce the influence by understanding the root of the point of view (Creswell & Creswell, 2018). Generally, both authors have similar sociodemographic backgrounds, including age, international business education, consultancy or agency work experience, intercultural experience, and social background. These similarities can frame the authors' interpretations through common information and shared values and beliefs. However, the overall impact is believed to have been reduced to an acceptable level by taking measures described in the following paragraphs.

The authors actively incorporated six strategies recommended by Creswell and Creswell (2018) to enhance the authors' ability to assess the accuracy of the findings. The authors included data from different sources, perspectives, and methods to increase triangulation and further promote the

quality of the findings. Moreover, the authors used detailed descriptions to describe a holistic picture of the findings. With the permission of the interviewees, all interviews were recorded, transcribed, and cross-checked to ensure consistency in the data collection and interpretation process. Additionally, the relevant portions of the work were sent to the appropriate interviewees to ensure that the authors' interpretation of the interviews was correct.

Ensuring content validity, items measuring the content in an intended manner, was a focus during the data collection process to ensure that the collected data was accurate and utilized in a reasonable way given the level of accuracy. External validity threats arise when experimenters draw incorrect inferences from the sample data to other persons or settings as well as past or future situations (Creswell & Creswell, 2018). By incorporating the strategies above, the authors minimized the possibility of drawing incorrect inferences from the collected data, thereby reducing the threat to external validity. The authors also carefully avoided generalizing the information beyond the context where it would be applicable. However, the case study selection was done to be as representative as possible.

While there are some limitations to this study, such as being a single case study, the authors believe that there is sufficient reliability in the collected data and that the results are applicable at least within the industry in similar types of organizations. Because of this limitation, the authors did not attempt to extrapolate results into other sectors. In order to do this, the synthesized framework would need to be tested in additional contexts, inspiring future research.

3.6. Ethical Implications

As ethical issues are important in all types of research, including qualitative studies, at all stages of research, the authors considered and addressed ethics throughout the process. One of the authors worked with the case study organization; however, the case study work and work for the organization were kept separate throughout the study. The case study was conducted in a market where the organization currently is not active from a local office. Additionally, the authors obtained informed consent from all interviewees and were given the option of whether they would like to participate in the study. The interviewees were also informed of their ability to withdraw their consent at any point throughout the study. To make interviewees more comfortable and maintain objectivity of the data, the authors anonymized the interview data. As the authors

partnered with another organization, they allowed the relevant participants to review the final report to ensure that there was no disclosure of any sensitive organizational information.

4. Results

In the following chapter, the findings of the study are presented. This includes insights obtained during the case study, as well as the themes identified during the expert interviews. The chapter begins by reviewing the interviews, identifying common and contradicting themes, and interpreting their meaning in the larger context of this study. Afterward, the section describes relevant information for the case study before moving on and applying the synthesized MOA to the specific case selected for this paper. Based on this application, reflexive evaluations add experience from a practical perspective to the study. Finally, the chapter relates the findings from the interview, the case study, and the literature to discuss the merits and shortcomings of the synthesized framework and propose improvement solutions.

4.1. Interviews

The interviews with various professionals and academic experts provided insights into MOA best practices and practitioners' approaches to their most pressing challenges. Multiple themes were identified and will be outlined.

4.1.1. Industry Changes, Trends, and Developments

There were several primary categories of comments in the interviews regarding trends and developments in the market research industry. Many of the comments related to technological developments, organizational changes, and changes in consumer behavior. With that said, the most common topic to be brought up was the impact of technological developments in the field of market research, being mentioned by Adam, Brad, Charlie, David, Eric, and Frank.

4.1.1.1. Technological Developments

Regarding technological changes, interviewees identified several different areas of change they have experienced recently. For example, Adam identified the shift towards automating tasks, which has increased the speed with which they can complete work, even stating: “I think technology is really a driving kind of force of change in our industry” (interview, 14 April 2022), which is in line with Brynjolfsson and McAfee’s (2014) argument that digitalization will become more important. Another significant change in the market research industry is increased access to the internet globally, which Adam stated has vastly decreased the cost of consumer surveys

(interview, 14 April 2022). In addition, David noted that internet access and technology advancements had been significant factors impacting the industry and changing how market research is conducted (interview, 15 April 2022), such as “making [surveys] much easier, and you are able to target a lot more people” and “newer market research agencies are using AI technology in their market research to target people” (David, interview, 15 April 2022). According to Adam and David, this digitalization has enabled them to utilize dynamic online survey tools that can adjust to individual respondents’ answers and reduce costs (interview, 14 April 2022; interview, 15 April 2022). “It also facilitates more engaging surveys, leading to better data quality (David, interview, 15 April 2022). Beyond data collection, Brad and Charlie stated that technology has played an essential role in analyzing data and has allowed organizations to focus more on quality (interview, 14 April 2022; interview, 15 April 2022).

In addition to changes in external operations, technology has also had an impact internally. This increase in digitalization, according to Frank, “leads to multiplications of platforms through which we access information and the amount of information shared, which is certainly impacting the way that business decisions are executed” (interview, 26 April 2022). In addition to technological capabilities enabling a new manner of conducting business (Soltanifar, Hughes & Göcke, 2021), Eric attributed some of this internal shift to the COVID-19 pandemic, stating that “human behavior is a lot more online, and I do not see that going back now...everything is good online, so people are going to keep doing that” (interview, 26 April 2022). Nonetheless, Adam said that “it is a transition from pen and paper to online research, so it is not that there is a fundamentally different way of doing research” (interview, 14 April 2022). The authors believed this was an interesting opinion from the interviewee, particularly since several interviewees, including Adam, stated that technology is a driving force in the industry. This seems to mean that, while technology does significantly impact society, Adam does not believe that it has affected the psychological theories on which the market research methodologies are based.

4.1.1.2. Consumer Trends

In addition to technology, several interviewees mentioned changes in consumer behavior. Eric identified that “in the last couple of years things have changed and consumers are buying for quality now. Rather than buying something cheap, you might as well buy something good.”

(interview, 26 April 2022). Additionally, Charlie mentioned using quality as a differentiation strategy when entering a new market, showing that the business can provide better quality service rather than being a cheaper alternative (interview, 15 April 2022). The authors found it interesting that this trend of quality over price exists both in the business-to-consumer and business-to-business context. Brad also mentioned that, likely due to the COVID-19 pandemic, the number of purchase days has significantly decreased, but the purchase volume has increased (interview, 14 April 2022). In other words, people are buying more things at a time, but they are shopping less often. Brad also noted changes in the market research clients' demands. For example, there previously was a big focus on shopper profiles (interview, 14 April 2022), which are descriptions of the shoppers' demographics, interests, and purchasing behaviors (Hodge & Brophy, 2021). Now, according to Brad, there is considerable interest in why people are buying the things they are, which changes the information that market researchers are collecting (interview, 14 April 2022). With that said, Brad added that "purchase intent is quite a weak key performance indicator in ad hoc research because the overstatement, in my experience, is two to three times too high" (interview 14 April 2022). While it is not necessarily a recent change, Brad also mentioned a change in industry dynamics. In the 1990s, the manufacturers were the ones that were driving the market research industry (interview, 14 April 2022). Now the main driver in the industry has shifted, and the retailers are the ones that are leading and analyzing market potential on their end (interview, 14 April 2022).

4.1.1.3. Organizational Changes

Adam, Charlie, David, Eric, and Frank also mentioned organizational changes. Specifically, David said, "I think that COVID is the biggest catalyst to all change" and that more flexible working and the ability to work from home are some of the most significant changes (interview, 15 April 2022). Eric believes this kind of change toward online work will continue as the technologies continue to improve (interview, 26 April 2022). The authors noted this as an interesting area to consider as time goes on in the post-COVID-19 era and whether businesses revert to former practices. While there have been changes in how things are done, Adam and Charlie both emphasized the same thought as David when he was talking about technological changes: The industry is relatively stable in the sense that the end goals of their efforts have remained the same, even though the method has changed (interview, 14 April 2022; interview, 15 April 2022; interview 15 April 2022).

Besides these changes, Frank believes that ethics are being considered more intentionally now than before. “We should have been doing this for years...the issue now is ethics and transparency of the supply chain” (Frank, interview, 26 April 2022). While this point is reflected in company documents such as firms’ shareholder statements, in this case, it seemed to be of greater focus within academia. For instance, Adam, Brad, Charlie, David, and Eric, all practitioners, did not bring up ethics and transparency in their interviews. While it is possible practitioners would bring this up in a different context, this seems to exemplify a difference in focus between academia and practitioners.

4.1.2. MOA Best Practices

There were various suggestions related to MOA best practices from a practical and theoretical perspective. In general, they can be broken down into several categories. One needs to commit to the idea that one wants to enter a new market, screen markets for their potential opportunity, and conduct a more thorough MOA that includes several other types of analyses.

4.1.2.1. Commitment to Expansion

One of the first things that Adam, Brad, Charlie, and Eric mentioned was the need to be committed to the idea of expanding in a new market. Charlie, for instance, has the ambition to grow his company and have a bigger impact in the market research industry. From past experiences, Charlie suggests that “you have to show commitment to a market and set things up very locally and from there build global” (interview, 15 April 2022), supporting the Uppsala model that suggests firms usually establish themselves slowly before starting production in a new market (Johanson and Vahlen, 1977). Beyond how the organization views its strategy of localization or globalization, Adam suggested that the organization needs to commit to growing commercially in a way supported by logic before an organization should jump into a new market. He stated that “if we are going to open up a new office, it is because we either have a set of important clients in that market or because we know that a lot of brands are headquartered there and can leverage network to start the office” (interview, 14 April 2022). Eric also mentioned the benefit of using personal contacts in the local market while expanding to increase knowledge of the market and leverage those connections to get off the ground (interview, 26 April 2022). While identifying that

commitment is essential, Eric mentioned the need to set expectations for market entry, such as when results are expected and what to do if the goals are not met (interview, 26 April 2022).

4.1.2.2. Market Screening

After committing to organizational expansion to a new market, the firm should screen the markets they consider entering. For instance, Adam and Charlie discussed that when screening prior to entering a new market, they knew that it would be more challenging to enter specific markets because of economic, language, and cultural barriers (interview, 14 April 2022; interview, 15 April 2022). For example, Adam said, “France, we know from experience, is a very difficult market to enter for a company that is not located in France because they have a different way of working...Spain is an interesting market, but we know that the language barrier there is something that you should not overlook” (interview, 14 April 2022). While Adam, Brad, and Charlie all mentioned the need to be aware of cultural barriers, Brad specifically said clustering can be used as a method for screening, even though market structures look different in each country (interview, 14 April 2022). For example, there are similarities among the Nordic countries, but cultural differences between them need to be addressed as well to have the best results (Charlie, interview, 15 April 2022). While this is a method supported by literature such as the method of analogy and Sheng and Mullen’s (2011) Hybrid MOA Model, the practitioners interviewed seemed to apply this step rather informally, with this kind of information appearing to be common knowledge within the industry.

4.1.2.3. Assessing Market Opportunity

After screening markets and deciding on a specific market to enter, interviewees suggested conducting a more thorough opportunity analysis, emphasizing various supporting analyses. Adam, Charlie, and Eric recommended conducting a demand analysis to get a better understanding of the big players in the market, the market size, and what sort of budget potential customers have for the organization’s particular type of goods or services (interview, 14 April 2022; interview, 15 April 2022; interview, 26 April 2022). While a thorough demand analysis can be challenging, David and Eric both mentioned that this information could be obtained through local supply agencies as well as by hiring experts for particular fields and leveraging their knowledge and

existing connections (interview, 15 April 2022; interview, 26 April 2022). One consistency among the interviewees is that market size is crucial when entering a new market.

Adam, Brad, Charlie, and Eric also recommended conducting a competitor analysis. Adam and Eric both suggested looking at competitor profiles and their offerings to determine if there are any gaps that the organizations' solution would fill (interview, 14 April 2022; interview, 26 April 2022). However, the organization's ability to provide a more efficient or higher-quality solution cannot be considered in a vacuum. Brad identified a need to view the competition from the perspective of the market conditions and barriers to entry, which can be done utilizing a framework such as a PESTEL analysis (interview, 14 April 2022). If there is a significant market size and barriers to entry can be overcome, there is reason to consider entering that market.

Lastly, Frank, who comes from academia, said that they believe businesses should incorporate impact into the evaluations of the success of their activities by doing things such as including the United Nation's Sustainable Development Goals into their operations. "If we focus on values, then we will, you know, get the numbers." (interview 26 April 2022). Frank acknowledged the difficulty in measuring impact but still believes it is something businesses should strive for and actually believes can help increase organizational effectiveness (interview, 26 April 2022). Frank stated that people often do not reach their goals because they are too focused on doing the task itself. If individuals were more focused on their impact, they would be more likely to take pride and put effort into their work (interview, 26 April 2022).

4.1.3. Commonly Experienced Challenges in Applying MOA

Just as there are things that interviewees thought would be beneficial, there were also several challenges that they identified. For one, Adam, Charlie, and Eric identified differences in what they would recommend and how MOA is done in practice (interview, 14 April 2022; interview, 15 April 2022). Although they are aware that there are specific steps they should be taking, Eric said that "you look at [a market], and if you think it could be worth it, you give it a shot. Generally, I think a lot of it is done by rule of thumb" (interview, 26 April 2022). Adam also pointed out a similar theme, saying that "sometimes decisions are based upon a solid foundation and balanced set of arguments... other times decisions are made to improve the company image as a global player and the foundation follows" (interview, 14 April 2022). While Adam made a good point that past

experiences can be beneficial in avoiding mistakes, it seems like this is more applicable advice for screening methods and may not be a sufficient alternative to comprehensive MOA methods. In addition to this point, Eric said that people need to account for changes in the market, whether that is incorporating new data sources or analysis techniques (interview, 26 April 2022). This seems to be an especially valuable tip, as businesses operate in an increasingly complex environment with wicked problems that cannot always be addressed by traditional problem-solving techniques (Camillus, 2008). These circumstances require companies to adjust their strategies to account for the complications of working in a VUCA environment (Bennett & Lemoine, 2014). With that said, Adam, Eric, and Frank all warned of using technology improperly (interview, 14 April 2022; interview, 26 April 2022; interview, 26 April 2022), as not everyone is good at using new technologies and methods due to the number of technological changes. Related to this issue, Adam, Charlie, and Eric mentioned that recruiting and maintaining a skilled workforce can be challenging, especially for smaller organizations. This is problematic when working on complex tasks that increasingly require a more skilled workforce to do things like integrating data from multiple sources and using sophisticated data analysis software (interview, 14 April 2022; interview, 15 April 2022; interview, 26 April 2022).

4.2. Case Study

This chapter addresses the findings from the case study. The practical application of the synthesized MOA was conducted to reflect on the suitability of current academic MOAs regarding technological development trends. After each of the synthesized MOA phases was completed, a reflexive evaluation took place, using the five established evaluation criteria: (1) objectivity, (2) structural certainty, (3) depth of analysis, (4) foresight, and (5) consideration of technological developments. These reflections, providing empirical data, are presented in this chapter after a brief description of the case study firm and its technology partner. The operationalization of the case study is presented in chapter 3.3.1. The detailed case study findings are presented in Appendices F, G, and H, aligned with the respective phase of the synthesized framework.

Theoretically speaking, any professional services firm with serious intentions to expand internationally with a technology-based product or service would suit the case study. Ultimately, the case study firm (CSF) was selected because it fulfills the required characteristics while

simultaneously being accessible to the authors with relative ease. This makes the firm an excellent case for this paper. Firstly, the CSF is a professional services company, meaning it operates in a business-to-business context. Secondly, the firm is currently seeking to expand its business, making this case up to date. This is essential as it contributes to the relevance of this case for investigating the research problem at hand and dealing with the complex challenges identified. Lastly, the firm is planning on making this expansion with a new technology-based product that relies heavily on the presence of technological capabilities in the host market. Therefore, it is up-to-speed with business trends rooted in technology and digitalization and can provide a deep understanding of an innovative technical product in an MOA.

4.2.1. Case Study Firm

The case study firm is a marketing research and analytics agency headquartered in the Netherlands. Currently, the company employs around 75 people in three offices in the Netherlands, Germany, and the UK. Its annual revenue is about €10 million (Charlie, personal communication, 24 January 2022). The agency conducts research for world-renowned companies and brands from various sectors, including ING, Unilever, Cloetta, Philips, and Domino's. It is one of the fastest-growing agencies in Europe and has realized organic growth of at least 30 percent annually for the last seven consecutive years. Their vision is to provide quality data that adds value to the clients, rooted in a passion for research (Charlie, interview, 19 January 2022).

Currently, the CSF centers its activities around three research domains: brand and communication, innovation, and shopper research. According to the management, the firm has robust products in the brand and communication and the innovation field but sees room to grow and improve the shopper research business. Therefore, CSF is seeking to expand its operations. Specifically, the firm is partnering with a Danish company (see chapter 4.2.2 for more detail) to track consumer shopping behavior across different grocery stores. The partner offers a solution that enables purchase monitoring at a lower operational cost than traditional data collection methods. The data collection method was already successfully piloted in Denmark. CSF wants to implement and develop this solution to significantly expand and strengthen its product portfolio in the shopper research domain. Moreover, it would be possible to enhance and enrich current products with shopper data. Overall, the solution would enable the firm to actively compete with traditional and

currently dominating competitors and offer more and better solutions to existing clients, thus delivering upon the vision (Charlie, interview, 19 January 2022).

4.2.2. Technology Partner of the Case Study Firm

The technology partner is a market research firm focusing on data-driven decision-making based on consumer purchase data. It is located in Copenhagen, Denmark, and currently operates exclusively in Denmark. It helps CSF collect consumer purchase data using an innovative app solution. The partner uses a passive app that validly and reliably collects shopper data by reading out consumers' electronic receipts for purchased products, quantities, and prices. The app creates value for consumers by offering a free, intuitive, and effortless overview of their purchase behavior. All users anonymized and aggregated data is analyzed and sold primarily to FMCG firms to help ensure their offerings address customer needs and to better track purchase trends and behavior.

4.2.3. Method of Analogy Reflection

The reflexive evaluation of applying the method of analogy exposed various strengths and drawbacks of this market selection method in an MOA.

Objectivity

The technique directs the process of obtaining reliable data and indexing it well—this improved objectivity by guiding the research to use independently and objectively compiled data of the WEF. Additionally, the indexing calculation can be described as objective as it uses clearly defined computations to determine the Indexed IDI scores. This is beneficial because it inhibits bias from entering the analysis early and makes the research thus far rather objective. This can be one of the strengths of more quantitative approaches (Creswell & Creswell, 2018; Saunders, Lewis & Thornhill, 2019)

Structural Certainty

Nonetheless, the indexes also produce a substantial bias in the next step of the analogy method. There is no guidance on the process of determining the cut-off value, the value below which markets are excluded from further analysis. The IDI is an average score that enhances the method's

ability to incorporate various perspectives. This is important, according to Torres and Kunc (2016). Nonetheless, it also means that the cut-off value should be selected rather loosely to avoid cutting off potentially interesting markets. Because it is an average, differences in the country's performance in different aspects of the IDI might be averaged out. This could lead to similar total scores, while market conditions are somewhat varied in reality. This is not necessarily a problem, but combined with a lack of structural certainty in determining the correct cut-off point, it can introduce bias and subjectivity to the analysis. For example, the cut-off point could result from intuition or the availability of company resources to conduct further research. A rule derived from literature to help cope with this issue may be that one should include as many markets in the analysis as possible and resources allow (Gruber, MacMillan, and Thompson, 2008).

Depth of Analysis

Regarding the depth of the analysis that the analogy method can provide, it can be argued that it is a relatively shallow analysis. Apart from serving as a pre-selection variable when facing many options, it adds little understanding of the ultimately selected markets. Though the IDI attempts to provide a score representing the country-wide development level, it only provides limited knowledge of the meaning of the individual scores in practical terms. For example, what is the real difference between a score of five and six? Answering this based on only the IDI score becomes even more complicated when considering that the IDI is an average score.

On the other hand, it is also not the scope of this method to provide deep market understanding but rather serve as a preselection variable in the synthesized framework. Therefore, it is reasonable to accept this lack of depth early in the analysis, especially since more detailed investigations follow.

Foresight

Concerning foresight, the current design limits the model's ability to make predictions and identify trends. Currently, it only takes a snapshot of the country's economic situation. This can be seen as a drawback, according to Day (1981). However, considering the synthesized framework as a whole with follow-up analyses, it may be acceptable to lack the implementation of trend data in the investigation.

Interestingly enough, the WEF also provides data on the development trend of the IDI over the past five years. This could be incorporated to facilitate some sort of foresight, assuming that the trend will continue. An example of how to incorporate it could be as follows. The current IDI is 5, and the trend score shows a growth rate of 5% over the past five years. Now, one could multiply the scores to receive the *future* IDI ($5 * 1.05 = 5.25$). To add foresight, the IDI and the *future* IDI could be averaged and then used in the indexing procedure. In this case, the used score would be 5.125 ($(5 + 5.25) / 2 = 5.125$). However, whether or not this proposed solution works would have to be tested academically.

Consideration of Technological Development

Finally, the consideration of technological developments can be argued as given to a limited extent. The analogy method assumes similarities among similarly developed countries (Waheeduzzaman, 2008). In this case, advanced economies were used for the analogy. Though the term lacks strictly defined classification criteria, the presence of modern technology is a common characteristic of advanced economies (Liberto, 2021). Therefore, it can be argued that in this particular case, a similarly high level of technological capabilities can be expected in the countries.

Nevertheless, none of the twelve underlying criteria of the IDI assess technological development, limiting the model's ability to evaluate technological developments (World Economic Forum, 2018). Different input data could mitigate the problem. For example, the World Bank provides more data on technology in a country. This could be incorporated, but would require more testing to confirm. Overall, in its current design and application in the case study, the method of analogy is fairly limited in its ability to consider technological developments and their impact on markets.

4.2.4. Sheng and Mullen (2011) Reflection

Objectivity

Some strengths and weaknesses were exposed when reflecting on Sheng and Mullen's (2011) application. In terms of objectivity, substituting the quantitative approach for a qualitative approach introduced subjectivity by adding a rater to the analysis (Saunders, Lewis & Thornhill, 2019). Creswell and Creswell (2018) suggest a cross-checking approach to overcome the validity

issues introduced with the rater. This would also help incorporate various perspectives, which can be seen as valuable according to Torres and Kunc (2016). This study had two authors who engaged in cross-checking as described in chapter 3.4, thereby retaining validity in the qualitative approach.

Nonetheless, suppose the user has previous knowledge, which can be expected from and was indicated by professionals such as those selected for interviews. In that case, the judgments are educated estimates based on existing knowledge and experience. In fact, the interviews showed that the more qualitative approach aligns with how many practitioners operate.

Structural Certainty

Further, the qualitative approach made the technique more usable since structural certainty in applying quantitative statistics is limited in Sheng and Mullen's (2011) paper. Increasing usability and including relevant literature described in the operationalization helped achieve additional structural confidence and is, therefore, beneficial.

Overall, the established qualitative methodology is mostly clear and easy to use, but evaluation criteria are somewhat arbitrary and depend on the country sample constellation and characteristics. The approach to establishing the ranking can also be seen as somewhat arbitrary, as it results from a qualitative assessment of the researcher, a rater. A cross-checking method should be used to ensure the reduction of this subjectivity to a reasonable extent and that the rating includes multiple perspectives (Torres & Kunc, 2016). This will help ensure the validity of the qualitative approach (Creswell & Creswell, 2018). Further, as mentioned above, a relatively experienced user, as can reasonably be expected from a practitioner in the position to make strategic decisions of this dimension, will likely be able to make appropriate decisions.

Depth of Analysis

Regarding the depth of analysis, the model provided a generally good understanding of some macroeconomic factors of the potential host country. Furthermore, though not explicitly done by the model, it offers additional insights by combining some of the variables. For example, market size (measured as urban population) and economic intensity (measured as GDP per capita) combined hint at the upper limit of revenues. However, it should be noted that this causation might

be more applicable in the context of commodities and consumer goods than in a professional services context. These suggestions should be investigated in future research.

Moreover, the Sheng and Mullen (2011) model is also robust regarding multi-perspective approaches. The technique actively investigates seven variables to view the market and investigate how its conditions enhance or reduce market opportunities. This can be seen as a strength, especially when considering learnings from Torres and Kunc (2016).

As a general limitation also mentioned by Sheng and Mullen (2011), the model does not consider product-specific characteristics that might affect the real market opportunity. Instead, it looks more at industry-specific characteristics and lacks the nuance to assess product-specific features. This limitation may be acceptable because a more detailed MOA follows, but specific circumstances might tilt the findings towards a market with better fitting characteristics that the model does not consider. Therefore, the results should be interpreted cautiously, and markets should not be excluded too strictly. Gruber, MacMillan, and Thompson (2008) also pointed out that it might be more beneficial to conduct one MOA too many instead of too little to ultimately increase returns. Based on the data available, the researcher is likely to have gained enough depth to make a good decision about the selected markets for the next phase. However, potentially bias can still flaw the decision.

Foresight

The model incorporates little explicit foresight, which is also not in its scope (Sheng & Mullen, 2011). Even so, it can be argued that many of the values used in the assessment are relatively stable and unlikely to change drastically in the short term (Chikán, Kovács, Matyusz, Sass & Vakhal, 2018). Hence, the findings stay somewhat accurate for the near future. One can argue that this provides at least some idea about macroeconomic development trends and, thus, offers foresight regarding these variables.

An option to enhance this effect might be an approach that aligns with the thinking about foresight presented in the method of analogy. A researcher could look at trend data about all the variables and create an average. This approach might produce more foresight but will likely not substantially

change the outcomes due to the variables' stability. Also, the trend inclusion method is not academically validated, which would be one requirement before usage.

Consideration of Technological Development

Lastly, reflecting on the approach's ability to address technological development, the economic intensity measured in GDP per capita is also a good predictor of technological development (Kanga, Oughton, Harris, & Murinde, 2022; Pew Research Center, 2014; Testik & Sarikulak, 2021). Therefore, using GDP per capita as a metric can help improve the model's ability to address technology.

However, this metric addresses the country's development as a whole and may lack the required specificity. For example, the case study firm needed highly developed technology and digitalization in supermarkets. In this scenario, if supermarkets were not highly developed, the advanced technology in the rest of the country would not matter for the product. Hence, even though the metric, and, thereby, the model, might indicate that country-wide development targets are met, specific characteristics must also be investigated to accurately reflect the country's attractiveness.

As a solution, firms that rely on a certain level of general technological development for their product or service can add additional weight to this variable in the qualitative assessment of the final ranking. Those with more specific requirements may combine the metric with other metrics. For instance, other metrics could be unrestricted internet access, smartphone usage, and public investment in digitalization. However, which specific variables work in what context should be investigated by further research. Alternatively, it may be interesting to conduct further research on the impact of technological development indexes on industry-specific market opportunities. For example, a quantitative study designed after Sheng and Mullen (2011) could determine whether the scores of the information and communications technology (ICT) Development Index of the International Telecommunication Union (ITU) affect market opportunity. Possibly, adding this variable could provide a valuable addition to the Sheng and Mullen (2011) framework, also considering Torres and Kunc's (2016) case for a multi-perspective approach.

4.2.5. Woodruff's (1976) and Kuada's (2016) MOA Reflection

The section reflects on the third phase of the synthesized framework. It combines the reflections of the six sub-analysis of the Woodruff (1976) and Kuada (2016) MOA.

Objectivity

Overall, this phase of the synthesized MOA achieves a relatively objective analysis. Though objectivity always depends on the data input and available information, the nature of most of the suggested analyses promotes objectivity. Especially the macroeconomic, demand, segmentation, and channel analysis rely substantially on objective statistics from reliable sources. The precise numerical data obtained from reliable sources present a clear rationale for decision-making. This reduced the possibility of introducing subjectivity or bias.

In turn, interpretations and assumptions of the research may introduce subjectivity and bias by overweighing the importance of specific information, for example (Kahneman, Lovallo & Sibony, 2011). Torres and Kunc (2016) suggested that this problem can be overcome by actively engaging in a triangulated approach. Further, the particular case of market research as a professional service makes the analysis somewhat more complex. The industry's small size and limited consumer touchpoints reduce material availability. Therefore, some parts, such as the industry and competitor analysis and the sales forecast calculation, relied more on empirical data from interviews. This data can be opinionated or have several biases, such as, among others, social desirability and information bias (Kahneman, 2011). Increasing the sample size, practically speaking to more professionals, can mitigate this risk, as individual nuances are balanced by more information (Creswell & Creswell, 2018).

Structural Certainty

Concerning structural certainty, the synthesized framework achieves healthy surety for the researcher. The suggested PESTEL, SWOT, and Porter's Five Forces analyses are widely-used academic tools. It can reasonably be expected that a user can run them.

Though less commonly used, the Friedman and Furey (1999) approach to channel analysis provides the user with a straightforward, logical, focused, and deductive approach that starts with

the customer and works its way from there to the sales channel. This makes the analysis usable for academics and practitioners. Further, this method minimizes unnecessary effort, like investigating irrelevant marketing modes.

After identifying aggregate demand in a logical process, customer types can be addressed using literature that finally provides one or more attractive segments. The clustering approach to segmentation is also clear, especially if clustering criteria are chosen *a priori* (Kuada, 2016; Saunders, Lewis & Thornhill, 2019). The step is still relatively straightforward if one decides to work with an *a posteriori/in vivo* clustering approach (Kuada, 2016). However, due to the explorative nature of the system, it will require the researcher to read a more extensive literature base to identify standard, relevant, and distinct themes. Also, It will lead to some unusable data about irrelevant channels (Saunders, Lewis & Thornhill, 2019).

The demand analysis has somewhat less structural certainty but can still be executed accurately with some caution. Kuada (2016) is transparent about the demand types but not how to analyze them. However, definitions of demand kinds give some guidance, so it is reasonable to expect somewhat accurate findings.

Finally, structural certainty is negatively impacted in the sales forecast calculation Woodruff (1976) suggested. Woodruff (1976) presents the case of a business-to-consumer context that does not easily translate to the business-to-business context of professional services. It might work in an industrial or commodity trade context, but this has to be confirmed by further research. Also, the aforementioned lack of industry data, especially in niches, makes the proposed calculations challenging. Mayer, Melitz, and Ottaviano (2014) provided relief options by substituting variables.

Depth of Analysis

Overall, the adapted Woodruff (1976) and Kuada (2016) MOA of the synthesized MOA framework achieves considerable depth. Generally, depth depends somewhat on time and resource availability to run the study, but, overall, the MOA provides a detailed analysis. After conducting the research, a holistic understanding of the macroeconomic situation and industry conditions is obtained. The competitive position of direct competitors will be clear, and the consideration of opportunities and threats allows the user to get insights into possible strategies of competitors.

Regarding demand, Kuada (2016) goes further than many other models and addresses three different types of demand relevant to a firm, especially those with innovative products or long-term plans. Thereby, the MOA achieves more depth than other models. Possibly, this step could be improved by incorporating particular academically-tested demand analysis models.

Moreover, through exclusion, the segmentation allowed an understanding of the most pertinent segment but, in this case, lacks insights into other segments. This is the result of the specific circumstance and requirements of the case and might present inspiration for further study to understand if this also happens in other contexts. Nevertheless, clustering approaches are well-tested in the literature to be considered reliable enough. Likely, an *a posteriori/in vivo* approach achieves more profound findings by deeply engaging with the data. However, an educated *a priori* method might be valid as well and more efficiently and quickly executable by practitioners (Saunders, Lewis & Thornhill, 2019).

Furthermore, due to the focused approach of Friedman and Furey (1999), the channel analysis achieves a surprising amount of depth and understanding of the relevant sales channels in the specific case. However, the channel analysis is limited in knowledge of other marketing modes, similar to the segmentation. According to the rationale of Friedman and Furey (1999), this is acceptable, as the only channels one will not have information about are those that are irrelevant to the target segment. Therefore, the knowledge about the other channels would not be helpful anyhow.

Finally, the sales forecast calculation synthesizes the previous understanding into clear and executable numbers. This makes the framework tangible and usable for practitioners by illustrating possible returns and allowing the objective consideration of whether or not the identified MO is large enough and provides enough growth potential to be pursued by the firm. According to Stevens et al. (2012), this is an essential aspect of any MOA as firms conduct them to understand market conditions and make strategic decisions based on the insights. The combination and calculation step also enhances the depth by further combining the findings and setting them into context with each other and product-specific circumstances.

One factor influencing the depth and accuracy of the MOA could be the increasing difficulty of clearly defining industries and their borders with the emergence of industry-spanning business model innovations, especially with the continually advancing technology available to firms (Iansiti & Kakhani, 2020). This clear definition is essential (Porter, 2008), and as such, researchers are well off to engage in qualitative interviews with industry participants and thought leaders to help cope with this. These discussions will allow for a better understanding of industry characteristics through an *in vivo* analysis mode (Saunders, Lewis & Thornhill, 2019).

Foresight

The synthesized MOA framework provides a substantial understanding of the market, commercial, and competitive development in terms of foresight. Some trend data was used for macroeconomics, and the variables can be considered stable enough to indicate the future (Chikán et al., 2018).

Porter (2008) puts up a clear disclaimer about the static nature of the findings of the Five Forces analysis, theoretically limiting the foresight of the results. This being said, the input data can significantly affect the model's ability to forecast developments. Especially the competitive rivalry assessment that relies to some extent on trend data about, among others, industry growth prospects and the added trend analysis, according to Day (1981) and Rahman et al. (2020), help improve this stated limitation and thereby achieve a good overview of the current situation and the most influential industry trends and trajectory.

Further, the SWOT provides a robust amount of foresight. It addresses versatile aspects of the firm. By logically combining the SWOTs, the user can understand the likely next moves of the firm, for example, exploit an opportunity, brace against threats, improve weaknesses, or pursue strengths. Often a SWOT will include some trend data, enhancing its foresight effect. It should not be seen as a pure foresight approach but as a good starting point for discussing current and future challenges (Nazarko, Ejdyś, Halicka, Magruk, Nazarko, and Skorek, 2017).

The demand analysis also incorporates a future focus by guiding the researcher to consider incipient future demand in the study (Kuada, 2016). The researcher must consult trend data and other relevant information about likely developments to be able to make grounded statements about possible future scenarios. This approach is also confirmed by Rahman et al. (2020), who

emphasized the need to incorporate trend data into the demand analysis to reveal demand developments and future growth opportunities. Therefore, foresight is inherent in demand analysis.

Even though the segmentation analysis is closely based on the previous step, which explicitly investigated aggregate incipient demand, it did not examine trends. One might argue that this is sufficient as trends were considered before, but, in reality, the demand of a specific segment may develop differently than the aggregate demand. Hence, the researcher should try to incorporate data into the analysis that allows for making predictions and forecasts about the demand development of the particular segment. Also, Rahman et al. (2020) argue for the importance of having sector-specific development insights. For example, this could be data about income distribution that shows that a specific segment will soon move up in the income scheme and can then purchase previously unaffordable products. In this scenario, it might impact demand for higher-priced goods. The described considerations could help overcome this limitation.

Finally, the foresight of the channel analysis depends on the data input. In this case study, trend data was used and could indicate that digital capabilities and the digital channel would increase in importance in the future. Therefore, also the channel analysis could achieve foresight. However, if one had only looked at current preferences, the conclusion might have been different regarding the need to expand the digital channel capabilities. Hence, this analysis might lack foresight without added trend data due to heavy reliance on past data. This shows, once again, how important it is to keep an eye on developments and moving parts, as already observed by Day (1981).

Consideration of technological developments

In the macroeconomic analysis, technological development is considered explicitly for the first time in the synthesized framework as a part of the T in PESTEL. This offers lots of relevant learnings about technology levels in the country. The analysis can be deeper or shallower according to preference, needs, and available resources. It will likely make sense to conduct more profound research if the investigated product or service is closely related to technology, as was the case with the selected firm. This suggestion is supported by Snabe (2015) and Soltanifar, Hughes, and Göcke (2021) due to the disruptive nature that technology and digitalization can have.

Porter's Five Forces address technology as well. It can affect some of the forces' strengths, e.g., increasing the bargaining power of suppliers if they have highly advanced and specialized technology. Therefore, researchers must assess at least some data about technology to make holistic judgments about the competitive forces. Further, considering the literature, any researcher would be well off to include technology in the analysis. As can be observed by empirical data, technology is likely to play a significant role in the future of any industry. Hence, Porter's Five Forces is a suitable measure to include some form of technological development consideration in the MOA. However, it has two limitations. As noted earlier, industry barriers are blurring, making the analysis more difficult. This effect might be enhanced with technology-heavy products or services. Investigating the impact and updating the Five Forces accordingly might be an interesting topic for future research. Further, it is difficult to account for disruptive innovation resulting from technology. This type of innovation can lead to a swiftly changing constellation of the Five Forces and, thus, the industry conditions. Day (1981) and Rahman et al. (2020) suggested that staying up to date might be a remedy for businesses but can never completely mitigate the risk.

In the SWOT, consideration of technological developments somewhat depends on the type of firm. Overall, the researcher is likely to include technical information in the SWOT. It can present a tremendous advantage or disadvantage for most sectors, but it does not have to (Barney, 1991). It is also relevant to understand technology as a strategic resource to gain a more holistic understanding of market opportunity sources and determinants (Torres & Kunc, 2016). Further, one phenomenon of technological advancement is digitalization. With its potential to reshape, create, and make entire industries obsolete, it might be a particularly compelling topic for modern businesses (Snabe, 2015; Soltanifar, Hughes & Göcke, 2021). In the case study, technological developments and capabilities were considered.

Similar conditions were observed in the demand and segmentation analysis, depending on the products or services sold. In this particular example, it was relevant because the product is technology-based and has specific requirements. Nonetheless, an explicit mention of the possible impact of technology in light of the proven trends might help guide the researcher. It also may help understand innovation potential. In the case of products or services disconnected from technology, e.g., clothing hangers, technology's impact on demand and segmentation may be less significant to investigate.

Finally, as Haigu and Wright (2020) state, technological development may significantly affect marketing capabilities. Hence, technological developments must be actively considered in the channel analysis. For example, one can argue that the growth of the online marketing channel is due to advancing technology and increasing availability. This is likely true for any product. In the case study example, technology was relevant because digitalization played a role in reaching customers, and trends showed that the channel is likely to increase in importance. The same is true for products disconnected from technology. Going back to the clothing hanger example, technological development is essential for channel arrangements, even for this simple product. The new capabilities might open up new channels, e.g., online retail.

4.3. Relating Empirical Data

Finally, after gathering empirical data from interviews and a case study, this section relates these findings to each other and the synthesized MOA framework. Following the phases of the conceptual framework described in chapter 2.2, the different stages, representing academic best practices, and their merits and drawbacks are addressed individually. Afterward, some overarching learnings derived from the combination of the empirical data are pointed out.

Method of analogy

Overall, the analogy method is a rather superficial analysis, adding little specific understanding of the actual market condition or technological development. Therefore, it may be a valuable tool for a researcher with no experience and knowledge about markets to function as a preselection variable when facing many potential markets. Generally, one should engage in market screening before conducting a comprehensive MOA. However, as identified in interviews with practitioners, an intuitive understanding and knowledge-based initial market assessment can provide a more meaningful selection variable and is, for many marketers, executable almost effortlessly. Particularly for those with experience in international companies that operate in the markets they are assessing. Nonetheless, if time and resources are available, the method of analogy may provide a relatively objective manner to kick off the process of conducting a holistic MOA. It can be a simple way to assess if organizations' understanding of particular market conditions is still correct, especially with an ever-changing and VUCA business environment.

Regarding the value of the method of analogy in the context of this paper's purpose, MOAs' up to dateness in terms of fast technological development, it may provide a helpful tool. However, as observed in the case study application, this depends on the input data. If the input data explicitly considers technology, it may provide a metric that addresses technology. Otherwise, the method is somewhat limited. Overall, the technique is rather superficial, minimizing its usability to determine the technological impact on MO, even if appropriate data is used. Hence, considering the substantial effect technological development has on businesses, as identified in literature and by experts, the analogy method is rather unsuitable to account for technological development in a holistic MOA.

Sheng and Mullen

While identified as phase two in the synthesized framework in this study, Sheng and Mullen's (2011) hybrid model for MOA can be conducted without the method of analogy beforehand. Instead, market screening can be based on the described initial qualitative experience-based assessment of markets, which many practitioners usually do, and then enhanced and substantiated using the qualitative considerations proposed in the synthesized framework. This seems to be a valuable approach for both practitioners and academics, as it adds a validity-tested base to the initial steps of the MOA. Thereby, it can contribute to more objectivity and accuracy without creating a significant practical burden for the researcher.

By shifting to a qualitative method for Sheng and Mullen (2011) as opposed to quantitative, this method becomes more accessible to everyday users and still provides meaningful information. However, it removes a clear numerical metric that might improve objectivity. This may not be a problem, especially for those with significant experience in MOA in their field of expertise. It might be somewhat more challenging but still doable for less experienced users. When using this analysis, the user needs to consider the reliability of the available input data. In general, physical products from publicly traded companies have more relevant data available than the utilization of professional services, particularly for private companies that do not have the same reporting requirements as publicly listed firms. This may mean that the analysis is more accessible, consistent, and reliable for some sectors or industries than it is for others.

Regarding technological development, the method itself does not explicitly address it. As established in chapter 4.2.4., GDP per capita may be a valid proxy variable for a country's technological development but is not entirely accurate in all instances. While generally, this is a reasonable estimation, this method would rate the Netherlands at higher technological development than Sweden (52,396 vs. 51,939 US dollars; World Bank, 2020). However, further research of the markets shows that Sweden has a higher level of technological adoption, coming in second among EU countries, with the Netherlands in fourth (Johnson, 2021). This illustrates that GDP is a helpful variable but needs to be more closely considered to get an accurate understanding of digitalization and technological adoption.

Woodruff (1976) and Kuada (2016)

Generally, Woodruff (1976) and Kuada (2016) provide a robust and holistic method for MOA, especially when enhanced with general principles described in the literature. Interestingly, even without identifying these particular frameworks, the interviewed practitioners expressed using a similar process when conducting MOA, albeit in a different order and with less emphasis on the structure provided by the framework. However, there is a gap in specifically acknowledging technological development and other digitalization trends. This is particularly troubling for firms affected by technology but not necessarily technology companies. For instance, the CSF is a professional services firm, but they are attempting to utilize a technology that is highly reliant on other technology. If they fail to account for this kind of information, the risk of entering a suboptimal market increases.

As identified in the literature and supported by interviews with practitioners, having local knowledge is essential, particularly regarding foresight and determining demand. This entails ensuring the solution is wanted and would work in a particular market and is not something that has already been considered but failed in that market. This local network can also help determine if a similar solution that previously failed could possibly work now and provide more contextual information about the local market. For example, if someone tried to implement a highly technological solution in Europe, the possibility of success would be significantly different ten years ago, when smartphone adoption was relatively low in comparison to today. Now, there is

much higher smartphone penetration and a significant number of other internet-connected devices (Statista Research Department, 2022b).

Overarching Takeaways

One general remark is based on the reflection on the foresight of the synthesized framework and literature. Day (1981) described two approaches to market analysis: top-down, which specifies markets in terms of competitive capabilities, and bottom-up, which emphasizes customer requirements. Conducting market analysis from both perspectives gives a more well-rounded result that balances those two perspectives. In the VUCA world, where there is no single best solution, Day's (1981) learnings are relevant to staying on top of market development to ultimately achieve a sustained competitive advantage (Barney, 1991). In this case, the authors identified the firm's capabilities but also utilized trend data which was critical in reaching a more triangulated result that should be more reliable than relying on either a top-down or bottom-up approach.

In literature, the main goal of MOA is to find the best possible market to enter. However, the interviewees identified that markets are not necessarily picked just with exploiting potential MO in mind. Charlie described how firms would sometimes enter markets to achieve other organizational goals, such as branding and awareness. While these new markets must also provide something for the organization, the internal long-term goals of the firm must be considered when conducting MOA. This also aligns with Stevens et al.'s (2012) more practice-oriented MOA model. However, they suggest considering these internal factors after the MOA, while Charlie described this process more as a starting point.

Adam, Brad, Charlie, David, and Eric did not mention working with a particular framework when conducting MOA. However, they did describe steps similar to the common practices identified in chapter 2.2, explaining how they identify opportunity through an analysis of the market, customer base, and competitors to determine if a market would be beneficial to enter. The primary difference between the interviewees and the frameworks is that they used a less structured and more qualitative method to identify opportunities.

5. Conclusions

Finally, this chapter presents the conclusions of this paper. Specifically, it summarizes the study approach and findings and develops theoretical and practical implications based on the results. With these implications, an updated methodology for MOA that considers technological development was created. Lastly, this section addresses the study's limitations and areas for future research.

5.1. Summary

This study set out to explore whether academically established market opportunity analysis frameworks should be updated to account for contemporary technological developments. This purpose arose from an initial literature screening that identified MOAs as a common activity in businesses seeking to expand their operations. It was also discovered that fast technological development fundamentally changed how companies conducted their processes and reshaped the competitive landscape. However, a preliminary screening of MOAs showed that the methods had not changed substantially over time. This lack of change gives reason to believe that there might be a need to update them to accurately account for the technological developments and their impact on the business domain. With this in mind, the thesis attempted to answer the research question: *“Should traditional market opportunity analysis frameworks be updated to account for contemporary technological developments, and if so, how?”*

To answer this question, the paper investigated literature about MOA models with the aim of identifying current academic MOA best practices. Three general themes were discovered. Firstly, some models do not aim to provide a profound understanding of market characteristics but instead attempt to give overviews of different markets' superficial conditions. This serves as a manner of screening for potentially interesting markets and comparing and ranking those markets. The selected method of analogy and the Sheng and Mullen (2011) model are such screening methods. Secondly, comprehensive models have been identified. These models can offer a more profound understanding of the market conditions in specific markets. However, they require more resources to execute and usually focus on one market. Therefore, while providing a more in-depth understanding of one market, they are less suitable for comparing many markets unless the analysis is conducted repeatedly for various markets. The selected Woodruff (1976) and the Kuada (2016)

models are examples of this type of comprehensive MOA framework. Thirdly, a larger body of literature relating to MOA was discovered. The distinction between this literature and the other literature is that these papers added relevant understanding to the mechanisms and causations of markets and overarching pertinent principles for a researcher to consider no matter what MOA method is chosen. By doing so, these principles help enhance the quality of MOAs. For example, Day (1981) provided relevant guidance by establishing the need to understand trends affecting current arrangements. Also, Barney (1991) and Torres and Kunc (2016) added to MOAs by instituting the need for the awareness of organizational strategic resources, as well as multi-perspective approaches. After gaining an understanding of the different approaches established in academia and the merits and limitations of the models using a criteria-guided evaluation approach, the synthesized MOA framework was created. This conceptual framework is meant to combine academic best practices for an MOA.

The synthesized MOA framework starts with applying the analogy method to a larger set of markets to function as an objective preselection variable and allow the user to reduce the number of markets to analyze. Now, the researcher should proceed with the Sheng and Mullen (2011) MOA model to gain a more detailed understanding of the selected markets and create a ranking. The ranking is relevant by leaving the researcher with a distinct set of top markets that move to the final step of the analysis and into a comprehensive MOA. Due to the resource intensity of a comprehensive MOA, it is helpful to make a pre-selection in order not to investigate markets unnecessarily that are uninteresting from the start out. In the third step, a blend of the Woodruff (1976) and the Kuada (2016) model is applied with adaptations incorporating the overarching principles obtained in the third body of literature.

With this understanding of MOA and the described problematization, empirical data was collected to answer the research question. A triangulated qualitative action research approach was used. This entailed multiple interviews with professionals and a case study. The interviews provided insights into the relevancy of the problematization, its impact, and the practical solutions employed in the field. The case study provided empirical data from the reflection on applying the synthesized MOA framework to a case, offering first-hand knowledge about how academic best practices can address described trends.

The most relevant findings of the interviews can be broken out into three different categories: industry developments, trends, and challenges; MOA best practices; and MOA challenges. Regarding industry developments, technology was a key factor according to the interviewees, with societal connectedness as a result of access to the internet being a key factor. This allows more real-time, specific, and accurate market information that would not be possible without the internet. Technological developments have also led to new methods and tools for collecting data and changing the speed of analysis. However, as identified in chapter 4.1, the interviewees did not believe that the underlying goals in their industry had changed, just the methods of carrying out their organizational missions. Interviewees identified that there are several key steps to conducting MOA. There needs to be an organizational commitment to expanding into a new market. There need to be goals to go to the market and provide value to the customers. After committing to the expansion, the next step is to screen markets to decide which would be the most beneficial for the organization to enter. The interviewees described running different types of analyses, such as demand, competitor, and PESTEL analyses. While there were recommendations for MOA, interviewees also identified challenges. As the use of technology increases, there is a need for recruiting and maintaining a highly-skilled workforce to take full advantage of technological capabilities. This can be difficult, especially for firms that cannot compete with the offerings of the big players in their respective markets. Additionally, technology can be a challenge if the organization does not know what to do with the increased amount of data that the technologies facilitate.

The case study confirmed the importance of technology development and showed how impactful it could be for MO. In the case study example, specific technological capabilities were a significant enabler for the studied product. Therefore, the consideration of technological development levels was an integral part of the MOA. This emphasized the importance of incorporating some form of technical analysis in the MOA. Another significant learning from the case study was that the business environment is by no means static, which is also described in various pieces of academic literature. In all regards, but also concerning technology, trends may reshape, create, or make obsolete entire industries and can, thereby, significantly affect the outcome of MOA and its future development. Overall, the case study showed that the synthesized MOA framework might work if it considers other overarching principles.

Therefore, the answer to the research question: “*Should traditional market opportunity analysis frameworks be updated to account for contemporary technological developments, and if so, how?*” is somewhat twofold. The findings confirmed to some extent that the described problematization is also a phenomenon affecting MOA, hence, warranting some form of an update to represent the problematized technological development better. In turn, the findings also confirmed that established academic methods and principles may still generally work well. The tools are there, but both interviews and the case study showed that rearranging and enhancing them will be beneficial to updating MOAs. With this, they can better incorporate the substantial impact that technological development can have on MO. Another significant learning is regarding the importance of trends. As a general principle, trend data should be included in most MOAs to ensure sufficient understanding of larger forces reshaping business.

5.2. Theoretical Implications

With these findings in mind, some overarching theoretical implications were identified. Though various literature argues for their methods being sufficient for firms conducting MOA, the results showed that a combination of multiple models works likely better than each of the models on their own. Each model has strengths and drawbacks, but a combination of them can leverage these differences and use them. For instance, the screening methods are likely too superficial for users to make critical strategic decisions. In turn, obtaining in-depth market information derived from a comprehensive MOA is time and resource-intensive and overall inefficient by producing a data overload. However, suppose the market could have been identified as potentially attractive using a screening method, followed by a guided comprehensive approach. In that case, the user obtains data about many markets simultaneously while retaining efficiency through the guidance process of the screening. With this, the user can be sure to have relevant information, while the knowledge that was not obtained can be seen as irrelevant at this point. This technique could present an opportunity to improve current MOA best practices. As such, from a purely theoretical point of view, any MOA should start with a screening method to provide a reasonably objective selection variable. This variable then allows focusing the following comprehensive MOA on relevant markets.

Moreover, the study also showed that trends might significantly impact MO for some organizations. This aligns with observations in literature and by practitioners. Hence, another theoretical implication is that models with the ambition to provide a thorough analysis should be updated to include metrics and analyses that allow them to understand the changing environment and consequences of the changes for the studied cases. This implication seems to be especially relevant in the described VUCA world with fast technological advancements that substantially affect businesses.

Furthermore, this study also makes a case for multi-perspective approaches. By evaluating different methods of MOA, the study could find a way to combine the techniques to profit from their respective merits. Simultaneously, the fact that the case study achieved a well-rounded view of the market implies the importance of multi-perspective approaches, as advocated by Barney (1991), Day (1981), Torres and Kunc (2016), and Stevens et al. (2012).

The findings also produced theoretical implications for the identified academic MOA best practice, depicted by the synthesized MOA framework. From a theoretical point of view, starting the MOA process with the method of analogy provides a relatively objective manner to start the analysis. It allows the user to simplify the market selection process through a superficial pre-selection variable. This is particularly valuable when facing a large number of markets for analysis. The drawback of shallow data can be overcome by combining it with a comprehensive model, as proposed in chapter 2.2. However, as explained, the researcher must select data and consider underlying assumptions with caution. The analogy method makes analogies between markets based on the assumption that similar characteristics mean similar development levels. This rationale may be correct when using indexes from reliable sources that preferably combine various different scores into one and, thereby, provide a more holistic representation of the actual state. Using limited or unrelated data may be misleading. Also, it might be helpful to select a variable or index for the analogy that already considers some of the market aspects relevant to the studied product or service. For example, a variable or index that combines economic and technical data might be more beneficial for the analogy for a technology product or service than an index that, e.g., evaluates corruption or equality levels. Generally, considering the substantial impact of technology on MO, as observed in the literature, interviews, and case study, it may be beneficial to include technology or an index that incorporates it into the analogy. Possibly, this could be a

combination of indexes, such as the IDI of the WEF, its trend, and the ICT Development Index of the ITU.

Another theoretical implication derived from the study relates to the Sheng and Mullen (2011) hybrid model for MOAs. The model provides a relevant understanding of variables affecting MO. It also adds market-specific knowledge of forces that the analogy method cannot account for. Because of particular conditions, specific markets, though opportune, may be challenging or impossible to enter due to, e.g., cultural, distance, language, or trade barriers. This was also confirmed by the interviews. In turn, markets that might be easy to join can have a limited market size or economic intensity, decreasing the prospect of the market. This is relevant for the MOA as it further guides the research to selecting appropriate markets for further analysis in a comprehensive MOA. It optimizes the screening process by directing and structuring the study according to a proven set of impactful variables. Therefore, this combination of screening methods creates a robust screening process by moving, as in academic tradition, from the general to the specific. It starts with general country development in the analogy method and advances to relevant market-specific forces.

5.3. Practical Implications

Furthermore, the following practical implications and suggestions for further improvement are presented based on the findings. As for the method of analogy, while a good start to the screening process, in theory, is likely unnecessary in many real-world applications. Particularly for firms that already have operations in two or more countries and have, thus, gained some experience with expansion. Based on conversations with Adam, Brad, Charlie, David, and Eric, who work at three different market research firms, this is information that is already somewhat common sense in the industry. Therefore, this study showed a discrepancy between academic and professional practices. Gruber, MacMillan, and Thompson (2008) and Stevens et al. (2012) also noted this, indicating that academics might need to understand the requirements of practitioners better when conducting MOA. This will also enable those in academia to make a more valuable contribution that is impactful to consumers and might inspire more practice-oriented research.

Further, the findings showed that Sheng and Mullen's (2011) MOA applied qualitatively can still be valuable for an MOA framework. It primes the user for further analysis, provides more

information on macroeconomic factors, and allows for more specific market information than high-level assumptions in the analogy method. Additionally, in the spirit of more practice-oriented research, it can be executed with relative ease and publicly available data, making this approach valuable and accessible to practitioners. The connection to practitioners is essential, as those are the ultimate end users of the developed frameworks. On the other hand, concerning the scope of the thesis, this analysis uses a rather general approach as to what level of technological adoption there is. As suggested before, the model could benefit from adding a technology-related variable or another way to integrate more technological aspects into the analysis. More explicit consideration of technological adoption could lead to more accurate results in later steps and a better understanding of larger forces impacting MO.

Finally, the combined Woodruff (1976) and Kuada (2016) MOA enhanced with other academic principles identified in chapter 2.1.3 is sufficient from a theoretical point of view. The analyses provide holistic market knowledge, and the enhancements allow it to function better in the changing business context created by fast technological developments. However, from a practical point of view, it may be beneficial to include local expertise in the analysis. Especially for more specialized products and services or those with little data publicly available, this inclusion will allow firms to overcome uncertainty and gain a deeper experience-enhanced understanding of essential market conditions.

5.4. Updated Conceptual Framework

Considering the findings and their theoretical and practical implications, a slightly updated conceptual framework is proposed. The model is strongly oriented on the literature-based synthesized MOA framework of chapter 2.2 but incorporates the learnings from the empirical research. In particular, the approach to the analogy method was updated to include more data in the analogy: the IDI, its trend, and the ICT Development Index. However, the exact constellation of these three data inputs needs to be tested further. Also, it may be bypassed by users with sufficient previous knowledge of markets and MOA, as practitioners indicated this screening information to be somewhat common sense. Next, as planned, the Sheng and Mullen (2011) MOA framework provided a useful tool and should, therefore, remain a part of an MOA. Once the impact is academically tested and determined, a technology-related variable should be added. The third

phase is optional, but it may provide researchers with valuable insights by offering knowledge about all aspects of local markets. This phase can be particularly relevant when researching specialized and niche products or services. Lastly, the combined and enhanced comprehensive MOA framework dives deep into the selected markets after the screening. As proposed, the additional macroeconomic analysis stays. Also, the five primary analyses suggested by Woodruff (1976) and Kuada (2016) remain integral parts. However, the added trend analysis should receive a more prominent role in the framework. Trends should be considered at every point of the research to understand the trajectory of critical variables. See Figure 2 below for an illustration.

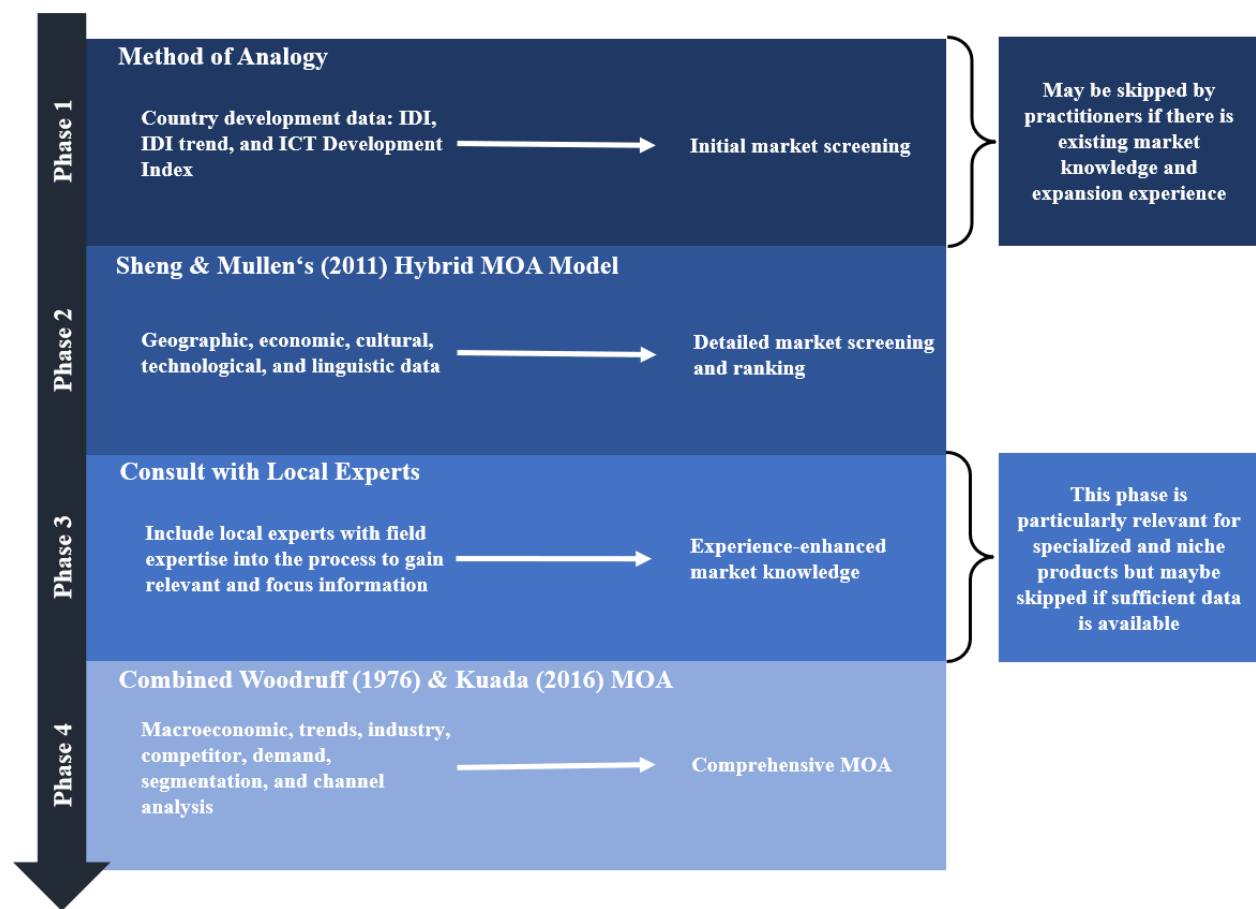


Figure 2 Updated Conceptual MOA Framework

5.5. Limitations and Suggestions for Future Research

While the approach was created to be methodologically sound, there are also limitations to be considered. Firstly, given that the study consisted of an individual case study, the results may not apply to all industries. Certain elements may not be replicable in other organizations or sectors.

Therefore, the results should be generalized with caution outside of the context of this study. Nonetheless, the results are likely applicable to the industry and similar organizations. Sheng and Mullen (2011) note that sectors with similar characteristics also have similarities in market opportunity determinants. Additional case studies utilizing the updated conceptual MOA framework would be beneficial to determine the extent to which the results can be generalized to other industries and organizations. Research is needed to determine the extent to which the results can be generalized to other industries and organizations. Also, the updated conceptual MOA framework should be retested to understand its functionality better, possibly further optimize it, and strengthen its academic foundation.

Another limitation is rooted in the reliability of this explorative study. The primary and secondary case study data should be verifiable, but only if tested again shortly. Market conditions constantly change, making it difficult to reproduce the data, e.g., a year from now. Primary data from interviews is also limited in its ability to be replicated since it relied on a relatively small sample. Selecting a different sample with different backgrounds might produce varying insights, which could be an exciting topic to explore in future research. Nonetheless, by already engaging a reasonably diverse set of experts, both professionals and academics, and the paper's stated scope, the impact of this limitation was reduced to an acceptable extent.

Further, it may be appropriate to add to Sheng and Mullen's (2011) study, considering the confirmed trends in technology and their effect on business. The ideal additions would be twofold. Firstly, it should incorporate a specific technological variable, such as the ICT Development Index of the ITU. The impact of scores on this index on MO needs to be academically confirmed, but, given the effect of technology on business, it will likely be applicable. This presents an area for future research. Secondly, it would be beneficial to conduct further research on the strength of the different forces in different industries. Sheng and Mullen (2011) studied physical products trade in specific sectors. The repetition of the study in more industries will be valuable for theory by adding more knowledge about MO enhancing and reducing forces.

Finally, while the authors believe this research has provided an updated perspective on MOA, there are additional areas for future research. Firstly, this suggested update to MOA frameworks would benefit from additional case studies to confirm the applicability of the framework in different

contexts. For example, a study researching the difference in conducting MOA for physical goods and professional services. Similarly, additional case studies in other markets could further substantiate the applicability of the framework in different cultural contexts beyond the case study in this thesis. This could also include long-term case studies that compare the results of applying the MOA framework to the observed results of actually entering the analyzed market.

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Appendix

Appendix A: Definitions

Shopper Research: Shopper Research is a commercially oriented field of buyer behavior research that records and analyzes shoppers' behavior in stationary retail (GS1 Germany GmbH, 2011). This type of research aims to understand fundamental purchase drivers, motivators, and barriers. This information allows firms to optimally tailor their products to address consumer need-states (Kruse & Buchholz, 2012).

E-Receipt Capabilities: E-receipts are electronic receipts generated for a transaction. E-receipts are proof of payment, showing that a transaction has been made and the exchanged goods' kind, quantity, and price (Gavrila Gavrila & de Lucas Ancillo, 2021). In the context of the study, e-receipt capabilities refer to markets' or individual retailers' ability to provide this type of invoice.

Appendix B: Definition of Sheng and Mullen's (2011) Hybrid Model Variables

Geographic Distance: The geographic distance between countries is measured by the distance between capital cities (Frankel, 1997).

Market Size: The market size is a function of the total population, the urban population, and the population projection for 2050.

Economic Intensity: Economic Intensity is defined as GDP per capita, electric power consumption, and energy consumption measured in oil consumption.

Cultural Distance: Cultural distance is measured using a validated index developed by Kogut and Singh (1988) and Hofstede (1991)

Language Difference: Language difference is measured by the distance between the major languages in the two markets. The incidence of the markets' language in the other markets is seen as a measurement (Dow & Karunaratna, 2006).

Foreign Direct Investment (FDI): FDI is measured as net outward FDI as a percentage of the GDP.

Regional Trade Agreements (RTAs): RTAs refer to trade agreements between countries or regions that affect companies' ability to engage in border-crossing trade activity. For example, such contracts are present in the European Union (EU) and the North Atlantic region (North America Free Trade Agreement, short NAFTA).

Appendix C: Market and Sales Forecasts using Woodruff MOA

Firstly, the market potential (MP) describes the total sales achievable if the industry satisfies all demands. The number of likely buyers (N) is specified using segment attributes and official population numbers. This number multiplies with the purchase probability (PP) determined by research (Woodruff, 1976).

Secondly, the market forecast (MF), setting the realistic upper limit of demand, is computed by multiplying market potential (MP) with an industry effectiveness index (IE). This index assesses industry inefficiencies that inhibit all demand from being served (Woodruff, 1976).

Thirdly, the sales potential (SP) is evaluated by multiplying the market forecast (MF) with an estimation of the maximum market share (MMS) possible. The maximum market share results from considering the firm's ability to serve market needs, competitors' strengths, and the assumption that the firm employs a flawlessly effective marketing program (Woodruff, 1976).

Realistically, no marketing program is absolutely compelling. Therefore, the fourth step estimates a more realistic sales forecast (SF) by multiplying the market forecast (MF) with an estimate of a realistic market share (RMS). The market share projection becomes realistic by considering possible inefficiencies in the current marketing program and product offering (Woodruff, 1976).

Table 4 Market and Sales Forecast

Type of forecast	Forecast components	Component estimate examples
1. Market potential	$MP = N \times PP$	$N = 20,000; PP = 0.5; MP = 10,000$
2. Market forecast	$MF = MP \times IE$	$MP = 10,000; IE = 0.80; MF = 8,000$
3. Sales potential	$SP = MF \times MMS$	$MF = 8,000; MMS = 0.10; SP = 800$
4. Sales forecast	$SF = MF \times RMS$	$MF = 8,000; RMS = 0.05; SF = 400$

Adapted from Woodruff (1976)

Appendix D: Anonymized Interview Invitation Example

Hi NAME!

How are you? How is it at FIRM?

As you might know, I am currently studying strategy in Sweden. For my master's thesis for this study, I am investigating whether academic market opportunity analysis frameworks are still up-to-date, considering recent developments in technology, for example. For this thesis, I would like to talk to experts and insights professionals, such as yourself, to find out what you find important when evaluating a market's potential.

Do you want to participate in this project? If so, I would like to schedule an interview with you somewhere in April to discuss the matter. The discussion would take 30-60 minutes, depending on what you would like best.

Please let me know what you think.

Cheers and all the best,

NAME

Appendix E: Interview Script

Below, the internal and external interview scripts, as described in the methodology, are presented. The authors used the internal script to navigate and moderate the discussion. Some freedom was retained to dive deeper and seek examples and additional information where applicable and relevant. The external script was shared with study participants to allow them to prepare for the interview. The rationale was to enable interview preparation to increase the value obtained from the talks. Parts have been redacted from the external script to avoid biases.

INTERNAL SCRIPT

Questions:

- ➔ Ask for consent to record and transcribe the interview
- 1. *Question about the interviewees' general background*
 - a. What is your current role?
 - b. How long have you been in this field?
- 2. *Question about observed industry developments, changes, trends, and challenges*

- a. What do you see changing in the business environment?
 - b. What are the biggest challenges that you and your business are facing?
 - i. Examples
 - c. Considering these changes and challenges, what personal practices, if any, have been adopted to deal with these challenges?
 - d. You have adopted these practices. Do you think these are best practices or more suitable for your specific case?
3. *Questions about personal and best practices for MOAs*
- a. How do you/your organization assess market opportunity/evaluate markets/asses market potential?
 - i. Example of when you did this
 - b. Are there any standardized tools that are used?
 - i. If yes, what are they
 - ii. Examples
 - c. What market characteristics do you find most important to understand the market's potential?
4. *Questions about commonly experienced challenges according to literature*
- a. Other practitioners are experiencing the following challenges. Do you see them as well?
 - i. Technology: Digitalization, Platform economy, Internationalization (Soltanifar, Hughes, and Göcke (2021); Iansiti and Kakhani (2020); Haigu and Wright (2020))
 - ii. Business model innovation --> industry borders become blurry (Girotra & Netessine (2014))
 - iii. Globalization (Meyer, 2015)
5. *Questions about commonly used MOA elements according to literature*
- a. Present elements of currently used frameworks and seek expert opinions on specific parts:
 - i. Clustering? Regional similarities, geographic and language distance, economic development
 - ii. Demand? How? Current, Latent, Incipient Demand?

6. What would it be if you were to add anything to an existing framework/practices/methodologies?
7. Do you see a difference in applying these practices/conducting an MOA in a business-to-business context versus a business-to-consumer context?

CASE STUDY-SPECIFIC QUESTIONS:

- What does the retail landscape look like?
- How did consumer behavior change over the past five years, and what are the biggest trends?
- What will be the role of digitalization?
- Which answers are companies looking for when using purchase data?
- Is there enough data available to follow trends and buying behavior?
- Why do companies need more data?
- What are the available data sources?
 - Are there any alternatives?
- Who is using them and why?

EXTERNAL SCRIPT

Questions:

1. *Question about observed industry developments, changes, trends, and challenges*
 - a. What do you see changing in the business environment?
 - b. What are the biggest challenges that you and your business are facing?
 - c. Considering these changes and challenges, what personal practices, if any, have been adopted to deal with these challenges?
 - d. You have adopted these practices. Do you think these are best practices or more suitable for your specific case?
2. *Questions about personal and best practices for MOAs*

- a. How do you/your organization assess market opportunity/evaluate markets/asses market potential?
 - b. Are there any standardized tools that are used?
 - c. What market characteristics do you find most important to understand the potential of the market?
3. What would it be if you were to add anything to an existing framework/practices/methodologies?
 4. Do you see a difference in applying these practices/conducting an MOA in a business-to-business context versus a business-to-consumer context?

Appendix F: Case Study Findings: Method of Analogy

Using the analogy method that assumes similarities among markets based on economic development, the authors narrowed down particular regions for further MOA in this step. For the purpose of this case study, the authors narrowed their analysis to advanced economies because both the CSF's home market (Netherlands) and foreign offices (UK and Germany) are advanced economies (World Economic Forum, 2018) and are, therefore, assumed to be overall more similar to each other than, for example, advanced and emerging economies (Liberto, 2021; Waheeduzzaman, 2008).

The Netherlands scores 5.61, placing it in 7th place in international comparison. The indexes presented in Table 5 were used for the analogy. According to the rationale described in chapter 3.3.1, Operationalization, the cut-off point was selected to be the Indexed IDI score of 90. This cut-off point leads to the selection of 18 markets for further analysis: Norway, Iceland, Luxembourg, Switzerland, Denmark, Sweden, Netherlands, Ireland, Australia, Austria, Finland, Germany, New Zealand, Belgium, Czech Republic, Korea Republic, Canada, France (marked bold in Table 5). Three countries must be stripped from this list: Netherlands, Germany, and Denmark. The CSF is already active in these countries or, in the case of Denmark, is already piloting the new product with the technology partner. Therefore, using the analogy method, 15 advanced economies were selected for further analysis (Charlie, interview, 14 April 2022).

Table 5 Method of Analogy with Indexed IDI score

Country	Inclusive Development Index	Indexed IDI score*
Norway	6.08	108.38
Iceland	6.07	108.20
Luxembourg	6.07	108.20
Switzerland	6.05	107.84
Denmark	5.81	103.57
Sweden	5.76	102.67
Netherlands	5.61	100.00
Ireland	5.44	96.97
Australia	5.36	95.54
Austria	5.35	95.37
Finland	5.33	95.01
Germany	5.27	93.94
New Zealand	5.25	93.58
Belgium	5.14	91.62
Czech Republic	5.09	90.73
Korea Republic	5.09	90.73
Canada	5.06	90.20
France	5.05	90.02
Slovenia	4.93	87.88
Slovak Republic	4.9	87.34
United Kingdom	4.89	87.17
Estonia	4.74	84.49
United States	4.6	82.00
Japan	4.53	80.75
Israel	4.51	80.39
Spain	4.4	78.43
Italy	4.31	76.83
Portugal	3.97	70.77
Greece	3.7	65.95

* with the Netherlands as the index base. The score is calculated by dividing the country's IDI by the Netherlands' IDI and multiplying by 100.

(World Economic Forum, 2018)

Appendix G: Detailed Case Study Findings of Sheng and Mullen's (2011) model

This appendix presents the detailed findings of the qualitative application of the Sheng and Mullen (2011) hybrid MOA model to the case study firm. In order of appearance, the variables, geographic

distance, market size, economic intensity, cultural distance, language distance, FDI flows, and RTAs are addressed.

The model uses knowledge about the market opportunity enhancing or reducing factors of geographic, economic, cultural, and linguistic data to provide a more specific screening and give the authors the ability to conduct an initial ranking of the potential markets that should be considered. The home and primary market of the CSF, the Netherlands, served as the central comparison point in this analysis. An overview of the findings for each variable is presented in Table 6.

Firstly, the host country's capital distance to Amsterdam and its continental location were assessed. The market opportunity reducing effect is small for most countries (see Table 8). Next, the market size was determined. Most markets are smaller than the Dutch market, but some are also much larger (see Table 9). Thirdly, the economic intensity per market was investigated. The Dutch market has higher economic intensity than most other markets (see Table 10). Concerning cultural distance, a mixed presence of culturally close and distant countries can be found in the selected country sample (see Table 11). Fifth, the sample's generally high level of English proficiency causes this variable to have little overall impact (see Table 12). The net outward FDI conditions in the Netherlands slightly enhance market opportunity in all potential countries. Lastly, strong RTAs are established in nearly all countries in the selection, promoting market opportunity (see Table 13).

Table 6 Summary of Market Opportunity Reducing and Enhancing Factors

Country	Geographic Distance	Market Size	Economic Intensity	Cultural Distance	Language Distance	FDI	RTAs
Norway	Small	Much smaller	Much larger	Medium-high	No impact	Advantageous	Strong
Iceland	Medium	Much smaller	Larger	Medium-high	No impact	Advantageous	Strong
Luxembourg	Small	Much smaller	Much larger	Medium-low	No impact	Advantageous	Strong
Switzerland	Small	Much smaller	Much larger	Very low	Small impact	Advantageous	Strong
Sweden	Small	Smaller	Smaller	Very low	No impact	Advantageous	Strong
Ireland	Small	Much smaller	Much larger	Very high	No impact	Advantageous	Strong
Australia	Large	Larger	Smaller	Medium-high	No impact	Advantageous	Not existing
Austria	Small	Much smaller	Smaller	Medium-low	No impact	Advantageous	Strong
Finland	Small	Much smaller	Smaller	Medium-high	No impact	Advantageous	Strong
New Zealand	Large	Much smaller	Much smaller	Medium-low	No impact	Advantageous	Not existing
Belgium	Small	Smaller	Smaller	Very low	No impact	Advantageous	Strong
Czech Republic	Small	Much smaller	Much smaller	Very high	Small impact	Advantageous	Strong
Korea Republic	Large	Much larger	Much smaller	Very high	Medium impact	Advantageous	Rather strong
Canada	Large	Much larger	Smaller	Medium-low	No impact	Advantageous	Rather strong
France	Small	Much larger	Much smaller	Medium-low	Small impact	Advantageous	Strong

Based on these results, a country ranking was created by making a qualitative and cross-checked judgment and reasoning about the overall attractiveness of the market and the resulting rank compared to the other countries. See Table 7 for the final ranking with the underlying rationale. Ultimately, Sweden was ranked as the most attractive market and will, therefore, be analyzed in more detail in the next chapter.

Table 7 Ranking of Markets based on Sheng and Mullen (2011)

Country	Rank	Reasoning
Sweden	1	Though the market size and economic intensity are slightly smaller than in the Netherlands, all other scores benefit the CSF. Low geographic, culture, and language distance with strong RTAs
Switzerland	2	Switzerland is an attractive market. Its much smaller market size is made up for by its high economic intensity. Other conditions are beneficial as well.
Norway	3	Generally, Norway is also an advantageous market for the CSF due to its high economic intensity. However, it is ranked third due to its smaller market size and somewhat more considerable cultural distance.
Belgium	4	Belgium is a rather attractive market with low cultural, language, and distance barriers. Its smaller market size and economic intensity reduce attractiveness, however.
Austria	5	Austria has similar conditions to Belgium but a smaller market size and more cultural distance.
France	6	France has a large market with low trade barriers and high economic intensity. However, its culture and language distance move it down in the ranking.
Canada	7	Though attractive from market size and economic intensity perspective, especially the trade barriers and geographic and cultural distance move Canada down in the ranking.
Ireland	8	Economic intensity promotes this market's attractiveness, but the sizeable cultural barrier and small market size move it down in the ranking.
Finland	9	Similar characteristics to Ireland, though the economic intensity is lower. This places the country behind it.
Luxembourg	10	Though most conditions are rather appealing, Luxembourg's minimal market size moves it down in the ranking.
Iceland	11	Apart from a higher economic intensity, Iceland is overall a rather unattractive market with suboptimal conditions for the CSF.
Australia	12	Especially the market's geographical and cultural distance presents a sizable barrier to the market.
New Zealand	13	Similar to Australia, especially the market's geographical and cultural distance presents a sizable barrier to the market.
Czech Republic	14	Though close by, the market is unattractive with a small market and significant cultural distance.
Korea Republic	15	Korea is unattractive because of its significant geographical and cultural distance and its much smaller economic intensity.

Geographic distance is based on space between capitals measured straight from Amsterdam to the applicable capital.

Table 8 Geographic Distance

Country	Distance in KM*	Continent	Impact of Geographic Distance
Norway	Oslo = 912	Europe	Small
Iceland	Reykjavik = 2,016	Europe	Medium
Luxembourg	Luxembourg = 318	Europe	Small
Switzerland	Bern = 630	Europe	Small
Sweden	Stockholm = 1,127	Europe	Small
Ireland	Dublin = 754	Europe	Small
Australia	Sydney = 16,647	Oceania	Large
Austria	Vienna = 938	Europe	Small
Finland	Helsinki = 1,503	Europe	Small
New Zealand	Auckland = 18,128	Oceania	Large
Belgium	Brussels = 172	Europe	Small
Czech Republic	Prague = 712	Europe	Small
Korea Republic	Seoul = 8,556	Asia	Large
Canada	Ottawa = 5623	North America	Large
France	Paris = 427	Europe	Small

*Distances were determined using the measure distance feature of Google Maps (2022).

Market size is measured by comparing the urban population (a proxy for market size) of the Netherlands with that of other countries. The Netherlands' urban population is 16,087,342.

Table 9 Market Size

Country	Urban Population	Market Size compared to the Netherlands
Norway	4,463,566	Much smaller
Iceland	344,101	Much smaller
Luxembourg	576,537	Much smaller
Switzerland	6,383,714	Much smaller
Sweden	9,108,648	Smaller
Ireland	3,173,531	Much smaller
Australia	22,158,130	Larger
Austria	5,238,479	Much smaller
Finland	4,728,699	Much smaller
New Zealand	4,408,037	Much smaller
Belgium	11,322,476	Smaller
Czech Republic	7,922,941	Much smaller
Korea Republic	42,201,956	Much larger
Canada	31,023,904	Much larger
France	54,560,881	Much larger

(World Bank, 2022)

GDP per capita serves as a metric for economic intensity. It is 52,396 current US\$ for the Netherlands.

Table 10 Economic Intensity

Country	GDP per capita (current US\$)	GDP per capita compared to the Netherlands
Norway	67,330	Much larger
Iceland	59,264	Larger
Luxembourg	116,356	Much larger
Switzerland	87,100	Much larger
Sweden	52,274	Smaller
Ireland	85,423	Much larger
Australia	51,680	Smaller
Austria	48,589	Smaller
Finland	48,755	Smaller
New Zealand	41,441	Much smaller
Belgium	45,205	Smaller
Czech Republic	22,934	Much smaller
Korea Republic	31,598	Much smaller
Canada	43,258	Smaller
France	39,037	Much smaller

(World Bank, 2022)

Cultural distance is measured using Yeganeh’s (2011) weighted average approach.

Table 11 Cultural Distance

Country	Cultural Distance to Dutch Culture	Evaluation in relation to sample
Norway	52,48	Medium-high
Iceland	54,67	Medium high
Luxembourg	34,07	Medium low
Switzerland	9,07	Very low
Sweden	9,84	Very low
Ireland	57,94	Very high
Australia	39,35	Medium-high
Austria	34,73	Medium-low
Finland	53,95	Medium-high
New Zealand	30,19	Medium-low
Belgium	5,84	Very low
Czech Republic	58,94	Very high
Korea Republic	59,11	Very high
Canada	34,57	Medium-low
France	36,39	Medium-low

(Hofstede Insights, n.d.)

The EPI served as a metric to determine English language proficiency. The Netherlands has a very high proficiency.

Table 12 Language Distance

Country	Proficiency of English	Impact of Language Distance
Norway	Very high proficiency	No impact
Iceland	Very high proficiency	No impact
Luxembourg	Very high proficiency	No impact
Switzerland	High proficiency	Small impact
Sweden	Very high proficiency	No impact
Ireland	Native	No impact
Australia	Native	No impact
Austria	Very high proficiency	No impact
Finland	Very high proficiency	No impact
New Zealand	Native	No impact
Belgium	Very high proficiency	No impact
Czech Republic	High proficiency	Small impact
Korea Republic	Moderate proficiency	Medium impact
Canada	Native	No impact
France	High proficiency	Small impact

(EF, 2021)

The net outward FDI as a percentage of the GDP of the Netherlands is -21.9 %, meaning that more FDI is inflowing than outflowing (World Bank, 2022). According to Sheng and Mullen (2011), this enhances the market opportunity for all potential host countries.

Overall, relatively strong RTAs were identified. The Netherlands is a member of the European Economic Area (EEA) and has, therefore, a strong RTA with all other members of the EEA (EU, 2022). Additionally, as a European Free Trade Association (EFTA) member, the Netherlands has a strong RTA with Norway, Iceland, and Switzerland (EFTA, n.d.). Furthermore, as an EU country, the Netherlands is part of the European Union–South Korea Free Trade Agreement (EUSKFTA) with South Korea (EU, 2011) and the Comprehensive Economic and Trade Agreement (CETA) that is provisionally applied to Canada (European Commission, 2022). An RTA is currently being negotiated with Australia and New Zealand but is not signed yet. Therefore, the market opportunity is enhanced for all countries besides Australia and New Zealand. See Table 13 for an overview of the RTAs.

Table 13 Regional Trade Agreements (RTAs)

Country	RTA	Strength of RTA
Norway	EFTA	Strong
Iceland	EFTA	Strong
Luxembourg	EEA	Strong
Switzerland	EFTA	Strong
Sweden	EEA	Strong
Ireland	EEA	Strong
Australia	In negotiation	Not existing
Austria	EEA	Strong
Finland	EEA	Strong
New Zealand	In negotiation	Not existing
Belgium	EEA	Strong
Czech Republic	EEA	Strong
Korea Republic	EUSKFTA	Rather strong
Canada	CETA	Rather strong
France	EEA	Strong

(EU, 2022; EFTA, n.d.; EU, 2011; European Commission, 2022)

Appendix H: Detailed Case Study Findings of Woodruff (1976) and Kuada (2016) MOA

This appendix presents the findings of the third and last phase of the synthesized framework that applies the Woodruff (1976) and Kuada (2016) MOA to the case study firm. This entails a macroeconomic, industry and trend, competitor, demand, segmentation, and channel analysis. For a simple overview, the section starts with a summary. The reader can refer to the subsequent sections that address each of the six analyses in-depth for more details.

Summary

An overall advantageous situation is observed concerning the macroeconomic situation in Sweden with political stability, economic prosperity, an educated and wealthy society, high technological development, and precise and stable regulation. Legally, firms may have to consider stricter laws leading to higher operating costs and sustainability requirements.

The competitive situation in Sweden is affected by mostly low bargaining power for buyers and suppliers. The threat of new entrants using traditional operating methods is low. Also, substitutability is low. Rivalry among existing competitors is moderate, though the market

dominance of some can make competition hard for smaller firms and new entrants. Once operations are established, the industry is overall attractive and shows favorable growth trajectories.

The primary direct competitor, GfK, has some strengths and opportunities worth considering. Being a large firm with an extensive array of products, clients, and knowledge makes competition harder. This is enhanced by the dominant position and growth prospects in Asia Pacific and global IT services. On the other hand, GfK has not fared particularly well lately with declining revenues, difficulty accessing capital, and path dependency. Also, clients have criticized flaws in the solutions. Further, GfK is threatened by legislation and rising overall costs. In combination with the weaknesses, this could further strain resources.

Demand for shopper research is substantial. Current demand is primarily produced by consumer goods firms selling through retailers. These firms present a large market and growing demand, which enhances demand potential in the future. Latent demand was also identified. The CSF has developed a solution that can address this demand well and is, thus, well-positioned to profit from this demand when operating. Incipient demand can be seen as given. Industry growth is aligned with retail sector growth and suggests promising increases in the future.

Due to the specific requirement and attributes of CSF's solution, the segmentation analysis was somewhat focused. It identified SMEs in the FMCG sector operating in Sweden as a promising segment of considerable size.

The channel analysis showed that commercial buyers prefer online and direct sales channels. The CSF is in the position to profit from existing arrangements and use them to serve potential buyers according to their liking. Therefore, the CSF is well-suited to use the proper distribution channels.

Macroeconomic Analysis

The authors conducted a PESTEL analysis to understand the macroeconomic situation in Sweden and determine the key political, economic, societal, technological, environmental, and legal factors that may impact the market opportunity.

Concerning the political situation in Sweden, a clear picture can be observed. According to the World Bank *World Governance Indicators* (2021), the country is nearly corruption free, has a high regulatory quality, and has a strict rule of law in international comparison. Political stability and the absence of violence and terrorism are somewhat lower, but Sweden is still in the top 15 percentile globally (Euromonitor International, 2022a; World Bank, 2021). Overall, from a political perspective, Sweden presents an attractive market.

To some extent, the macroeconomic situation in Sweden has already been addressed in the previous two phases. Sweden has the 6th highest IDI score globally and a high GDP per capita (World Bank, 2022; World Economic Forum, 2018). The International Monetary Fund (2022) (IMF) predicts that this prosperous economic situation will continue shaping the Swedish economy from 2023 to 2027. They also note that Sweden is generally open to foreign goods and services and expects that the volume of foreign services entering Sweden will increase (International Monetary Fund, 2022).

Sweden has mixed demographics and a relatively well-educated population with high living standards (Elster, 2021). In 2020, 17.62% were 0-14, 62.05% were 15-64, and 20.33% were 65 or older. This has been relatively stable, although the youngest and oldest groups are slightly growing (O'Neill, 2022). Further, Swedes are generally well educated, with 38.51% having obtained a university degree and 23.81% even an advanced university degree. This number has increased since 2000 (Statista Research Department, 2022a). Concerning general lifestyle and consumption trends, many Swedes can be classified as “buydeologists” that actively buy brands that align with their values and boycott those that do not. In international comparison, brand engagement is rather low in Sweden, but new products and services are well-liked (Elster, 2021).

The OECD (2018) found that Sweden is among the top OECD countries in regard to implementing digital technology for both consumer and business use. This will benefit companies, such as the CSF, attempting to implement a digital solution. Moreover, as established before, GDP per capita is a good predictor of technological development (Kanga et al., 2022; Pew Research Center, 2014; Testik & Sarikulak, 2021). Therefore, Sweden's high GDP per capita is an indicator of technological advancement in Sweden. Further, it should be noted that Sweden has had the highest research and development expenditure (measured in percent of GDP) of all of Europe since 2014,

with an increasing trend (World Bank, 2022). This picture is enhanced by the high percentage of the population actively using the internet (95%) (World Bank, 2022) and a smartphone (93%) (Statista Research Department, 2022b). Overall, Sweden is a leader in ICT adoption in Western Europe, making Sweden a technologically advanced country (Euromonitor International, 2022a).

Concerning environmental aspects, Sweden experiences considerable sustainability movements. Many consumers buy local, support circular economy endeavors, and recycle items regularly (Elster, 2021). The government supports these efforts through regulation and research (Swedish Institute, 2021). These efforts place Sweden on the 5th rank on the Environmental Performance Index (Yale University, 2018). To conclude, the environment plays an essential role in Swedish society.

As mentioned before, Sweden generally profits from its political stability, creating legal stability and, thereby, certainty for firms about jurisdiction and its impact and keeping corruption levels low. This is good for businesses and allows them to plan with surety (Euromonitor International, 2022a; World Bank, 2021). The most impactful regulations are strict labor laws and substantial tax obligations. Labor laws protect workers and restrict firms from making sudden changes to work agreements. On the downside, this may be disadvantageous in times of economic difficulty. Also, the tax obligations may be perceived as harsh by some firms and require them to improve processes to meet the commitments without raising prices compared to other markets (Euromonitor International, 2022a).

To conclude the macroeconomic analysis, it can be argued that the overall situation in Sweden is advantageous. Businesses profit from political stability, economic prosperity, an educated and wealthy society, high technological development, and precise and stable regulation. At the same time, high operating costs and strict labor laws can make the market somewhat unattractive for some, especially manufacturers of low-value goods. Finally, firms ought to consider an overarching aspect when doing business in Sweden: a solid commitment to sustainability is required.

Industry and Trend Analysis

Following Kuada's (2016) suggestion, Porter's Five Forces (Porter, 1985) were used to understand the competitive forces shaping the market research industry in Sweden. Additionally, trend analysis was conducted to gain insights into the industry trajectory.

Bargaining Power of Buyers

Adam, Brad, and Eric identified that the potential buyers of the shopper research product of the CSF would be consumer goods producers (interview, 14 April 2022; interview, 14 April 2022; interview, 26 April 2022). In 2020, these firms' spending on market research amounted to 15.7% of the sector's total revenue, making them the third-largest spender overall (Statista Research Department, 2022c). Further, Europe is the second-largest producer of foods globally with a slow-growth trend. This indicates the presence of a large number of FMCG firms. Though larger international corporations tend to dominate the FMCG sector, Sweden's food manufacturing industry is increasingly diverse, with more specialists in specific product types. This diversity makes SMEs more common in the market, further increasing the number of available buyers (Vaičiūnienė, 2018). The fact that large firms tend to dominate the sector increases the bargaining power of buyers, but simultaneously it is reduced by the increasing number of SMEs.

Furthermore, the bargaining power of buyers is reduced due to product differentiation between market research agencies resulting from expertise and experience. Though agencies might offer similar products, their value-added and pricing can vary significantly and, thereby, differentiate them from competitors (Charlie, interview, 15 April 2022). Additionally, after selecting a market research supplier, firms often develop close and specialized relationships (Brad, interview, 14 April 2022), which increases switching costs for clients and reduces their bargaining power.

Overall, though some more prominent players in the FMCG sector may have high bargaining power simply because of their size, industry buyers generally have somewhat lower bargaining power.

Bargaining Power of Suppliers

The bargaining power of suppliers is relatively non-existent in the case of shopper research. As explained in chapter 4.2., the data supply needed for the consultancy services is created in vertical integration. Competitors also own the consumer panels they use. For instance, the studied firm obtains the data using licensed tools from its technology partner. All other downstream activities, such as analysis, consultancy, and sales, are also conducted in-house (Charlie, interview, 15 April 2022).

Threat of New Entrants

Generally speaking, the threat of new entrants to shopper research is rather minimal. Due to the difficulty of accessing consumer shopper data in traditional modes, in shopper research, competitors usually own their panels and operate them in-house, as explained in more detail below (see section Competitor Analysis) and mentioned above. This creates a need for industry participants to make sizable and ongoing investments into the market to build and maintain a panel with sufficient size and engagement. This produced substantial entry barriers. Over time, first movers with enough commitment created economies of scale and, in some cases, market dominance, which further increased barriers and decreased the threat of new entrants (Charlie, interview, 15 April 2022). Next to that, expertise is essential to the market research business and a feature of distinctiveness. This somewhat scarce resource blocks out entrants that lack the expertise to obtain and interpret shopper data effectively. This also creates an entry barrier (Brad, interview, 14 April 2022). However, it is interesting to note that the studied firm will be able to circumvent the high entry barrier because of its innovative, technologically advanced approach that does not require the mentioned substantial investments.

Threat of Substitute Products or Services

The threat of substitute products or services in the industry is low. According to Brad, unless a firm can cover the entire market with its operations, there are essentially no effective alternatives to purchasing shopper data externally (interview, 14 April 2022). Exceptionally large firms, such as P&G, have managed to create enough insights from internal data to not have to rely on external shopper data. However, this exclusive data cannot track or compare competitors. Furthermore,

disruptive innovation is a constant threat where smaller firms that operate more agile, specialized, and at lower costs with improved technology can disrupt current offers (Brad, interview, 14 April 2022).

Rivalry among Existing Competitors

While there are many market research firms globally and in Sweden, several factors narrow down the CSF's direct competitors. Based on desk research and interviews with industry professionals, the primary competitors for the firm in shopper research are GfK, Kantar Worldpanel, Europanel, NielsenIQ, and Dunn Humbey. Due to the high entry barriers resulting from the significant financial commitments required to use traditional data collection methods, one of these five firms often dominates a market. According to Brad, Charlie, David, and Eric, the primary player in Sweden, and therefore the CSF's main competitor is GfK (interview, 14 April 2022; interview 15 April 2022; interview, 15 April 2022; interview 26 April 2022; personal communication, 24 January 2022). This reduces rivalry among competitors. The high fixed costs, in turn, increase rivalry by sparking a competitive pressure to cut prices and innovate.

Slow industry growth also increases rivalry by sparking competition for market share. In Sweden, similar to the rest of Europe, the market research industry has experienced continued growth. In 2019, the sector's annual revenue growth in Sweden was 14.4 % (Statista Research Department, 2022d). This growth trend is expected to continue with a gain of 17.4% between 2022 and 2025 (Statista Research Department, 2021). This can be considered exceptional growth as, for comparison, the global revenue growth in the market research industry was only 0.3% in 2020 (Statista Research Department, 2022e)

Overall, rivalry among existing competitors is moderate. While most factors somewhat decrease the rivalry, especially the difficulty of establishing the market leads to competitors blocking off their markets and aiming for dominance.

Trend analysis

Concerning overall industry trends shaping the industry trajectory, it should be noted that, as mentioned above, Sweden has shown a promising growth trend that is predicted to be maintained

in the future (Statista Research Department, 2021). This creates a positive outlook for firms seeking to enter the market. It reduces competitive pressure for existing market share and instead allows firms to grow by capturing new business.

Next to the favorable growth trajectory in Sweden, industry professionals identified technology as influential in doing business in the sector. Eric observed that efficiency moves increasingly into the firms' focus (interview, 26 April 2022). In practical terms, firms are moving away from manual work and try using newer tools, such as PowerBI, the internet, and other technology, to accelerate efficiency. Also, Adam stated that: "Technology is the driving force of change in our industry" and that online is "a part of a bigger dimension of leveraging technology to increase speed or create techniques that automate the process to make lives easier and increase the quality of product delivered to clients." (interview, 14 April 2022). Advancing technology further allows market research firms to create more engaging surveys, which helps increase data quality (Adam, interview, 14 April 2022; David, interview, 15 April 2022). Clients also expect to see these improvements (Eric, interview, 26 April 2022).

Another industry trend rooted in technological advancement is the expansion of market research to new societal segments and geographical regions. "As long as people have an internet connection, they can participate" (David, interview, 15 April 2022). This provides an opportunity for firms to expand business with targeted approaches, specialized solutions, and niche understanding (Adam, interview, 14 April 2022).

Finally, the previously described common access to advanced technology and the accompanying business model innovations have caused the competitive field to become more diverse (Iansiti & Kakhani, 2020; Adam, interview, 14 April 2022). Technology allows other firms, often small, disruptive, and advanced in technology usage, to enter the market in a specific type of research and take market share (Adam, interview, 14 April 2022).

Competitor Analysis

As described before, GfK is the main competitor of the CSF in Sweden and was, therefore, analyzed using SWOT. While, in general, four other firms can be considered main competitors, a combination of primary and secondary data confirmed that those firms' activities in Sweden are

limited. Consequently, they were excluded from further analysis in this section (Brad, interview, 14 April 2022; Charlie, interview, 15 April 2022; Charlie, personal communication, 24 January 2022).

GfK is a German market research firm that serves its global clients with various brand, consumer, shopper, marketing, and consultancy services. GfK launched its first household panel in 1957, leading to tremendous growth and global expansion. Currently, the firm is active in over 50 countries with more than 8,000 employees. Revenue in 2021 was about US\$ 1 billion (GfK, n.d.; MarketLine, 2021; Statista Research Department, 2022f). Below, the firm's strengths, weaknesses, opportunities, and threats are discussed according to the SWOT framework. An overview of the main findings is presented in Table 14.

Strengths

Concerning strengths, GfK has multiple favorable characteristics that enhance its performance. Firstly, GfK has a comprehensive range of services with broad applicability. This allows the firm to serve versatile audiences and enables more specialized and advanced product combinations. This capability is a strength as it helps GfK tap existing and new market opportunities (MarketLine, 2021).

GfK serves a broad customer base of over 10,000 clients from different sectors (GfK, n.d.; MarketLine, 2021). This strength is twofold. On the one hand, it reduces the dependence on particular customer segments and, thereby, reduces business risk (MarketLine, 2021). On the other hand, this condition is helpful as it provides GfK with a broad network that can be tapped for business opportunities in a cross-sector context or internationally (MarketLine, 2021; Miller & Christakis, 2011).

Another strength of GfK is its extensive knowledge base, including modern technologies, such as AI (GfK, n.d.). Similar to the previous strength, it allows the firm to operate in diverse fields with sector-spanning technology and cater to advancing client demands (Iansiti and Kakhani, 2020; Eric, interview, 26 April 2022). This reduces dependency risk and opens opportunities for GfK.

Weaknesses

Regarding weaknesses, the private ownership structure limits GfK's capabilities. It places the firm in an unfavorable position to raise capital for funding organic and inorganic initiatives compared to publicly held firms. Publicly held firms generally have better access to capital markets and may choose to finance projects through stock transactions (MarketLine, 2021).

The first weakness makes the second weakness even more severe. GfK experienced a substantial decline in revenue over the last ten years with a drop of 50% between the peak in revenues of about US\$ 2 billion down to about US\$ 1 billion in 2021 (Statista Research Department, 2022f). This downturn puts significant strain on the availability of resources. Additionally, this development may be seen as surprising if considering that the rest of the industry is stagnating or growing (Statista Research Department, 2021; Statista Research Department, 2022e).

Moreover, GfK finds itself a firm of considerable size with a global presence (GfK, n.d.). Like other large organizations, it is limited by path dependency and a rather hierarchical company setup. This design ultimately causes the firm to be less agile and slow in responding to disruptive competition (Gargam, 2020; Goumagias, Fernandes, Nucciarelli, & Li, 2022; David, interview, 15 April 2022). To some extent, GfK has mitigated this risk by building a local presence to retain the agility to respond to regional differences but is, nonetheless, bound to organizational borders and capabilities.

Lastly, a product-related weakness concerns the consumer panel design used for the shopper research products of GfK. Current procedures are costly to set up and maintain and produce various validity flaws and biases. Commonly, they rely on consumers using hand scanners to scan purchases manually and add prices. This data is enriched with check-out scanner data from retailers in some markets. For example, these scanners fail to record mobile purchases for consumption on the go and are skewed based on participation. Further, they have relatively frequent churn, as panelists stop participating due to impracticalities connected to the method and limited incentives. Because of these characteristics, some clients criticized GfK (Charlie, interview, 19 January 2022; Charlie, personal communication, 24 January 2022). As mentioned in the empirical data, modern

clients have more advanced demands that GfK might not be able to tackle anymore with a dated approach to consumer panels for shopper data (GfK, n.d.; Eric, interview, 26 April 2022).

Opportunities

Concerning opportunities, GfK is a significant player in the global market research industry (Statista Research Department, 2022g). As a pioneer with shopper data, it is fortunate to have developed a strong, sometimes dominant (as in Sweden or Germany), foothold in many important markets (Brad, interview, 14 April 2022; Charlie, interview, 15 April 2022). This provides the firm with high bargaining power, making the industry less attractive for entrants and possibly pushing out the competition (Porter, 2008).

Further, GfK's wide range of products and client network enable it to profit from the growing demand for market research in the Asia Pacific region. The region's consumer market is rapidly developing, with approximately 3.2 billion people in the middle-class segment by 2030 (MarketLine, 2021), increasing the demand for market research products from this region (Statista Research Department, 2022h). The prospect of growing demand from Asia Pacific could benefit the company by enabling growth and reducing resource constraints.

Moreover, the positive long-term outlook of the global IT services industry presents an opportunity for growth. GfK has developed several technologically advanced solutions, such as AI. The combination of the network, capabilities, and industry growth offers GfK the chance to position itself in this growing field and capture market share and sales (MarketLine, 2021; Sava, 2022b).

Threats

The first threat is related to GfK's competitive position in the Swedish market. As discussed above, GfK has a dominant position, allowing it to exploit its bargaining power to enhance its control over the market. However, Sweden has a solid rule of law and a relatively strict competition law that encourages open competition and discourages building and using a dominant position (Euromonitor International, 2022a; Konkurrensverket, n.d.; World Bank, 2021). Therefore, GfK must be careful if using its strength in an anti-competitive manner.

Rising labor wages in Europe may present a threat to GfK. The majority of its business is located in Europe, and, therefore, GfK will also be exposed to a labor cost increase of about 2.7%. This may impact overall profitability and require unfavorable price surges (Clark, 2020; MarketLine, 2021). However, it can be argued that this threat applies to most businesses in Europe and is, hence, equally applicable to competitors. Furthermore, this risk is also reduced in markets where GfK has a dominant position, as its bargaining power allows it to choose prices freely (Porter, 2008).

Another threat common to all businesses operating in Europe is the increasing strictness of regulation for data protection. However, this is particularly relevant for market research companies that collect, process, and store vast amounts of personal data. Stricter regulation may impair the company’s ability to recruit research participants and require the firm to take additional measures for data protection. Future changes to the existing data protection laws will impact GfK’s business operations (MarketLine, 2021).

*Table 14 SWOT of direct competitor GfK**

Strengths	Weaknesses
Wide range of services Large customer base and network Extensive and advanced knowledge base	Private ownership structure Substantial decline in revenues Path dependency and limited agility Consumer panel flaws
Opportunities	Threats
Significant player with dominant position Growing demand in Asia Pacific Growth trend in global IT services	Competition laws Rising labor costs Stricter data protection regulation

*for sources, please see the sections above

Demand Analysis

Demand was analyzed after understanding the market and industry conditions and the direct competition. Current demand describes the existing demand for shopper research products (Kuada, 2016). Generally, all firms that use retailer networks, offline and online, for trading their products may be interested in shopper research products. This includes firms from diverse sectors, such as FMCG, clothing, do-it-yourself & hardware, technical products, parts and components, and others (Yasmeen, 2022). Their own sales data allows them to understand the places and volumes of sales.

However, they are missing a critical understanding of the type of consumers and motivations behind the purchases and other essential knowledge valuable to optimize the offering (Brad, interview, 14 April 2022). Obtaining this information is crucial for marketers to compete successfully (Adam, interview, 14 April 2022). As mentioned before, few exceptionally large firms have managed to cover the market in a manner that allows them to obtain such data from internal processes (Brad, interview, 14 April 2022). However, most firms, especially SMEs, making up 99% of all businesses in the EU, cannot obtain the desired data internally and must rely on external sources (European Commission, n.d.). Though not all firms utilize retailers for sales, with an annual size and growth of nearly US\$ 100 billion and 4-5%, respectively, the Swedish retail sector has a considerable size (Euromonitor International, 2022b; Yasmeeen, 2022). Under current circumstances, these conditions create a substantial aggregate current demand for shopper research products in Sweden.

Concerning latent demand, currently unserved or undiscovered demand (Kuada, 2016), a favorable situation can be observed as well. According to Charlie and Eric, clients are looking for new, more advanced, and agile solutions (interview, 15 April 2022; interview, 26 April 2022; personal communication, 24 January 2022). Brad states that firms now want to know more than who is buying their products but also why and apply predictive statistics (interview, 14 April 2022). Some even want to change their suppliers for more innovative firms that can add value to the shopper data that current firms cannot. Together with the technology partner, the CSF's solution offers excellent potential to tap this demand for agility. The app provides more detailed, fast, and advanced insights into consumer shopping behavior than currently available products (Charlie, personal communication, 24 January 2022). Further, the CSF works on solutions to integrate the shopper data with other data sources and products, such as brand and behavioral tracking. This would provide a new holistic solution that can serve client needs to better understand consumer purchase decisions by combining perception data with actual store data (Brad, interview, 14 April 2022; Charlie, personal communication, 24 January 2022).

Lastly, a beneficial situation can also be observed concerning incipient or future demand (Kuada, 2016). The Swedish retail sector is strong and forecasted to grow by 4-5% annually (Euromonitor International, 2022b). It has shown itself to be resilient despite COVID-19 continuing to affect it (Yasmeeen, 2022). A growing sector leads to a growing potential customer base of retail

participants and, therefore, with the importance of shopper research in mind (Adam, interview, 14 April 2022), growing demand for the CSF's products in the future. To some extent, this causation could already be observed as a trend in previous years, where the retailing and the market research sector in Sweden were growing simultaneously (Euromonitor International, 2022b; Statista Research Department, 2021)

Considering the market conditions described above and their effect on the three types of demand, the case study firm can expect substantial demand for its services with the prospect of continuous growth over the coming years. Its disruptive approach to consumer panels for shopper data will also allow it to compete more effectively with currently dominating firms.

Segmentation Analysis

The investigation of aggregate demand has shown a promising picture but by itself cannot determine whether a company can target a sufficiently profitable segment to justify taking advantage of the opportunity. Therefore, a segmentation analysis was conducted to understand potentially interesting segments (Kuada, 2016).

As established, the overall potential market includes all firms selling at retailers of any kind in Sweden. Of this potential market, SMEs and larger firms form the available market. Micro enterprises likely lack the resources and reach to acquire and require market research products (James, 2021). In contrast, the exceptionally large ones might not need it because of internal solutions (Brad, interview, 14 April 2022).

When it comes to the final target market, it is vital to consider the attributes and requirements of the CSF's service. As described in 4.2, the firm's new shopper data relies on an app-based panel solution that reads out electronic receipts of retailers. Though overall, Sweden is technologically advanced (Euromonitor International, 2022a; OECD, 2018), supermarkets, as a type of retailer, are particularly developed in implementing digital capabilities (Charlie, interview, 15 April 2022; Charlie, personal communication, 24 January 2022; Eric, interview, 26 April 2022). According to the Statista Global Consumer Survey (2022), the nine most popular groceries in Sweden are ICA, Willys, Coop, Lidl, Hemköp, City Gross, Tempo Handlar'n, Nära dej, and Eurocash. Of the top nine, serving the vast majority of the population, the top six have existing rewards programs

combined with the digital inbox Kriva (Kriva, n.d.). Established rewards programs make purchase tracking easier for the CSF and its technology partner as purchases are already centrally tracked and connected to electronic receipts. The CSF could then read these electronic receipts and provide complete shopper data that track purchase behavior across stores and is linked to sociodemographics (Charlie, personal communication, 24 January 2022).

This combination of prerequisites and existing advanced infrastructure in supermarkets makes FMCG brands selling at these retailers, especially the top six, particularly interesting for the studied firm because of the relatively easy access to data. Therefore, non-FMCG brands were excluded from further segmentation analysis as these are typically not sold in supermarkets but in other, often less advanced stores. This leaves the CSF with a sizable target segment that is expected to record about US\$ 63 billion in revenue in 2022, two-thirds of all retail sales in Sweden (Euromonitor International, 2022b; Statista Research Department, 2022i). Further, overall, it is insignificant which sub-sector of FMCGs the brands are part of, e.g., food, drinks, or personal care. The food sector is, with US\$ 33 billion expected revenue in 2022, the largest sub-sector (Statista Research Department, 2022i), but others have nonetheless potential.

Considering these conditions, the best-suited market segment are SMEs and larger firms active in FMCG. They can be international firms but must have a presence in Sweden to be interested in Swedish shopper data. Moreover, firms with higher sales value are likely more interesting for the CSF as they probably also have a larger budget to spend on these types of services. Lastly, ideally, the organizations targeted first are already in a business relationship with the studied firm in other countries. This would make potential buyers more accessible, help speed up the entry process, and build reputation and credibility (Charlie, interview, 15 April 2022; Charlie, personal communication, 24 January 2022).

Channel Analysis

The channel analysis studied how to market services to the intended audience in a commercial context. First, commercial buyer purchase channel preferences were investigated to determine the most desirable marketing channels. In the second step, these preferences were matched with the existing capabilities of the CSF to identify the optimal and realistic marketing channels for the firm (Friedman & Furey, 1999).

According to Coppola (2022a), in 2021, the most preferred purchase channels among commercial buyers globally were e-commerce platforms (50%), online marketplaces (24%), and direct contact via email (45%), phone (36%), and sales representatives or field sales (29%). This aligns with conditions in Scandinavia, though direct contact methods are slightly more established (Coppola, 2021a; Coppola, 2022b). However, 76% of marketers expect increased online sales in Scandinavia, while none expect a decline, making the channel increasingly crucial for sellers (Coppola, 2021b). These circumstances establish online and direct sales as the two most appealing channels to buyers. Friedman and Furey (1999) argue that meeting clients via their preferred mode increases sales, making these approaches the two optimal sales channel solutions in Sweden for the case study firm.

The CSF's marketing capabilities are well suited to target clients via these channels. Concerning online sales channels, the firm has a website that allows potential customers to browse through the product range and contact a sales representative if desired. Thus, the CSF can serve potential clients via online sales. Furthermore, Coppola (2021c) argues that some of the most impactful drivers for converting webshop visitors to customers in Scandinavia are digital market optimization activities, sharing content on social media, and content and targeted email marketing. Considering this and readily available information on the company website and social media channels, the CSF conducts effective marketing activities with digital marketing optimization activities, activities on social media, content marketing, and targeted email marketing in newsletters (Charlie, personal communication, 24 January 2022).

The CSF is also well established regarding the direct sales channels via email, phone, and field sales. This channel is especially accessible for existing clients, which have also been identified as the most promising and beneficial segment in the previous analysis. Hence, the CSF can actively communicate with these clients about the new products to establish market share quickly. Further, the firm actively participates in pitches for research products, which can also be considered a direct sales channel (Charlie, personal communication, 24 January 2022). In terms of field sales, the case firm is present at numerous relevant events to engage with clients, market its solutions, and build awareness and reputation (Charlie, personal communication, 24 January 2022).

After identifying the most appealing channels for buyers and matching them with the CSF's marketing channel capabilities, it can be concluded that the firm is in a solid position to use optimal channel arrangements for market entry in Sweden.

Combination of Findings and MO Assessment

After conducting a comprehensive MOA on the CSF's new product in Sweden, the findings can be combined to determine company-specific MO according to the method of Woodruff (1976). As explained in chapter 3.3.1, the calculation of market potential and market forecast has been reversed due to lacking data. Table 15 summarizes the findings of the calculation. According to Orbis (n.d.), the Swedish subsidiary of Europanel, a service of GfK that provides, among others, their shopper research services, produced €10 million in revenue in Sweden in 2020. Of this revenue, about €4 million comes from shopper panel products. Considering that GfK dominates in Sweden, these €4 million represent the main share of the market forecast for shopper research in Sweden (Charlie, personal communication, 24 January 2022). However, GfK is not the only player, and, according to Brad, some smaller firms are participating in the market (interview, 14 April 2022). These players together have been attributed 20% market share. Hence, if GfK with 80% market share creates €4 million in revenue, the remaining 20% market share produces another €1 million in revenue. This leads to a current market forecast of €5 million (80% or 4 + 20% or 1 = 100% or 5). Regarding the total market potential, one must understand that this forecast already considers current industry ineffectiveness (Woodruff, 1976). The latent demand analysis showed unserved demand in the market due to inefficiencies in the current market offerings (Kuada, 2016). Therefore, the industry effectiveness has been set to 80%. This means that the €5 million revenue results from industry efforts that only capture 80% of the potential. Hence, the market potential is €6.25 million ($5 / 0.8 = 6.25$).

The sales potential and forecast can be calculated after determining the market potential and forecast. With this, it is crucial to note that the studied firm will be able to omit current market entry barriers connected to the high investment requirements of traditional methods. The panel solution developed in a corporation with the partner allows for a relatively cheap and scalable approach that can be implemented quickly. Further, the solution can address the latent demand, unlike any existing firm. This allows the CSF to enter the market relatively swiftly and

simultaneously capture market share by increasing the market size. By serving the latent demand causing industry ineffectiveness, the CSF will move the market forecast to the level of the market potential and likely capture that increase concurrently. Additionally, the pilot project in Denmark captured 40% of the Danish market in the first year (Charlie, personal communication, 24 January 2022). Considering this combination of information, the market conditions described previously, and assuming that the CSF will be able to employ a flawlessly effective marketing program, the maximum market share possible in the first year of operations is deemed to be 60% percent. This amounts to a sales potential of €3.75 million in the first year of operations. However, realistically, no marketing program is absolutely effective (Woodruff, 1976), existing industry conditions create somewhat higher switching costs (Porter, 2008), and the CSF will have to build brand awareness and reputation (Friedman and Furey, 1999). Therefore, aligned with the observed success in Denmark, a more realistic estimate of market share lies at 40% of the market in the first year of operations. This amounts to a sales forecast for the studied firm of €2.5 million in the first year of operations.

Table 15 Market and Sales Forecasts for the CSF's panel solution in Sweden under current market conditions

Type of Forecast	Value in millions of €
Market Potential	6.25
Market Forecast	5
Sales Potential	3.75
Sales Forecast	2.5

Adapted from Woodruff (1976), based on calculations described above