

UNIVERSITY OF EASTERN FINLAND
Faculty of Social Sciences and Business Studies
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**THE ROLE OF SOCIAL MEDIA MARKETING IN A FIRM'S
INTERNATIONALIZATION PROCESS**
Multiple Case Study

Master's Thesis, International Business and Sales management
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Abstract**UNIVERSITY OF EASTERN FINLAND**

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Title The role of social media marketing in a firm's internationalization process: multiple case study			
Main subject International business and sales management	Level Master's degree	Date 25 September 2019	Number of pages 84
<p>Abstract</p> <p>The purpose of this study is to investigate the role of social media marketing in a firm's internationalization process. The research is a multiple case study that is built around four case companies, which have similar characteristics of born global firms and sell forest-based bioproducts. The goal of this research is to have a better understanding of the advantages social media can provide born global firms in their internationalization. In addition to this, the study aims to provide a deeper understanding of utilizing social media when marketing forest-based bioproducts, as well as what kind of effects it has on to consumers and buyers.</p> <p>The literature review of this thesis includes theories related to internationalization; Born globals, the Uppsala model, and the network model. The literature review also encloses chapters about social media and the Finnish forest-based bioeconomy. The research data was gathered by using semi-structured interviews as a qualitative research method. The theoretical framework of this study has been used to analyze the empirical data that was gathered from the case companies.</p> <p>The empirical findings were discussed by comparing the answers of the case companies and by presenting both similarities as well as differences between the theoretical framework and the findings. The main findings of this research suggest that social media is a beneficial tool to use in marketing in a firm's internationalization process. Especially young SME's can have a competitive advantage of the many benefits social media provides for their internationalization as well as marketing purposes. The main conclusions were that social media marketing can provide knowledge about foreign markets that reduce risks and lowers the barrier when entering new markets. It is also a cost-effective way of doing marketing when promoting products or enhancing brand awareness. The Internet has diminished the distance between countries, which has made it easier for firms to access new potential customers and network opportunities. Additionally, customer relationship management can be done via social media.</p> <p>This research can be useful for Finnish born global firms that strive to internationalize and strengthen their position on the international market by using social media in their marketing strategy. As the use of social media increases among people's everyday lives, it is important for companies to know how to utilize it as a tool in all aspects of business.</p>			
Keywords Social media, marketing, internationalization, born global, forest-based bioeconomy			

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<p>Tiivistelmä</p> <p>Tämän tutkielman tarkoituksena on tutkia sosiaalisen median roolia markkinoinnissa yrityksen kansainvälistymisprosessissa. Tutkielma on monitapaustutkimus, joka rakentuu neljän esimerkkitapauksen ympärille. Tutkittavilla yrityksillä on born globals (BG) -yritysten piirteitä ja jokaisella on myynnissä metsäbiotaloutta hyödyntävä luonnonmukainen tuote. Tutkielman tavoitteena on ymmärtää paremmin sosiaalisen median hyötyjä, jotka voivat auttaa BG -yrityksiä kansainvälistymisprosessissa. Lisäksi tutkimus pyrkii laajentamaan ymmärrystä sosiaalisen median hyödyntämisestä metsäbiotalouden tuotteiden markkinoinnissa sekä sosiaalisen median markkinoinnin vaikutuksista asiakkaisiin.</p> <p>Kirjallisuuskatsaus käsittelee eri kansainvälistymisen teorioita kuten BG -ilmiötä, Uppsalamalla ja verkostoitumisen teoriaa. Teoreettisessa viitekehyksessä käydään läpi sosiaalista mediaa ja sen merkitystä liiketaloudessa, etenkin markkinoinnissa. Lisäksi teoriaosuudessa käsitellään myös metsiin ja puihin perustuvaa metsäbiotaloutta. Tutkimuksen empiirinen materiaali on kerätty kvalitatiivisella menetelmällä toteutettujen teemahaastattelujen perusteella, joissa on haastateltu neljää kotimaista yritystä. Teoreettista viitekehystä hyödynnetään myös kerätyn empiirisen datan analyysissä.</p> <p>Tutkimustuloksia on verrattu sekä keskenään että suhteessa tutkimuksen teoreettiseen viitekehykseen. Tutkimuksen havainnot osoittavat, että sosiaalinen media on hyödyllinen työkalu yrityksen markkinoinnissa kansainvälistymistä varten. Varsinkin BG -yritykset voivat hyödyntää sosiaalista mediaa saavuttaakseen kilpailuetua. Sosiaalisen median markkinoinnin avulla yritykset voivat saada enemmän tietoa vieraista markkinoista, mikä madaltaa kansainvälistymisen riskiä. Sosiaalisen median markkinointi on kustannustehokas tapa omien tuotteiden ja brändin markkinointiin. Internet on vähentänyt maiden fyysistä etäisyyttä, minkä johdosta yritysten on nykyään helpompi saada uusia asiakkaita ja liikesuhteita ulkomailta.</p> <p>Tätä tutkimusta voidaan hyödyntää suomalaisten BG -yritysten kansainvälistymisessä ja yrityksen aseman vahvistamisessa ulkomaan markkinoille sosiaalisen median markkinoinnin avulla. Sosiaalisen median käyttö lisääntyy joka päivä kuluttajien arkielämässä, joten yritysten on tärkeää osata hyödyntää sitä työkaluna liiketoiminnassaan.</p>			
Avainsanat Sosiaalinen media, markkinointi, kansainvälistyminen, born global -yritys, biotalous			

Table of Contents

<i>1</i>	<i>Introduction</i>	<i>6</i>
1.1	Background	6
1.2	Research Gap	8
1.3	Research Question & Objectives of the Study.....	9
<i>2</i>	<i>Literature Review</i>	<i>10</i>
2.1	Introduction to Born Globals & Internationalization Theories.....	10
2.2	Born Globals	10
2.2.1	The Internationalization of Born Globals	12
2.3	The Uppsala Model.....	14
2.3.1	The Uppsala Model & Born Globals	18
2.4	The Network Model of Internationalization	18
2.4.1	The Network Model and Born Globals.....	20
2.5	Social Media	21
2.5.1	Users & Social Media Tools	22
2.5.2	Social Media in Business	23
2.5.3	Social Media Marketing.....	25
2.5.4	Social Media in Internationalization.....	28
2.6	Forest-Based Bioeconomy	29
2.6.1	Background of the Finnish Forest-Based Bioeconomy	30
2.6.3	Future Aspects.....	33
<i>3</i>	<i>Methodology</i>	<i>34</i>
3.1	Inductive Approach.....	34
3.2	Research Design.....	35
3.3	Qualitative Research Method.....	35
3.4	Multiple Case Study.....	36
3.5	Interviews.....	37
3.6	Secondary Data	38
3.7	Designing the Interview Questions	38
3.8	Data Collection	40
3.9	Data Analysis	41
3.10	Analysis Process	41
3.11	Validity & Reliability.....	43
<i>4</i>	<i>Research Findings</i>	<i>45</i>
4.1	Case Companies	45
4.1.1	Aarni.....	47
4.1.2	Paptic.....	47
4.1.3	Arctic Warriors	48
4.1.4	Flow Cosmetics.....	49

4.2	Internationalization	50
4.3	Social Media Marketing.....	54
5	<i>Discussion</i>	63
5.1	Born Global Firms	63
5.2	Internationalization	64
5.3	Social Media	67
6	<i>Conclusions</i>	72
6.1	Research Summary	72
6.2	Key Results and Significance	73
6.3	Research Limitations.....	75
6.4	Suggestions for Future Research.....	76
7	<i>References</i>	77

1 Introduction

The following chapter will present an introduction and the background of this thesis topic. In this chapter, there will be an explanation about the background of this research and the relevance of this research by presenting the research gap as well as significance of this study. Lastly, the research objectives and questions that this research will aim to answer will be presented.

1.1 Background

This master's thesis focuses on the role of social media in marketing and the advantages it can provide in a company's internationalization process. The empirical study is conducted around four case companies from different industries; food, cosmetics, packaging, and fashion, more specifically accessories. The case companies all have characteristics of born global firms and sell forest-based bioproducts, which is why the research not only focuses on social media marketing and internationalization but also topics on born global firms and the Finnish forest-based bioeconomy. The objective of this study is to understand how these target companies can utilize social media in their internationalization process from the marketing perspective.

Internationalization is a concept that has been researched widely in the past decades among different scholars. Many scholars and academics have defined the word 'internationalization' by using different perspectives and variables. In a simple form, internationalization has been defined "as the process of increasing involvement in international markets," (Schweizer, Vahlne & Johanson 2010, 343). According to Schweizer, Johanson and Vahlne (2010), internationalization "is best understood as a byproduct of a firm's efforts to improve its position in its network or networks," (Schweizer et al. 2010, 344). They emphasize on building relationships which leads to business opportunities abroad and when business is done internationally, the result is internationalization. Traditionally, internationalization theories have concentrated on large organizations (Johanson & Vahlne 1977; Johanson & Mattsson 1988), but recent studies have also emphasized on the importance of small- and medium-sized enterprises (SMEs) (Bell 1995; Oviatt & McDougall 2005; Arenius, Sasi & Gabrielsson 2006; Ojala 2009). Knight and Liech (2015) have questioned if the concept 'international' will lose its relevance and importance in the future, because of the ongoing development of technology and globalization that facilitate faster and cheaper internationalization.

In this study, also the word 'globalization' is used to express the process where firms extend their operations to new continents (Luostarinen & Gabrielsson 2004). Globalization is a concept that is used more commonly when discussing the phenomenon of born globals. Born globals are firms that have products with global market potential and entrepreneurial capability and together these two characteristics can accelerate the internationalization process of a firm (Gabrielsson, Kirpalani, Dimitratos, Solberg & Zucchella 2008). A lot of research has been done on born global firms since the beginning of the 1990s. Some scholars use different terms and definitions for firms similar to born globals, such as: International New Ventures (e.g. Oviatt & McDougall 1994), International Entrepreneurship (e.g. McDougall & Oviatt 2000), Global Start-Ups (e.g. Moen 2001), Born Internationals (e.g. Johanson & Martín 2015), Knowledge Intensive SMEs (e.g. Ojala 2009) etc. Despite different names, they all have a common characteristic; rapid globalization at a young age, which separates them from other SMEs. The globalization of SMEs is important as they generate substantial trade flows across the global economy. Born globals are considered important and distinctive organizations in the global commerce (Knight & Cavusgil 2004; Eurofound 2012; OECD 2013; Knight & Liesch 2015).

In today's technologically advanced world, the use of Internet and other digital media has transformed not only daily life but the business world as well. Technology has evolved and provides new tools for businesses to utilize in their business strategy. The Internet has provided new opportunities for companies to do business by engaging with customers more efficiently and for businesses to internationalize more rapidly (Bell & Loane 2010). Digitalization has provided new web-based tools and channels for companies to utilize when exploring new market areas. These tools may give young companies the same advantage as they do for big corporations. Especially for born global firms, the Internet can provide tools for business development and speedy internationalization (Bell & Loane 2010). One major driver for business development that has emerged due to digitalization is social media. The use of social media (e.g. Instagram, Facebook, LinkedIn, YouTube, Twitter) has grown significantly among consumers (Guesalaga 2016), which is why social media has become an important tool for companies to utilize in business. Social media can offer many different channels for companies to use in their internationalization process and could be a very effective tool. However, social media is a very active and constantly developing virtual environment. Meaning that it requires constant attention in order for firms to be up-to-date of the changing virtual platforms. (Kaplan & Haenlein 2010). The academic understanding of the effectiveness of social media is limited in many aspects of business such as the concept of marketing (Kumar, Choi & Greene, 2016) or more specifically business-to-business marketing as

well as selling (Guesalaha 2016). More research on the impact of social media usage in the internationalization process of International New Ventures (INVs) is needed (Fraccastoro & Gabrielsson 2018), which is why this study is conducted.

1.2 Research Gap

According to earlier research, social media is an important tool that can speed up a firm's internationalization process and expansion to new markets (e.g. Fraccastoro & Gabrielsson 2018). Many studies have been done on the topic about internationalization of born global firms, for example, from Knight & Cavusgil (2004), Gabrielsson & Gabrielsson (2011) and Gabrielsson, Kirpalani, Dimitratos, Solberg & Zucchella (2008). There have also been previous research on social media as a concept in general as well as the effects of social media in different business aspects such as marketing (e.g. Kumar, Choi & Greene 2016), branding (e.g. Cleave, Arku, Sadler & Kyeremeh 2016) B2B marketing and sales (Guesalaha, 2016), internationalization (Fraccastoro & Gabrielsson 2018), key account management (Lacoste 2016) etc. However, a scientific research gap can be found in how social media can benefit the internationalization of Finnish born global firms, especially with forest-based bioproducts.

Previous literature and research have shown the importance of studying the effects of social media in business. The development of digitalization requires constant efforts to keep up with the changes in technology and especially the Internet. As it would be too broad to study the impact of social media on every aspect of business, the emphasis in this particular research is on marketing and the advantages it can have on a firm's internationalization. Previous research has been done on the impact of social media on internationalization but there is limited amount of literature on the impact of social media marketing on the internationalization process of born global firms, that sell forest-based bioproducts. According to Luke Upton, Finland is a world leader in the forest bio-economy. Finland is Europe's most heavily forested country with 86% of land area 23 million hectares covered with forest. Finnish companies have been able to utilize this renewable resource and build an innovative and dynamic forest-based bio-industry. Currently, the biggest forest industry companies are global players and lead the development and production of new, higher value-added bio-based products. In the future, Finland will continue to invest in the bio-economy research and development. (Upton, 2016). This is why this study also focuses on the forest-based bioeconomy of Finland and why it is important to have this particular perspective in this study.

Social media has become a crucial component of the everyday life of humans in this globalizing world. “Today, everything is about Social Media.” (Kaplan & Haenlein 2010, 65). Consequently, social media has become a crucial tool for businesses as well. Social media is utilized differently depending on the goal of the business strategy. It offers many platforms that are yet to be studied and analyzed from the internationalization perspective. Many scholars have agreed that social media is a very powerful and important tool that should be used in business. However, not everyone knows how to use different social media platforms properly in order to receive the most benefit out of it businesswise. Due to these reasons, it is utterly important to study social media as a tool for business. This research will investigate the different tools social media provides in the upcoming chapters of the literature review.

1.3 Research Question & Objectives of the Study

During the time studying international business and sales management, the interest towards social media and its many benefits have been reflected and thus transformed into this master’s thesis. The main objective of the research is to study the effects social media marketing can have on a firm’s internationalization process, while also focusing on the born global characteristics of these firms and the marketing of forest-based bioproducts.

The main research question of this study is:

- How can social media marketing be utilized in the internationalization process of a firm?

The sub-questions for this research are:

- Which social media channels can be used for marketing purposes by born global firms?
- How social media channels are used for marketing bio-based products for internationalization purposes?
- Does social media marketing have effects on consumers or buyers?

2 Literature Review

The following chapter includes a relevant literature review divided into three parts. This theoretical framework includes topics of born globals, internationalization theories, social media, and the forest-based bioeconomy. The first part of the theoretical framework consists of a description of born globals (Luostarinen & Gabrielsson 2004; Cavusgil & Knight 2009; Gabrielsson & Gabrielsson 2011) and how they internationalize as well as two main internationalization theories: The Uppsala Model (Johanson & Vahlne 1977; Johanson & Vahlne 2009) and The Network Model (Johanson & Mattsson 1988; Ojala 2009). The second part comprehends social media as a concept and how it can be used in different aspects of business, especially in marketing and the internationalization process of born global firms. The third part includes the definition and description of forest-based bioeconomy as a concept.

2.1 Introduction to Born Globals & Internationalization Theories

In today's globalizing economy, internationalization has become a highly important and common step for companies to take. In almost every industry, entering foreign markets has become a strategic necessity. By entering foreign markets, companies may increase production, sales and widen their customer base as well as networks. Some firms even aim towards foreign markets straight from birth. Many studies and theories from different authors have been formed to discuss internationalization from different point of views. The following literature review chapters will mainly focus on the internationalization of born global firms and relevant internationalization theories that build a foundation for this research.

2.2 Born Globals

Born globals are usually small or medium sized firms. The concept of small and medium enterprises, also known as SMEs, applies to all business sectors as long as they are of particular size. Researchers have defined certain indicators that define a SME. For example, SMEs have more of a flat structure that lack hierarchy which gives them a more flexible work environment and strong internal relationships (Ghobadian & Gallear 1996). Due to their small size, SMEs are more flexible and able to adapt faster to different situations (Hollensen 2001). SMEs have challenged the previously dominant incremental perspectives in a firm's internationalization process (e.g. Johanson

and Valhne 1977) (Schweizer 2012). This has resulted into a variety of research streams, such as literature on born global firms (e.g. Knight and Cavusgil 1996), international new ventures (e.g. Oviatt and McDougall 1994) and international entrepreneurship (e.g. McDougall and Oviatt 2000) (Schweizer 2012). The difference between a traditional SME and a born global firm, is that born global firms internationalize from inception. However, some SMEs internationalize rapidly after they are founded, thus becoming a born global firm.

Born global firms are not new and have existed for millennia (Cavusgil & Knight 2009; Knight & Liesch 2015). Born globals have been researched considerably in many countries and can be found in small and big economies all around the world such as Australia, Denmark, or the United States (Gabrielsson & Gabrielsson 2011). According to Cavusgil & Knight (2015), many scholars have implied that born globals only exist in high technology industries, however research suggests that it is applicable to most industries (e.g. Eurofound 2012; Knight & Cavusgil 2004). Born globals can be found not only in the high-tech sector, but also in the high-services and high-know-how/systems businesses. (Gabrielsson & Gabrielsson 2011.) The common characteristics for these firms are early and rapid globalization (Rialp, Rialp & Knight 2005; Gabrielsson & Gabrielsson 2011). The focus of born globals is in its age rather than size, experience or resources as born globals are typically young SMEs characterized by limited resources. However, such firms generate substantial trade flows across the global economy and can even be considered the backbone of it. Thus, even young and small firms can become active participants in global trade and investment. (Cavusgil & Knight 2015.)

As mentioned before, there have been various different terms used for similar definitions as born globals such as international new ventures (INV). In 1994, Oviatt and McDougal defined an INV as “a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries,” (McDougal & Oviatt 1994, 49). According to Cavusgil and Knight (2015), McKinsey and Company were the first to use the term “born global” in their study conducted in Australia in 1993. Knight and Cavusgil (2004, 124) have defined born globals as: “Business organizations that, from or near their founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries.” Born globals do not necessary internationalize right after they are founded but within a relatively short time after starting. Studies have shown that born globals moved from domestic to international markets within three years or less of founding (Knight & Cavusgil 2004). Firms called born globals should also have more than 25% of foreign

sales or sourcing in international markets (Servais, Madsen & Rasmussen 2007; Gabrielsson et al. 2008).

Even though born globals are young firms that are typically small in size and have limited resources they have other characteristics which provides them benefits that are required to succeed when entering foreign markets (Knight & Cavusgil 2004). Born global firms tend to be naturally entrepreneurial and innovative which gives them the capability to achieve notable success when entering markets in their early evolution (Knight & Cavusgil 2004).

The two major factors that have driven the behavior of born globals are globalization and the development of technology. As the global market environment has become homogeneous due to globalization, the worldwide customer demand has become more similar in different countries (Cavusgil & Knight 2015). As the consumers' needs and wants are homogeneous in different markets, the sellers can use same products and marketing methods in different market countries. Also, the demand for products can be limited in domestic markets, firms have to expand to international markets. These new market conditions have increased specialization and the emerge of new niche markets. (Madsen & Servais 1997). Smaller firms such as born globals, tend to operate in niche markets that are often ignored by larger firms (Knight, Madsen & Servais 2004). Technological advances in different factors such as information and communication technologies, production methods, international logistics, and transportation have reduced the business transaction costs of foreign market expansion. They have also facilitated growth in international trade (Knight & Cavusgil 2004). Technology enables lower prices in, for example, transportation, marketing and other business activities, which makes it easier for firms to internationalize. Also, the rise of global middle class and widening networks between customers as well as suppliers have contributed in the behavior of born globals (Cavusgil & Knight 2015). In the following chapter a discussion about the internationalization of born globals is presented, following a chapter of the Uppsala model (Johanson & Vahlne 1977; Johanson & Vahlne 2009) and the network model (Johanson & Mattsson 1988; Ojala 2009) as well as their impacts on born globals.

2.2.1 The Internationalization of Born Globals

In literature that concerns the internationalization of born global firms, the focus is on early and rapid international expansions (e.g. Autio et al. 2000; Crick and Jones 2000; Bell et al. 2003), their extensive use of networks (e.g. Lu and Beamish 2001), and their concurrent expansion in domestic

as well as international markets (e.g. Coviello and Munro 1997) (Schweizer 2012). Born global firms are known to internationalize differently than regular SMEs. SMEs have been said to usually internationalize in stages (Nordstöm 1991; Claof & Beamish 1995; Gabrielsson, Sasi & Darling 2004). There is evidence that even though born globals have similar patterns as seen in a traditional internationalization process, they seem to pass the stages through more rapidly and even jump over some or all of them (Gabrielsson & Gabrielsson 2011; Luostarinen & Gabrielsson 2004). According to rapid globalization theory, rapidly globalizing SMEs aka born globals, do not proceed according to the conventional 'stage theory' pattern. This is why going global and entering leading foreign markets early is crucial (Alahuhta 1990; Gabrielsson, Sasi & Darling 2004). Firms that enter foreign markets step-by-step, adjust their resources and capabilities gradually (Johanson & Vahlne 2009). Born globals on the other hand, need to respond fast to new opportunities that lead to a global marketplace. (Gabrielsson, Sasi & Darling 2004.) According to Gabrielsson et al. (2008), born globals go through three different phases in the globalization process: (1) introduction phase, (2) growth and resource accumulation phase, and (3) the break-out to independent growth phase. In the third phase, the born globals can enter a new path or new market. In this phase, the pace of growth slows down otherwise the born global would evolve into a conventional slow-growing international entrepreneurial SME.

Another relevant theory for SMEs that internationalize rapidly at a young age is the internationalization process (IP) theory which emphasizes on (Blomstermo et al. 2004; Johanson and Vahlne 2009) enhancing the understanding of foreign market knowledge (FMK) development and entrepreneurial orientation (EO) of an INVs during their internationalization process (Hånell, Nordman & Sharma 2014). In the IP theory, the most important resource for a successful internationalization is considered to be FMK (Eriksson et al. 1997; Johanson and Vahlne 1977) because it can guide firms towards new business opportunities in specific foreign markets, for example, providing an opportunity to initiate relationships with foreign customers (Hånell, Nordman & Sharma 2014). The idea of IP theory is that by knowing more about foreign markets it reduces uncertainty, thus decreasing risks. When uncertainties decrease, firms are more likely to make new resource commitments abroad. According to the IP theory, a firm's knowledge accumulation and resource commitment is influenced by a firm's business relationships. According to Johanson and Vahlne (2009) the problems as well as opportunities that emerge during a firm's internationalization process are not only effects from country specificities but also from specific relationships. In conclusion, according to the IP theory market knowledge is gained through ongoing business activities and interactions with foreign business partners. By responding to

changes in the markets and experience gained from challenges, firms can learn by doing which results into the firm's future decision and actions. (Hånell, Nordman & Sharma 2014.) Even though the IP theory is often used in international entrepreneurship studies, it has also been criticized the most among scholars (e.g. McDougall et al. 1994; Knight & Cavusgil 1996). The criticism is usually allocated towards the idea that INVs do not follow the 'stage theory' pattern but expand to foreign markets more rapidly. (Hånell, Nordman & Sharma 2014.) There has also been criticism towards firm-level analysis which neglects the individuals in the international expansion of INVs (McDougall et al. 1994).

The technological development in the world has given businesses more opportunities in sales and marketing. Born globals have been relatively quick to adopt to Internet-based channels. (Gabrielsson & Gabrielsson 2011.) The potential role of the Internet and the different channels it provides in international marketing, should be considered (Samiee 1998; Gabrielsson & Gabrielsson 2011). According to previous research, the Internet can provide a way for born globals to obtain substantial revenue and cash flow rapidly (Gabrielsson & Kirpalani 2004; Gabrielsson & Gabrielsson 2011). This is why born global firms can benefit a great deal of using the Internet in support of their export activities (Gabrielsson & Gabrielsson 2001; Moen 2002). It has been found that when used properly the Internet can even reduce liability of foreignness and resource scarcity, thus leading to faster globalization (Arenius et al. 2005; Gabrielsson & Gabrielsson 2011).

Even though born globals suffer from liabilities such as smallness and newness which reflect to limited resources, inexperience, and foreignness, they have the innovation and entrepreneurial competence. These competencies give them the capability to internationalize (Knight & Cavusgil 2004). More born globals are emerging all around the world and any business regardless of the size and age can internationalize if they have products with global market potential (Gabrielsson et al. 2008; Knight & Liesch 2015). Born globals are usually led by entrepreneurs (Gabrielsson et al. 2008) who want to bring unique products/services to new markets and widen their customer base. This requires characteristics such as risk taking and flexibility, that born globals usually possess due to their small size and young age.

2.3 The Uppsala Model

There are many theories about internationalization, but perhaps one of the most widely cited theory, called The Uppsala Model was created by Jan Johanson and Jan-Erik Vahlne in 1977. The theory

suggests that foreign market knowledge comes from gained market experience. The research was conducted to study the patterns Swedish firms have when internationalizing their operations. The model states that firms start the process with small steps with low risk to increase involvement in foreign countries. Without the necessary market knowledge there might be obstacles that are difficult to overcome. The market knowledge has to be acquired by operating in the foreign country. The process of extending operations abroad starts from exporting to using subsidiaries and even to production in the foreign country. The emphasis is on making small commitments rather than large investments in order to gain market experience and make resource commitments to the new market country. (Johanson & Vahlne 1977.)

The Uppsala model suggests that the internationalization process starts from markets that are geographically close to the market where the firm is already operating in. The target market is chosen by its characteristics, which should be similar to the domestic market. These characteristics can be language, culture, or the way of doing business. In this way the organization is able to apply its domestic knowledge and actions to the internationalization plan. With a relatively short geographical distance and similar characteristics, the risk to operate in foreign markets is smaller due to low uncertainty. When firms learn about the foreign market, they may expand to markets that are further away. When there is more knowledge it gives firms the ability to move to markets less similar to the domestic market. (Johanson & Vahlne 1977.)

As a base for the Uppsala model, Johanson & Vahlne have used a four-stage internationalization model called the establishment chain, which was created by Johanson and Wiedersheim-Paul in 1975. In the first stage the organization has no regular export which means they have no action plan for markets abroad but may start it by exporting. The second stage is that organization has an independent representative, such as an agent who can be a local person responsible for the sales in the foreign market country. In the third stage, the organization has attained market knowledge and some experience of the foreign market, which gives certainty to establish a subsidiary to the new market area. Lastly, the organizations reach independent activity abroad and may even have production in the foreign country. According to the establishment chain, the more market knowledge and experience a firm has, the more committed the firm will be with resources. (Johanson & Vahlne 1977.)

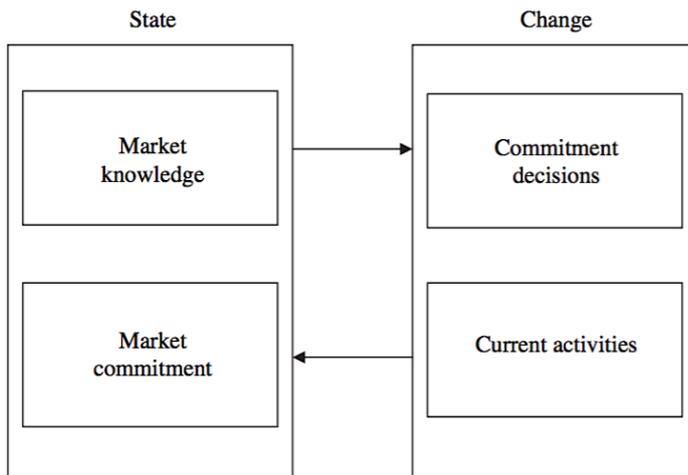


Figure 1. The Uppsala Model
(Johanson & Vahlne 1997)

The structure for the Uppsala model is formed between the state and change variables that influence each other; thus, the model is dynamic. State aspects include market knowledge and resource commitment to the foreign market. Change aspects are commitment decisions and current business activities. According to the model (see figure 1) the firm gains market knowledge through decision-making and business activities which reduces uncertainty and therefore drives the firm to increase their commitment to operations abroad. (Johanson & Vahlne 1977.)

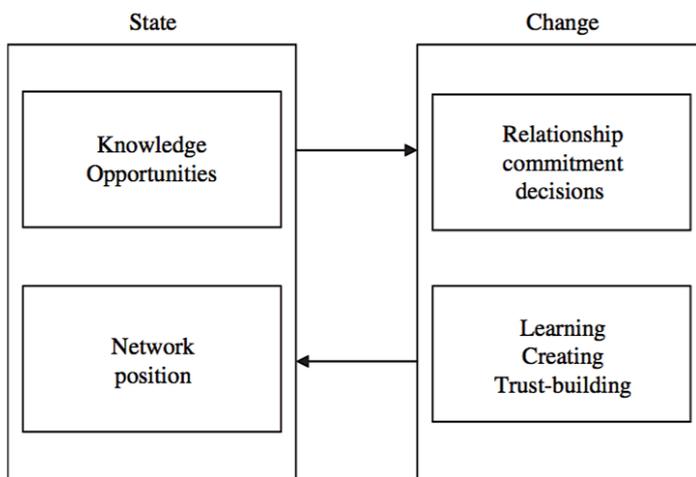


Figure 2. The Uppsala model revisited
(Johanson & Vahlne 2009)

In 2009, the Uppsala internationalization process model was revisited (see figure 2) due to changes in the market environment, business practices and debates made of earlier established framework. As markets had become more homogeneous, psychic distance does not play a major role anymore

in the internationalization process. The emphasis has been directed towards organizations having a successful network position in the foreign markets. In the new model, there is more focus on individual relationships and relationship building as well as learning. These are seen as crucial factors to succeed in foreign markets. Insidership in business networks is considered extremely relevant to succeed in internationalization because existing networks strengthen the firms position in the market. According to Johanson and Vahlne (2009, 1411), “insidership in relevant network(s) is necessary for successful internationalization, and so by the same token there is liability of outsidership.” Liability of outsidership is considered as a root of uncertainty in internationalization. In the original Uppsala model (1977), it was stated that the larger the physic distance, the more difficult it is to build new relationships. This is the effect of the liability of foreignness. In the new model, Johanson and Vahlne (2009) state that the biggest threat for a firm’s internationalization is the liability of outsidership, meaning that if a firm does not have a position in a relevant network, it is an ‘outsider’. Without having a relevant network position in the foreign market, the firm will suffer from “liability of outsidership and foreignness, and foreignness presumably complicates the process of becoming an insider,” (Johanson & Vahlne 2009, 1415). Hence, a firm should be a member of relevant networks when entering new markets. (Johanson & Vahlne 2009.)

In the revisited Uppsala model, the state and change variables have been modified to support the end result of having a strong business network position which is necessary for a successful internationalization process. The first state variable is about having more knowledge in order to have closer relationships. The lack of market-specific business knowledge results into the liability of outsidership. The second state variable is network positions where good network positions offer firms beneficial exchange with business partners. The first change variable includes learning, creating and building trust, which are behaviors that can be used in relationship creation and building. The second change variable is relationship-commitment decisions that can either increase or decrease the level of commitment within a partnership. Internationalization can be seen as a result of actions made by a firm to enhance their network position. According to the new model, the network position of a company determines which market to enter as the business relations make it possible to identify and see opportunities. The knowledge of foreign markets and commitment is formed through relationships. (Johanson & Vahlne, 2009.)

2.3.1 The Uppsala Model & Born Globals

The Uppsala model of 1977 has been criticized during the past decades by various researchers, especially for the impossibility of being applicable to born global firms. Before its revision in 2009, the model was stated to be outdated as the world had changed since the 1970's. In today's world, the markets are more homogeneous, which means gaining foreign market experience can be generalized and attaining knowledge is easier. (Oviatt & McDougall 1994.) Another aspect that has changed the business world, is technology which has given new opportunities for firms aiming towards internationalization. However, this can be seen especially useful for born global firms that strive towards global markets at a young age. This can be seen as a challenge for the Uppsala model, as born globals, also known as INVs, use their resources and sales outputs in multiple countries. This gives them a competitive advantage by targeting niche markets with unique products and services (McDougall & Oviatt 1994). Technology can simplify and speed up the internationalization process while physic distance is not seen as a big of a threat it used to be. (Arenius et al. 2006.) Schweizer et al. (2010) state that the Uppsala model lacks entrepreneurial aspects as the emphasis is on minimal risk taking which is the opposite of typical entrepreneurial behavior and considered to be a part of entrepreneurial capabilities. Born globals however, are known for being more flexible than large multinationals which enables them to adapt to changing environments (McDougall & Oviatt 1997). Also, the Uppsala model sees uncertainty as a threat while in entrepreneurship, uncertainty gives more freedom to adapt to changing environments in the internationalization process. (Schweizer et al. 2010.) This is also trait that can be seen in born global firms. Lastly, the model is considered less suitable for INVs because they are young SMEs with restricted resources that have a little or no experience at all in any market (Oviatt & McDougall 1994). In conclusion, the theory does not support born globals as much as large firms with more resources and market experience.

2.4 The Network Model of Internationalization

The network model of internationalization was created by Johanson and Mattsson in 1988 when it was found out that various firms used networks in order to enter foreign markets. Johanson and Mattson (1988) define internationalization as the creation and development of a position within networks. Network relationships are opportunities for firms to be a part of business relationships and have connections that can help them in the internationalization process. The stronger the position in the network, the easier it is for the firm to enter new markets. The network relationships

are considered to be the pull factor in the internationalization process as firms follow their networks to new markets. (Johanson & Mattsson 1988.) The model highlights the importance of a firm's network structure in an international market environment. By establishing a network, firms can reach business partners that have more resources and are able to help them overcome obstacles, such as liability of outsidership and uncertainty, as well as reduce risks when entering foreign markets. This is because network relations help firms gain market knowledge, become more familiar with new markets, learn about opportunities, become motivated to enter new markets, and gain new ideas for strategic decisions. (Madhok 1997; Senik, Scott-Ladd, Entrekim & Adham 2011.) Johanson and Mattsson (1988) have identified four different stages that firms can be in during the internationalization process:

1. The first stage is called *the early starters*, which refers to firms that have a weak network position. This means that they do not have a lot of international relationships and the counterparts are in the same position. These kinds of firms can use agents in foreign markets to lower uncertainty and gather knowledge about the market.
2. The firms in the second stage are called *the lonely internationals*, which means that the firms are highly internationalized, but the market environment is lagging behind by having a domestic focus. The lonely internationals already have business connections in foreign markets which has given them a competitive advantage as the competitors are not as highly internationalized.
3. The third stage, *the late starters*, emerge in already internationalized markets. They consist of firms that have limited international knowledge and experience, which is a disadvantage when comparing to the other firms within the network. Networks operate as a pull factor to new markets. Firms in the third stage use indirect connections such as suppliers and customers, in the international markets.
4. The final stage in the network model is called *the international among others*. In this stage, both the organization and the market environment are highly internationalized. The organizations have experience and knowledge of international markets as well as a lot of resources which gives them a strong position in the global market. They have a wide network and create new connections in order to increase value for the organization.

According to the network model, a firm is dependent on the resources that the partner firms' control, and it may gain access to these resources by developing the position within a network. The partnerships offer mutual benefits for the firms, which motivates both parties to develop and maintain the relationship. (Johanson & Mattsson 1988; Johanson & Vahlne 2003; Ojala 2009.) These business partnerships can be seen as bridges to foreign markets (Johanson & Vahlne, 1990; Ojala 2009). The networking model puts emphasis on specific business relationships that can be initiated either by actors within or outside the firm. If a seller initiates the relationship building, it's considered as active networking but when the initiation comes outside the firm, such as from a buyer, it can be referred to as passive networking. (Johanson & Mattsson 1988; Ojala 2009.)

Johanson & Mattsson (1988) have stated, that the network consists of partnerships with several different actors, such as customers, distributors, suppliers, competitors, non-profit organizations and public administrations. There are also different types of network relationships to consider when entering new markets. These are formal relationships, informal relationships, and intermediary relationships. The formal relationships refer to business partnerships whereas informal relationships are considered to be personal relationships, for example, with family and friends. In an intermediary relationship there is a third-party connecting the seller and buyer, who have no direct contact with each other. (Johanson & Mattsson 1988.) Studies have shown that formal and informal relationships have a strong impact on which market to enter and what entry mode to use. Firms tend to follow these partnerships to nearby markets before entering new markets that are geographically distant. (Ojala 2009.) If firms do not have relevant network connections that can guide them to new markets, the firms will actively seek relationships for this purpose (Loane & Bell 2006; Ojala 2009).

2.4.1 The Network Model and Born Globals

The difference between the Uppsala model (Johanson & Vahlne 1977) and the network model is that in the network model there is no mention of the term geographical or psychic distance affecting the choice of entering new markets. There is also no discussion of network relationships having an impact on the entry mode choice of a foreign target market. (Johanson & Mattsson 1988; Johanson & Vahlne 2003; Ojala 2009.) Instead the network model highlights on the establishing and building of networks as well as relationships as it also takes SME's in consideration in the internationalization process, unlike the Uppsala model. Madsen and Servais (1997) have stated that the network models two stages: the late starters and the international among others, both have

similar characteristics to born global firms. Born globals can be considered to be in the later state of international among others because the firms in this stage use their position in one network to provide them with other networks. Born globals also fit into the description of late starters, because they can emerge in already existing specialized markets, such as high technology industries. This is why, the network model can be applicable to both traditional SME's and born globals. SME's can benefit a lot from having strong networks, especially with large firms, as they can become more competitive in the new market. This can be extremely beneficial for born global firms, because the networks can offer resources and knowledge about international opportunities which can even motivate firms to move towards international markets. (Ojala 2009.)

There has been some debate of the network model and how a firm's network relationships are utilized when entering new markets. According to Crick and Spence (2005) firms can only benefit from existing networks to a limited extent when entering new markets. (Crick & Spence, 2005; Ojala 2009). Bell (1995) has stated that the network model theory lacks the aspect of firms not having network relationships in foreign markets in order to internationalize (Bell 1995; Ojala 2009). This can often be the case with young firms, such as born globals that have not yet established a strong network. Lastly, in the network theory there is no research made of the partner selection when forming networks to internationalize (Varis, Kuivalainen & Saarenketo 2005). In the next chapters of the literature review, there will be a description of social media and the impact it has on business, especially in the internationalization process of firms.

2.5 Social Media

There have been various definitions of social media from different scholars. Kaplan and Haenlein (2010) have defined social media as an Internet-based application that enables the creation and exchange of user-generated content (Agnihotri, Kothandaraman, Kashyap & Singh 2012). This can be photos, videos, text, or any other form of digital content. Social media is also used "to participate in social networks, which enables them to create and share content, communicate with one another and build relationships," (Hennig-Thurau, Malthouse, Friege, Gensler, Lobschat, Rangaswamy & Skiera 2010, 312; Lacoste 2016). This relationship building goes beyond personal connections when businesses use social media to their advantage. Different social media networks (e.g. Facebook, Instagram or blogs) are where exchange of information happens through social interactions. These interactions can be sharing visual content, giving and receiving likes, comments, chats or other forms of digital communications. This is why social media can be considered a tool or service that uses the Internet to facilitate communication (Safko 2011; Lacoste 2016). Many

researchers have stated that social media is an opportunity for companies to create their own generated content and share it to the world (Andzulis, Panagopoulos & Rapp 2012; Ploof 2009). Social media is a powerful tool for companies to use in their business strategy, which can facilitate to increase of revenue in more ways than one. We will go deeper into how businesses can benefit by using social media in the upcoming chapters.

2.5.1 Users & Social Media Tools

The use of different social media channels has grown significantly among consumers (Guesalaga 2016). Consumers are constantly downloading new applications for smartphones and tablets, sharing content and communicating with friends and family. Not only do consumers use social media applications for updating their own personal page but they use it to attain information from and share content to other accounts as well. (Andzulis et al. 2012.) This gives companies the opportunity to interact with customers which can benefit them greatly, for example, by receiving feedback and getting ideas for improvements. In the era of social media where everything is out in the open and based on user participation, communication about brands happens with or without the firm's permission. As social media provides the opportunity for everyone to participate, content can be shared about brands within a second by a simple click and the effects can snowball fast. It is up to the firms to decide if they want to be a part of that communication or ignore it. Both actions have an impact. (Kietzmann, Silvestre, McCarthy & Pitt 2012.)

Many different sites and digital channels are called social media. According to Kietzmann et al. (2012) social media consists of seven functional blocks: *identity*, *conversations*, *sharing*, *presence*, *relationships*, *reputation*, and *groups*. These blocks explain the experience social media provides for its users. *Identity* is the extent of which users reveal themselves (e.g. age, name, gender, and location). *Conversation* on social media happens when users communicate with each other. *Sharing* includes exchange, distribution and receiving of content. *Presence* lets users know if others are available online. *Relationships* are formed when users relate to one another. *Reputation* is created of the shared content and social standing. Lastly, *groups* form when there is a community of users such as followers or contacts.

There is more to social media than just social networks and the different social media sites can be used for different purposes. Chaffey and Ellis-Chadwick (2016) have listed different types of social media tools that acquire the seven mentioned characteristics by Kietzmann et al. (2012):

1. *Social networks* are social platforms and applications where people interact with personal and business users through social networks. These are, for example, Facebook, Linked In, Google + and YouTube.
2. *Social publishing and news* include all the blogs, newspapers, and magazines that have a social media presence with the option for users to participate through comments on articles, posts or communities.
3. *Social commenting in blogs* can be beneficial as you can benefit from being active on other blog accounts and have a bigger outreach to a wider potential audience.
4. *Social niche communities* are communities and forums, independent from the main network.
5. *Social customer service* includes online chats and other forms of online availability to offer support to customers and respond to complaints.
6. *Social knowledge* includes reference social networks that engage with the audience by solving their problems and providing information. These networks are, for example, Wikipedia and Yahoo! Answers.
7. *Social bookmarking* means saving a web page online, that you can access later and even share with others.
8. *Social streaming* is the form of providing real time content for viewers such as podcasts or Instagram Live.
9. *Social search* includes search engines that find user generated content that have the ability to tag, vote and comment on the results through a social search site.
10. *Social commerce* involves reviews and ratings done online on products or services by users.

2.5.2 Social Media in Business

Social media can have a huge effect on a company's revenue, reputation, and success. Many ignore the opportunities social media provides for business as they don't understand it as a tool and don't know how to use it properly. (Kietzmann et al. 2011.) The different tools of social media can be used in many different aspects of business depending on the goal and focus of the business strategy. This can be to improve, for example, a firm's key account management (e.g. Lacoste 2016),

marketing (e.g. Felix, Rauschnabel & Hinsch 2017), internationalization (e.g. Fraccastoro & Gabrielsson 2018), or sales (e.g. Guesalaga 2016).

From the sales perspective, social media is the backbone strategy that directs how customers and companies collaborate to co-create value in the sales process (Andzulis et al. 2012). The collaborative interaction between customer and a company on social media networks is a crucial part of modern CRM (customer relationship management). By using social media as a tool to build and management customer relationships, it has also become a relevant part in key account management (KAM) (Lacoste 2016). Due to this collaborative behavior on social media, companies can better resolve customer issues, mitigate critics and provide real-time information such as pricing offers to attract customers (Andzulis et al. 2012). They can also use the information they get from customers to better their services and product development. The power that social media tools provide should be embraced and understood to utilize them in the most efficient way (Andzulis et al. 2012).

Having merely a social media presence is not enough to enhance a firm's value proposition (Andzulis et al. 2012). To get the most use out of social media, the accounts should be constantly active and monitored. The use of social media for business requires a business strategy, and not just an assortment of disjointed tactics (Andzulis et al. 2012). Agnihotri et al. (2012) have determined four different factors: *strategy*, *goal definition*, *information exchange*, *competitive intelligence*, and *performance metrics*, that should be considered in order to use social media efficiently in business.

Strategy - The focus and goal of a social media strategy should be built on social capital such as motivation, opportunities, and ability to interact and engage with firms (MacInnis, Moorman, & Jaworski 1991; Gruen, Osmonbekov, & Czaplewski 2005; Agnihotri et al. 2012), as it facilitates to successful execution of service behaviors. According to Levy (2011) a strong social media strategy needs to (1) define business goals, (2) determine the specific use of social media by the target audience, (3) consider the competitors moves and strategy, (4) keep track of the market and (5) set milestones to follow the progress. Social media strategy requires setting objectives and execution of the key approach in order to achieve the desired goal of the strategy.

Goals – The goal of utilizing social media for business depends on the industry, product or services offered, and other situational factors. The two primary goals for increasing revenue are usually acquiring new customers and development of relationships with existing customers. Social media

objectives should be clearly identified and prioritized to be aligned with the organizational structure, processes, and to effectively allocate resources.

Information exchange – In order to achieve a growing trust in buyer-seller relationships, there is a need for an efficient exchange of information (Morgan & Hunt 1994; Palmatier, Dant, Grewal, & Evans 2006; Agnihotri et al. 2012). The traditional approached to communicating with customers have evolved to communicating online in private chats and even on public online environments. The information exchanged in social media needs to be constantly monitored and maintained active by businesses in order to overcome any challenges that might occur.

Competitive intelligence – Social media offers increased opportunities to gather competitive intelligence from different platforms, such as online forums, FAQs (frequently asked questions), employee blogs, public wikis, and other sites. Business can observe competitor's digital interactions with customers, access customer reactions to competitors, benchmark competitive products and track competitor social media initiatives. Thus, it is crucial to identify sources and types of competitive intelligence to create customer value and develop a strategy to gather such competitive intelligence.

Performance metrics – The measurement of social media success depends on the goal of the business strategy. It is difficult to track the progress, evaluate the efforts, and outcomes of an organization in social media. Every organization has to develop their own metrics depending on the purposes of social media use. However, there are some key metrics to watch which can indicate the ROI (return of investment). The key metrics include audience growth rate (number of followers on account), customer engagement rate (e.g. number of clicks or registrations per week), volume of relevant posts as well as comments and lastly, customer acquisition rate (Gleanster 2010; Agnihotri et al. 2012). The performance evaluation should include objective as well as subjective outcomes and the investments made for a social media strategy should provide a ROI.

2.5.3 Social Media Marketing

Digital marketing has become a crucial component in a firms marketing strategy, but it works best when combined with traditional marketing channels such as print or television advertising (Chaffey & Ellis-Chadwick 2016). Chaffey and Ellis-Chadwick (2016) define digital marketing as a way of “achieving marketing objectives through applying digital technologies and media,” (Chaffey & Ellis-Chadwick 2016, 11). Digital marketing includes six different categories: search engine

marketing, online PR, online partnerships, online advertising, opt-in email marketing and social media marketing (Chaffey & Ellis-Chadwick 2016). We will focus on social media marketing as it is a core subject of this master's thesis.

Social media marketing can be defined as monitoring and facilitating customer-to-customer participation and interaction on a company's site, social networks or other third-party sites to encourage positive engagement with a company and its brands (Chaffey & Ellis-Chadwick, 2016). Social media offers many different platforms which can benefit a firm's marketing strategy that can be utilized when a firm is entering new foreign markets. According to previous literature, social media marketing objectives have been researched in topics such as stimulating sales, increasing brand awareness, improving brand image, generating traffic to online platforms, reducing marketing costs, and creating user interactivity on platforms by stimulating users to post or share content (e.g. Bernoff & Li 2008; Schultz & Peltier 2013; Ashley & Tuten 2015; Bianchi & Andrews 2015; Felix, Rauschnabel & Hinsch 2017). According to Fraccastoro & Gabrielsson (2018) social media and other online related channels can even act as an alternative channel for internationalization. In their study, Fraccastoro and Gabrielsson (2018) showed that a company that created an app (application for smartphone or tablet) was able to increase the downloads of the app all around the world by becoming more active on their Facebook site and advertising. Thus, social media offers an easy and cost-effective solution without requiring using a great amount of resources internationally. (Fraccastoro & Gabrielsson 2018.)

Social media can be used in brand management through different methods including paid advertisement (Stephen & Galak 2012; Ivankova, Davies, Archer-Brown, Marder, & Yau 2018), engagement with influencers to promote the brand (Kozinets, De Valck, Wojnicki, & Wilner 2010; Barry & Girona 2017; Ivankova et al. 2018), or by creating content that connects the audience with the brand (Popp, Wilson, Horbel, & Woratschek 2016; Pitt, Plangger, Botha, Kietzmann, & Pitt 2017; Ivankova et al. 2018). Content shared on a firm's social media channel can lower potential customers' uncertainty about the company, its brand and products (Fischer & Reuber 2014; Fraccastoro & Gabrielsson 2018). With the rise of social media, the corporate communication has been democratized, as the power has shifted from marketers to individuals and communities that create and share content on social media channels (Kietzmann et al. 2011). Although most social media networks share similar abilities for marketing purposes such as content creation, communication and engagement with others, different channels are preferred for different use. Facebook is found to be effective in customer relationship management (Ivankova et al. 2018; Popp

et al. 2016) while Twitter enables answering consumers messages in real-time and communicating brand messages (Culotta & Cutler 2016; Ivankova et al. 2018). Instagram provides the opportunity to post visual content (pictures and videos) as well as produce a live stream to an audience. However, the most known network for user generated videos is YouTube (Indvik 2011; Muñoz & Towner 2017; Ivankova et al. 2018). Even though different channels have different strengths, better customer experience requires the use of multiple channels (Pozza 2012; Ivankova et al. 2018).

There is a difference in utilizing social media in a business to business (B2B) or business to customer (B2C) context. B2B organizations prefer professional social networks such as LinkedIn where as B2C organizations prefer mass-consumption social media networks such as Facebook (Ivankova et al. 2018). However, similar channels are used for both B2B and B2C. The most important benefit social media offers B2B firms is creating and enhancing of brand awareness (Järvinen, Tollinen, Karjaluoto, and Jayawardhena 2012; Lacoste 2016). The benefits of social media in B2B context also include reducing costs of acquiring customers, generating referrals, increasing credibility in the marketplace (Agnihotri et al. 2012) and facilitating transaction process to increase the sales of existing customers (Järvinen et al. 2012; Lacoste 2016). In B2C context, social media channels are used to engage with the general public (Moore, Hopkins, and Raymond 2013; Lacoste 2016). Firms can monitor and analyze conversations on social media and gain knowledge about consumers views on the firm or its products and services (Schweidel & Moe 2014; Felix, Rauschnabel & Hinsch 2017). Companies are able to engage with customers, create content and develop their brand at a low cost on social media (Neti 2011; Ashley & Tuten 2015; Hainla 2017; Ivankova et al. 2018).

Social media also has some challenges that should be mentioned. The online environment of social media is constantly changing as technology develops and the networks and other tools might have significant changes. This requires firms to constantly monitor any changes and updates in the world of social media in order to know where the best online marker environment is for the firm. “Social media is a tool, strategy, or way of doing business that will evolve through its own life cycle that has yet to be written,” (Andzulis et al. 2012, 307). In conclusion, social media in business is about engagement and collaboration (Andzulis et al. 2012). The use of social media can help companies to save costs in marketing and sales, enhance a firm’s reputation and credibility as well as speed up the internationalization process by overcoming liabilities of outsidership and boosting performance (Fraccastoro & Gabrielsson 2018).

2.5.4 Social Media in Internationalization

Even though there is not a lot of previous research about how social media has affected firms in their internationalization process, it is clear that social media can be beneficial in many aspects of business, even in internationalization. Social media tools offer important low-cost channels for companies, especially for entrepreneurial ventures such as born globals, to utilize when entering the global market. For example, social media networks can be used to gather market knowledge as well as develop mutual dependencies with customers and partners. It can also help to attain valuable feedback and other information that can benefit, for example, in product and service development (Maltby 2012).

Even though there is not a lot of research done on the subject, the different studies made so far, have shown social media to be useful in internationalization. Sigfusson and Chetty (2013) have stated that social media networks, such as LinkedIn, are useful for entrepreneurs to manage a large number of relationships identifiable as weak ties. Fraccastoro and Gabrielsson (2018) have established that this kind of enhancement of a firm position in a social media network can accelerate the internationalization process during a firm's introductory phase. Using social media in networks can be beneficial for a firm in other ways as well. Social media offers an opportunity to be a part of wide online networks and allows to increase network identity as well as create trust by communication with other members of the network (Sigfusson & Chetty 2013; Fraccastoro & Gabrielsson 2018). This is in line with Fischer and Reuber's (2014) statement that communication through social media can build trust with the audience thus reducing uncertainty about the firm and increasing differentiation from competitors (Fischer & Reuber 2014; Fraccastoro & Gabrielsson 2018).

Social media networks give firms a chance to establish credibility by demonstrating expertise, leveraging existing experts and being a good community member (Maltby 2012). By connecting with potential partners, the firms may gain insidership of a strategic network in foreign markets that can help them to gain relevant knowledge, skills and resources to utilize when entering new markets (Fraccastoro & Gabrielsson; Sigfusson & Chetty 2013). As previously mentioned, Johanson and Vahlne (2009) stated that firms should become members of networks to reduce liability of outsidership. This is especially relevant for young companies striving to enter foreign markets but are not a part of any network yet. Social media can offer huge support to the traditional ways of networking that can eliminate the risk of being an outsider and speed up the overall internationalization process (Fraccastoro & Gabrielsson 2018). Interaction with customers,

suppliers and distributors can be done on social media networks. Combined with email, social networks can be a powerful combination in creating new partnerships (Chaffey & Ellis-Chadwick 2016).

The following chapters of this literature review have created a foundation for the methodological part of this master's thesis. In the last chapter of this paper's literature review, there will be a chapter concerning the forest-based bioeconomy of Finland. In the upcoming chapter there will be an explanation of the concept forest-based bioeconomy, a description of the background of the industry and a glance to the future of the Finnish forest-based bioeconomy. The following chapter is relevant in order to understand the case companies, their products and their social media marketing strategies that are studied in this research.

2.6 Forest-Based Bioeconomy

The forest-based bioeconomy is an important segment of a larger concept called the bio-based economy (Watanabe, Naveed & Neittaanmäki 2018). The bio-based economy can be defined as the economy which uses natural resources as the raw material for production and renewable biological resources as well as in conversion to food, feed, bio-based products, and bioenergy (European Commission, 2012; Watanabe et al. 2018). Specifically, forest-based bioeconomy can be defined as the economy that uses forests as a resource for bio-based products. Forests are the biggest renewable energy source in Europe and deliver a significant contribution of biomass (Hetemäki, Hoen & Schwarzbauer 2014; Scarlat, Dallemand, Montiforti-Ferrario & Nita 2015; Watanabe et al. 2018). The forest-based bioeconomy has the opportunity to become the leading sector in the sustainable development of the bio-based economy (Camia & Marchetti 2016; Wolfslehner, Linser, Pulzl, Bastrup-Birk 2016; Watanabe et al. 2018).

There has been a lot of development within the forest-based bioeconomy as new innovations have been created by taking advantage of the renewable natural resources in business (Watanabe et al. 2018). According to Mustalahti (2014), in Europe, the word 'bioeconomy' in context of business is defined as the development of innovations that use renewable natural resources. Finland has been identified as one of the countries that first started to develop its own bio-economic strategy called "Finnish bioeconomy strategy: sustainable growth from bioeconomy," which was published in 2014 (Mustalahti 2018.)

2.6.1 Background of the Finnish Forest-Based Bioeconomy

Finland has been a part of the globalizing economy by being an exporter of forest-industrial products since the twentieth century. The export process continued successfully for many decades and was challenged only in the end of the century when the rapid rise of information technology industry began. Even though the share of forest products fell from 37,6 percent in 1990 to 29,4 percent in 1999, Finland's exports were still exceptionally forest-dominated. In 1999 approximately, 90 percent of paper produced in Finland was exported. (Lehtinen 2002.) Even today, Finland is one of the leaders of forest-based exports (Oishimaya 2017). The forest-based sector in Finland strives to be one of the key contributors to the bioeconomy. As mentioned above, the Finnish bioeconomy strategy (2014) was strongly emphasized on the forest-based economic sector and its contribution to the bioeconomic transition. It also concerns the interactions between citizens, bioeconomy operators and decision-makers as well as the utilization and conservation of natural resources (Mustalahti 2018).

Today, the awareness of the environmental problems of the world such as climate change, is a global phenomenon. The knowledge of the environmental challenges in our world has transitioned countries, citizens and corporations to become more conscious about their everyday choices. This also shows strongly in business as companies are required to respond to the eco-consciousness and consumer preferences. (Mustalahti 2018.) Like other industries, also the forest-based sector is forced to adapt their production and trading according to the requirements (Lehtinen 2002). In Finland, there are efforts to support the transition of the bio-based sector towards a greener economy by responding to local challenges resulting to mitigating global climate change (MEE 2014; Mustalahti 2018). Climate change has shifted the development of the bioeconomy towards creating solutions for environmental challenges by creating sustainable developments and management of natural resources. (Mustalahti 2018.)

According to many studies, traditional forest products are declining rather than growing in Europe. This is why the Finnish forest-based sector should be innovative in the development of their products and services. The forest-based sector has powerful tools that can be utilized in innovations and further developed in order to become a leader in the bio-based economy. (Watanabe et al. 2018.) Even though factors such as climate change, material resource scarcity as well as declining of ecosystems have contributed to the fall of the pulp and paper industry (PPI), these forces also provide opportunities for business in the PPI industry (Pätäri, Tuppuru, Toppinen & Korhonen 2016; Watanabe et al. 2018).

2.6.2 Finnish Forest-Based Bioeconomy

Finnish businesses have evolved in the bioeconomic sector by manufacturing new, innovative and eco-friendly bio-products as well as spin-offs of existing ones. For example, a Finnish clothing brand; Marimekko and a Finnish fiber technology company; Spinnova, have joined forces to create wood-based textiles. Spinnova has an advantage of being the only company in the world that can convert pulp directly into fiber, without any chemical solvents. (Watanabe et al. 2018.) Companies are creating new value with cross-industrial collaborations as fresh developments require partnerships with other businesses, universities, and startups (Hohenauer 2017; Watanabe et al. 2018). For example, UPM has organized a hackathon called Junction in Finland, which was done in collaboration with Tieto, which is an IT service company. The event has provided solutions for business issues in the forest industry with modern technology. (Watanabe et al. 2018.)

As mentioned in the previous chapters, digitalization has transformed business in every industry, even the bioeconomic field. There are even events build around the idea of technology providing new solutions for different business fields, such as the above-mentioned Junction hackathon. The leading Finnish forest-based sector companies Stora Enso, UPM-Kymmene, and Metsä Board are big corporations that have taken advantage of the opportunities technology provides. These internationally noted companies have utilized renewable, recyclable, and low impact digital innovations, such as digital maps, GPS, online wood trade, drone helicopters, and virtual reality, instead of traditional non-renewable materials. The three companies have strived to evolve in order to remain leaders in their field of business. For example, UPM-Kymmene is very digital solution oriented which has resulted into major income and increased market capitalization since 2012. (Watanabe et al. 2018.)

The PPI is still a major factor in contributing a considerable amount of the Gross Domestic Products (GDP) of the European Union (CEPI 2014; Watanabe et al. 2018). However, the decline of demand in the biggest segment, printing paper, has forced the forest-based sector to develop entirely new products and businesses as well as establish research related to ecosystems. Today, the forest industry offers consumers recyclable and sustainable products that are made from renewable resources such as wood. This also contributes to the development of a low-carbon society. These bio-based products are increasing in the retail industry and in the super markets (e.g. organic food). Consumers favor companies that are more eco-conscious by enabling customers to waste less and at the same time delivering a great experience. (Watanabe et al. 2018.) For example, in 2013 Hennes and Mauritz (H&M) launched a global project, by collecting used clothes, which were resold or

used as material for new products (http://www2.hm.com/en_gb/ladies/shop-by-feature/8eb-bring-it-on.html; Watanabe et al. 2018).

Businesses of today are more focused on customer orientation and customer-driven business models which will presumably enhance the acceptance of new products (EC 2013; Watanabe et al. 2018). Social media platforms enable the possibility for consumers to share their opinions on what is ethical, sustainable, and eco-friendly, simultaneously businesses can use this information for their product development process. (Watanabe et al. 2018.) The Finnish forestry sector has eco-friendly technological know-how, the national innovative system and public investments that gives businesses the opportunity to provide customers with products that have sustainable and renewable characteristics (Niskanen, Donner-Amnell, Häyrynen & Peltola 2008; Mustalahti 2018). Services in the bioeconomic sector offer recreation, nature-based tourism and other nature-based activities that are considered crucial for local economies (Pettenella, Ciccarese, Dragoi, Hegedus & Hingston 2006; Näyhä, Hetemäki & Stern 2014; Watanabe et al. 2018).

Alongside start-ups, many born global firms have also been emerging in the field of bioeconomy in Finland. This is partly because digitalization and technology have provided new opportunities for companies to utilize in any industry (Business Finland 2018) and born global firms are usually very IT-oriented firms which gives them the opportunity to create innovative products that can help the bioeconomy industry develop. Especially sustainability of bioproducts such as bioplastic, packaging, and bio compost, has become an important trait for firms in the bioeconomy to invest in. (Business Finland 2018) Many Finnish SME's have strived towards global markets with their innovative products, such as Paptic; produces shopping bags made of fiber from wood and biodegradable plastic combination, Finrenes; creates renewable energy from bio-waste that is ineligible for food, and Spinnova; produces textile fiber from cellulose without harmful chemicals (Fiban 2015). One of the reasons these SME's strive towards new country markets is because Finland is considered to be a small and open economy (SMOPEC). This means that the Finnish market is too small for the SMEs, as the population in Finland is limited. (Luostarinen & Gabrielsson 2006.) Another reason is that there are constantly new regulations that forbid the use of harmful substances in the production process, which results into firms coming up with new innovative solutions. For example, EU-commission wants to ban plastic straws, cutlery, cotton sticks and such to reduce plastic waste, especially in the oceans (Savon Sanomat 2018). The world is becoming more environmentally conscious as consumers want products and services that support an environmentally friendly lifestyle which reflects to the firms in the forest-based bioeconomy.

This is why companies from the bio-sector want to emphasize that they provide eco-friendly products. This can be done by creating awareness of the company through marketing. As the world's markets have become more homogeneous and being environmentally conscious is a growing trend, the consumers buying decision are based on that. Bio-based companies that strive to foreign markets to find new business opportunities can use social media as a marketing tool in order to create awareness of the company and its products.

2.6.3 Future Aspects

Businesses from the forest-based bioeconomy are more responsive to the current environmental situation which has reflected to consumer buying behavior. Businesses will need to continue to create alternative solutions and perspectives around renewable resources, whether it's about forestry products or protection of a landscape in order to provide a service (Mustalahti 2018). It has become a global trend to be eco-conscious, which is why businesses in the forest-based sector need to adjust their brand and products as eco-friendly to succeed in the future. Finland has a strong history of dependency in forests and the know-how of Finnish companies is a great advantage for future innovations. Finnish forestry sector companies will most likely continue to be one of the central elements in the Finnish globalization in the future. (Lehtinen 2002.) However, the growing need for wood-based raw materials will have various impacts that are both positive and negative as well as social, environmental and economic (Mustalahti 2018).

3 Methodology

The following chapter describes the methodological framework that has been used to conduct this study. The chapter will begin with the research approach, followed by a chapter of research design- After which there will be a description the multiple case study approach and the chosen qualitative research method; semi-structured interviews. There will also be a chapter of secondary data for this research and a description of the designing of the interview questions, followed by a chapter of the empirical data collection as well as the analysis process. Lastly, the methodology chapter concludes with a discussion of the validity and reliability of this research.

3.1 Inductive Approach

Silverman defines methodology as “a general approach to studying research topics,” (Silverman 2005, 109). The choice of a research method should reflect an “overall research strategy,” (Mason 1996, 199) because the methodology shapes which research method techniques are used and how they are used for the study (Silverman 2005, 109). The chosen research methods determine in what ways the topic will be studied and analyzed. The choice of methodology should be based on the research problem and should be appropriate to the research topic. There are no right and wrong methods, but some are more suitable for a specific research topic than others. Methods can also be mixed and used together. (Silverman 2005.)

In the process of research and analysis, there are two different approaches towards discussion and conclusions identified as: deductive and inductive approaches. Deductive approach starts with a previous theory from which a hypothesis or an assumption is developed and empirically tested to see if its correct or not. In inductive approach the theories are an outcome of empirical research by making conclusions from observed individual cases. Eriksson and Kovalainen (2008) state that pure induction is rare or even impossible. Many researchers use both deductive and inductive approaches in different phases of the study, which is called an abductive approach. (Eriksson &Kovalainen 2008.) Since this particular research has a theoretical framework as a base and studies four individual case companies from which the results are concluded from, an inductive approach is more preferable. Even if pure induction is considered rare, the emphasis in analysis in this research is on an inductive approach.

3.2 Research Design

Research design is defined as the planning and framework of the empirical data collection process, which will then be analyzed (Eriksson & Kovalaine 2009). Research design is considered to connect empirical data to the study's initial research question and conclusions (Yin 2003). An effective research design revolves around the range of methods of data collection used in the research, while making sure the method is appropriate, avoid collecting too much data, or using too many methods for data collection. There are four major methods that are used in qualitative research: observation, interviews, archival analyses, and audio or visual recordings. Each method can also be used in quantitative research and especially interviews are commonly used in both methodologies. (Silverman, 2014.)

3.3 Qualitative Research Method

Research methods are divided into qualitative and quantitative research methodologies. These two methods focus on different approaches in gathering and analyzing data. Quantitative research involves numerical analysis of the relationship between variables while qualitative research involves verbal description of real-life situations. Qualitative research describes phenomena in context, interprets processes or meanings, and uses theoretically based concepts (Silverman 2014). One of the differences in fact of the two research methods is that qualitative research is not based on measurement of numbers (Koskinen, Alasuutari & Peltonen 2005). This allows qualitative research to be flexible and provide better understanding of issues that have remained unclear in quantitative studies (Eriksson & Kovalainen 2008). However, qualitative studies should not be considered as only a way of establishing the validity of findings of quantitative research (Silverman 2014).

Qualitative approaches tend to seek understanding and interpretation (Eriksson & Kovalainen 2008) while quantitative approaches seek explanations as well as correlations (Silverman 2014). Quantitative research begins from hypotheses and is concerned with behavior, on the contrary qualitative research is concerned with meaning and induces hypotheses from data. (Silverman 2014.) Even though there are differences between the two research methods, there are also similarities such as requiring repeatability in the observations and justifying the analyzed results (Koskinen, Alasuutari & Peltonen 2005). There is also the possibility of mixing both quantitative

and qualitative methods. This can be done if a researcher has several research questions or if the researcher wants to corroborate research findings by using both methods (Silverman 2005).

According to Yinn (1989), qualitative methods are best suited to answer “why” and “how” research questions. As this thesis focuses on how social media marketing can affect a firm’s internationalization, the qualitative method is the more suitable for this particular research. This is because the thesis proceeds from theoretical framework which will be utilized in the analysis of the empirical findings. Qualitative research methods were considered the best option to gather data via interviews in order to gain a deeper understanding of the case companies internationalization process and use of social media in marketing.

3.4 Multiple Case Study

The research is conducted as a multiple-case study with four case companies. Multiple case study is when more than one case is researched and analyzed (Eriksson & Kovalainen 2008). The repetition of multiple cases for this research will provide better reliability of the findings (Yin 2009). Case study can be defined as the “emphasis on the production of detailed and holistic knowledge, which is based on the analysis of multiple empirical sources rich in context,” (Tellis, 1997; Eriksson & Kovalainen 2008, 116). Multiple case study was chosen for this research because it provides more trustworthiness in research findings than a single case study (Yin, 2009). Case studies are considered more accurate, convincing, diverse and rich when based on several sources of empirical data (Eriksson & Kovalainen 2008). The multiple case study method also provides plenty of information and data for analysis. The four case companies can also bring more depth to the interviews as the data can be similar in which case the findings support each other or different, thus the findings of each case can be compared with one another. Overall, case study research enables diversity and complexity. Therefore, a case study research avoids overly simplistic research design (Eriksson & Kovalainen 2008).

As this research focuses on four case companies that all sell forest-based bioproducts, the multiple case study method is suitable for collecting data. In order to select three case companies, a purposeful sampling technique was used to select the firms based on predetermined criteria (Patton 2002). The criterion for the target companies for this research were to be: (1) Finnish firms with born global characteristics, (2) internationalized, (3) active on a social media channel and lastly, (4) the companies should have at least one forest-based bioproduct on the market.

3.5 Interviews

For this research interviews were chosen as the most suitable option for data collection due to the flexibility and possibility of face-to-face connection with the interviewees. In an interview situation, the researcher is also able to adapt to the interviewees responses and ask unplanned questions to correspond to the changing situations (Hirsjärvi & Hurme 1995). Interviews are also economical in terms of time and resources (Silverman 2014).

According to Koskinen, Alasuutari and Peltonen (2005), there are three common interview types: structured interviews, semi-structured interviews, and unstructured interviews. Structured interviews have pre-determined questions and answer options, which are usually used in a survey. Semi-structured interviews, also known as theme interviews, allow more flexibility than structured interviews. The interviewer asks questions and the interviewee may answer freely with own words. The interviewer can even come up with new questions during the interview situation. In unstructured or in-depth interviews, the interviewee is asked open-ended questions which are related to a specific topic. This gives the interviewee freedom to determine the direction of the interview and minimizes the interviewer's impact on the interview situation. In business research, in-depth interviews are often used as a source of primary data while other sources of research data are considered as secondary data (Eriksson & Kovalainen 2008). However, according to Aaltola & Valli (2001) semi-structured interviews are the most popular research method to gather qualitative data in Finland.

The chosen method for this research is a semi-structured interview which will serve as source of primary data for this research. Many qualitative business studies are done with the so-called themed interviews as they study both 'what' and 'how' questions (Eriksson & Kovalainen 2008). As the research of this thesis aims to answer the question of: "How can social media marketing be utilized in the internationalization process of a firm?" The above-mentioned method is found suitable for the study. The method was chosen for multiple reasons. Firstly, the major advantage in semi-structured interviews is that the questions are relatively systematic and comprehensive, while the tone of the interview is fairly conversational and informal (Eriksson & Kovalainen 2008). Secondly, a themed interview has a flexible structure as it can contain both closed and open questions while maintaining the interview topic with each interviewee. Lastly, the research is done as a multiple-case study which requires comparing the data from all four cases. Themed interviews enable this by pre-designed the interview structure and common themes.

3.6 Secondary Data

Secondary data is research data that is collected from a third-party. The secondary data has been gathered beforehand for different purposes and it has not been made for the use of specific future research. The sources for secondary data can be, for example, books, articles, online data, statistics, or reports. These are all potential sources of secondary data information that might be useful for new researches. Secondary data can be gathered very quickly, and it can support primary data in a research. (Doyle 2016).

In this thesis, the secondary data was collected from online data such as webpages, pdf files, reports, articles, and social media channels. The secondary data was mostly used in order to support evidence coming from the primary data in order to ensure information or have further knowledge about some interview topics. Also, the secondary data was useful when researching information about the case companies to review them as target companies for this research.

3.7 Designing the Interview Questions

The interview questions were based on the theoretical literature review and were focused to find the answer for the research question: “How can social media marketing be utilized in the internationalization process of a firm?”. As the chosen research method is semi-structured interviews, there will be question that are planned beforehand. However, the point of the semi-structured interviews is to create conversation and not go through a question list in a structured way. This is why the questions are built from selected themes that guide the conversation. The interview situation itself requires creativity from the interviewer in order to ask unplanned questions if relevant information for data collection comes up during the conversation (Aaltola & Valli 2001).

According to Aaltola and Valli (2001), there are three stages to be considered when creating a themed interview. The first stage is creating themes or topics which generate conversation that serve the research object. In this research the themes for the interviews are the case company’s products, social media marketing, and internationalization process. The second stage is planning questions to each theme that help to guide the conversation and get information from the interviewee. The third and final stage is creating detailed questions about the topics. These questions should only be used during the interview if the questions created in the second stage fail to get answers from the interviewee. If the detailed questions are unsuccessful to obtain information

from the interviewee, the probability is that the topic does not concern them. (Aaltola & Valli 2001.)

The interview questions for this research were based on the three topics: the case company and its bio-based products, internationalization process, and social media marketing. The interview structure and questions were inspected by an experienced researcher, who is also the supervisor of this thesis.

3.8 Data Collection

There are two types of data used for this research, primary and secondary data. The primary data is data received from the interviews conducted in this research. The interviews were done face-to-face, through Skype and phone. All interviews were one-to-one interviews who are well aware and in charge of social media operations within the company. Most of the interviewees were from high job positions within the companies. There were two rounds of interviews in order to gain all relevant, valid and reliable information from the case companies. By analyzing the results, new additional questions were born. Some answers were also validated through secondary data.

<u>Case Company</u>	<u>Name and Title of Interviewee</u>	<u>Interview Type</u>	<u>Secondary Data Sources</u>
Aarni	Niklas Tuokko; Founder and CEO	1 st interview: Phone interview 2 nd interview: Phone interview	https://aarniwood.com https://www.instagram.com/aarniwood/ https://www.facebook.com/aarniwood/
Paptic	Valtteri Pussi; Marketing assistant	1 st interview: Face-to- face interview 2 nd interview: Phone interview	https://paptic.com/ https://www.instagram.com/paptic/
Arctic Warriors	Ilkka Kauppinen; Founder and CEO	1 st interview: Phone interview 2 nd interview: Phone interview	https://www.arcticwarriors.fi/ https://www.instagram.com/arcticwarriors/ https://www.facebook.com/arcticwarriorsproducts/
Flow Cosmetics	Suvi Kunnari; Co-owner and operations director	1 st interview: Skype interview 2 nd interview: Skype interview	https://www.flowcosmetics.com/ https://www.instagram.com/flowcosmetics/ https://www.facebook.com/flowkosmetiikka/

3.9 Data Analysis

The analysis of qualitative data is supposed to provide clarity and, in that way, new knowledge about the research topic (Eskola & Suoranta 1998). Saunders, Lewis & Thornhill (2007) have stated that it takes a lot of time to prepare data for the actual analysis. They also stated that there is no standardized approach to analyzing qualitative data. However, it is common to organize the data into relevant categories, unitize the data, and recognize relationships. In the analysis part, the data is first transcribed and summarized without compromising any information that was collected. The idea of data summary is to find the relevance in the dispersed data. (Eskola & Suoranta 1998.) Aaltola and Valli (2001) point out that one of the advantages in theme interviews is that threshold to starting the analysis process is not as high than other qualitative methods. However, according to Silverman (2005), good data analysis is not just about using the right method for data collection but also the theorizing about data using a consistent model of social reality. In this research the semi-structured interviews have been analyzed by using a thematic analysis. We will go deeper into the analysis process and the details of thematic analysis in the following chapter.

3.10 Analysis Process

In order to analyze the empirical data gathered from the interviews, thematic analysis was chosen as the best option. Thematic analysis is a widely-used in qualitative analytic method (Boyatzis 1998; Roulston 2001; Braun & Clarke 2006). According to Braun and Clarke (2006, 5) “Thematic analysis provides a flexible and useful research tool, which can potentially provide a rich as well as detailed, yet complex account of data.” Thematic analysis aims to identify, analyze, and report patterns of different themes in the interview data. A theme is a crucial aspect of the research data that is related to the research question and occurs as a pattern in the interview responses. (Braun & Clarke 2006).

According to Braun and Clarke (2006), the analysis process contains six steps:

1. Familiarizing yourself with the data
2. Generating initial codes
3. Searching for themes
4. Reviewing themes
5. Defining and naming themes
6. Producing the report

After the data was collected, the first step was to transcribe the recorded interviews and make preliminary notes of codes that could be used in the analysis. In this research, everything said in the interviews, except comments not related to the research topic, were transcribed. The second step was to organize the data into codes that were relevant to the research, after which the codes were assorted into themes. Themes are broader and interpret the codes of the data, for example, in this research the words “limited resources” and “outsidership” were associated together, after which they were combined into a theme called “Difficulties in internationalization”. In the fourth step of the analysis the themes were reviewed and refined as all the extracts related to the codes were read through. In this part it is important to repeat this step until the themes are coherent and no significant data can be added to the analysis. Each theme should be distinctive of one another and the codes within the theme should be connected. (Braun & Clarke 2006.) In the fifth step, the themes were named and defined in order to identify the essence of each theme. The sixth and last step was to “produce the report” that in this research means writing the final results and findings for this thesis from which the conclusions were drawn from.

3.11 Validity & Reliability

In order to verify the quality and trustworthiness of qualitative research, there is a need for measuring validity and reliability (Koskinen, Alasuutarinen & Peltonen 2005). Validity refers to the extent of establishing the truth and certainty of research results provided from the data collection and data analysis. Reliability refers to the research being consistent by having similar results, for example, if another research can replicate a study and come up with similar findings. (Eriksson & Kovalainen 2008.) Research can be reliable even if it is not valid, on the contrary research cannot be valid if it is not reliable (Koskinen, Alasuutarinen & Peltonen 2005).

Koskinen, Alasuutarinen and Peltonen (2005) have mentioned three methods to establish validity in qualitative research: internal validity, external validity and construct validity. Internal validity refers to establishing logic and consistency in the research, which is done by relating empirical data with existing research. In this thesis, the literature review was based on previous studies, which helped in creation of the interview questions and could also be linked to the research findings that were created through the empirical data. External validity is established by generalization of the research results. This particular thesis includes four case companies, which means there are limited amount of research results and findings. However, the four cases can be generalized better than using a single case study. The awareness of this limitation enhances the external validity of this research. Construct validity is proved by having a wide variety of sources that prove the reliability of the research result. In this research construct validity is achieved through primary and secondary data with documented interviews and secondarily through the case companies' websites, social media pages, as well as articles. These sources have provided better evidence of credibility in the research results.

Yin (2009) has also proposed a fourth method, reliability which is used more in quantitative than in qualitative research. In this thesis, the reliability of this study has been established by presenting the methodological process in a clear and structured way. For example, a framework of questions was made beforehand that was followed during the interview process with some additional unplanned questions to specify and collect more relevant data during the conversations. The description of the research process in this thesis provides understanding of how the empirical findings were collected and interpreted in order to create conclusions for this research.

The findings of every research should be as trustworthy as possible in order to create a credible research. According to a study by Lincoln and Guba (1985) trustworthiness in a qualitative research can be tested with four criteria: credibility, dependability, confirmability and transferability.

Credibility means that the research needs to be carried out through good research practice and the findings should be approved by other members involved in the research as well. This defines the truth in the interpretations of data that built the end results. Dependability corresponds reliability of research as it evaluates the similarity of results with another study that has used same or similar cases and context. Confirmability is achieved through the research methods and data collection as they produce objective findings which is not affected by the researcher's personal opinions or agenda. Lastly, transferability means the generalization of results in order to apply them to other research contexts in the future. (Lincoln & Guba 1985.)

In this research, trustworthiness is achieved by checking each of these four criteria. Credibility was established by following the thesis coordinators instructions as well as getting feedback from the coordinator, chosen opponent, and the whole master's thesis seminar course group. Also, proper research practice that was executed due to previous thesis research experience and enhanced by reading literature about conducting a qualitative research. Dependability should be achieved when a researcher who has a similar research context and conditions has similar results as in this research. The conclusions are based on the interview answers and interpreted in a transparent matter with no personal opinions or prejudice which gives this research confirmability. The transferability of this research should be achieved with similar research topic, case companies, and data collection methods. Both dependability and transferability cannot be measured yet. However, the described research process in this thesis is transparent and practicable which creates the potential to fulfill both of these indicators of trustworthiness.

4 Research Findings

The empirical data, which was collected for this research, is presented in the following chapter. The structure of this chapter follows the three major themes of this research paper: the bio-side of the company and its products, internationalization, and social media marketing. The findings chapter begins with an introduction of the case companies and their bio-based products. After that there will be a chapter about the internationalization process of each company as well as a chapter describing their social media status and marketing. The case companies interviewed for this research are Niklas Tuokko, the founder of Aarni, Valtteri Pussi, the marketing assistant from Paptic, Ilkka Kauppinen, the founder and CEO of Arctic Warriors and Suvi Kunnari, co-owner and operations director of Flow Cosmetics.

4.1 Case Companies

The four case companies chosen for this research are internationalized companies that provide innovative forest-based bioproducts. In the methodology chapter it was mentioned that the target companies should fulfill four criteria. The ideal target company for this research should be (1) a Finnish firm with born global characteristics, (2) internationalized, (3) active on a social media channel, and (4) the companies should have at least one forest-based bioproduct on the market. All of the target companies have been founded in Finland and are considered as small enterprises, since they have less than 100 employees. Despite their size, all companies provide solutions to the global economic problems in their own area of business with a forest-based bioproduct. The target companies have internationalized and use social media for business purposes. The target companies are not more than five years old, except for Flow Cosmetics which has already been around in some form of business since 2004. This means that all the other target companies except Flow Cosmetics can be defined as born globals. As mentioned in the literature review, a company should fulfill certain criteria in order to be considered a born global. For example, studies have shown that born globals moved from domestic to international markets within three years or less of founding (Knight & Cavusgil 2004) and Flow Cosmetics has developed from a trade name business that started already in 2004. However, due to the fact that the current company known as Flow Cosmetics was established in 2012 and started its international business operations within one year after, the company was considered a suitable target for this research. Despite all four companies having international business operations, the target companies are still in relatively early phases of internationalization, however some are more ahead than others. We will explore these four

companies in the upcoming chapters and discuss about their internationalization process, social media marketing as well as their bio-products.

Case Companies	Location	Number of Employees	Countries Internationalized	Bestseller Bioproduct
Aarni	Helsinki, Finland	Three founders and one part-time employee.	<ul style="list-style-type: none"> Worldwide shipping from online store. Customers from Sweden, Japan and Belgium. 	XO Eben watch
Paptic	Espoo, Finland	18 people working for the company.	<ul style="list-style-type: none"> Agents in France, Portugal, Spain, United Kingdom, Sweden and Japan. 	Material called Paptic
Arctic Warriors	Rovaniemi, Finland	Four people working for company and changing number of seasonal workers.	<ul style="list-style-type: none"> Worldwide shipping from online store. Retailers in Sweden, Germany, France and United Kingdom. Sales representative in Japan. 	Blueberry and spruce sprout
Flow Cosmetics	Riihimäki, Finland	Ten people working for the company	<ul style="list-style-type: none"> Worldwide shipping from online store. Retailers in Sweden, Germany and Slovenia. Distributors in Hong Kong, Iceland and Austria. Wholesaler in Czech. 	Hemp & peat shampoo soap

4.1.1 Aarni

Aarni was founded in 2015 by three men who had a vision to create unique and timeless products made from Finnish wood. Even today, the company is run by them. The company consist of four people: the three founders and one part-time employee. Aarni's niche products include watches, sunglasses, wallets, and bands for watches. The products are sold through their online store website and in approximately 40 retail stores in Finland. In addition to this they have two international retailers in Japan and Belgium, which will be discussed in the upcoming chapters.

Wood is the most important material in Aarni's products. Majority of their products are made from wood, such as their watches, apart from the machinery, and inner metal structure. Both Finnish and foreign wood are used as a material for creating the products. The Finnish wood is grown in the South of Finland and comes from responsible resources. The production of the watches, however, happens in Shenzhen China. Aarni wants the production chain to be responsible from the very beginning, which is why Aarni requires the wood from abroad to be FSC-certified. The company knows where the wooden material comes from, thus they know where the trees are grown, and that the forestry is done responsibly. They also aim to use carbon neutral transportation to control their carbon footprint. In addition to this, they also make annual checkups in the factory to make sure there are no ethical issues.

Their bestseller product is the XO Eben watch. The watch is actually not made from Finnish wood, but the black color seems to intrigue consumers. However, a majority of customers want products that are especially made from Finnish wood. The average customer for Aarni's products is a 25-35 years old person who wants to promote naturalness, uniqueness, and difference. Aarni watches can be seen as a statement which their customers choose to make by buying the products. Aarni uses wood as a key component material in their other products as well. The company also uses Elk leather in some of their wallets.

4.1.2 Paptic

Paptic Ltd is a start-up company which was founded by three people in April 2015 who wanted a solution for the plastic problem in the world. Paptic is a small sized company and there are currently approximately 18 people working in the company. Even though Paptic is still in its early phases of business, it has already attained a lot of attention around the world as a very innovative

startup company. For example, there was an advertisement about Paptic winning the Kasvu Open Gaselli award in Time Square (Yrittäjistä omistajaksi 2016). According to the Kasvu Open website, the Kasvu Open Gaselli Award was granted for ten Finnish companies with the most promising prospect for growth and were to be taken to Silicon Valley for five days in January 2017. Paptic's vision is to replace the use of paper and plastic in packaging with the next generation of paper (Paptic, 2019). The company's CEO, Tuomas Mustonen has said "We will be the Gore-Tex of the paper industry," (Talouselämä 2017).

Paptic has created a completely new revolutionary material called Paptic. The material is sustainable as well as extremely environmentally friendly as it is made of wood fibers and is 80% biodegradable (European Commission 2017). This makes Paptic a renewable, recyclable, and reusable material. The possibilities to convert Paptic to any form of packaging products are almost limitless as the material is flexible, light, and robust (Paptic 2019). These products can be, for example, carrier bags or e-commerce mailers. By using Paptic rather than plastic, the brands can express their environmental values (Paptic 2019), which are becoming more important for consumers all around the world.

The sales process of Paptic can happen through the company itself or a convection company. Paptic makes the material in rolls and then they sell it to a convection company. The company makes it into a product. The products made of the rolls of Paptic can be produced with the same machinery that makes products from plastic or paper. The buyers can also be companies from any field of business that want to buy the material from Paptic. After the purchase Paptic makes a deal with the convection company which creates the product for the customers.

4.1.3 Arctic Warriors

Arctic Warriors' is a Finnish or, more accurately Lappish company, founded in 2014. They sell arctic superfood which comes from the beautiful nature of Lapland. They have raw materials such as spruce sprout, angelica, roseroot, and other herbs as well as berries. The raw materials come from nine local farmers in Narkaus, after which the herbs and berries are picked and produced into different products. There are four people working full time in the company, however there are many seasonal workers who, for example, pick the berries and herbs in the summer as well as wash roots in the fall. In addition to this, Arctic Warriors has three sales representatives in Finland and one sales manager in Japan who is a head of research and sales there.

Arctic Warriors' mission is to provide pure, authentic and easy products for customers. The most popular product right now is spruce sprout as a powder or simply frozen. Arctic Warriors' superfoods made from the herbs of Lapland are said to be very strong in aroma and effect because they are grown under the nightless nights of the Finnish summer, in the purest air in the world, which makes them powerful. They also have to survive the harsh winters of northern Finland.

Arctic Warriors superfoods can be bought from their webpage or 400 different retailers. The most common customers of Arctic Warriors' products are women with families, who buy the health product either for themselves or for their families. However, tourists in Lapland seem to have become extremely interested in the products as well. The products are sold as additional sales at different accommodations for tourists in Lapland and in souvenir shops. Arctic Warriors also sells raw materials to other companies that make it into products. For example, Goodio is a chocolate company that has made chocolate from Arctic Warriors' spruce sprout. The most significant part of sales profit comes from sales made to other companies, such as retailers. Their webpage creates 20% of sales of the overall profit.

4.1.4 Flow Cosmetics

The story of Flow Cosmetics started in 2004 from Riitta Jänkälä when she started to make soaps and aroma therapeutic skin products from home. She first used her own trade name, to get started after which the business was established as a joint-stock company in 2008 and finally in 2012 the brand renewed themselves to Flow Cosmetics. There are ten people working for the company at the moment.

Flow Cosmetics is a brand that sells self-produced natural cosmetics. Their raw materials do not only come from Finland, but they are all Ecocert and Cosmos certified. Berries, seed oils and dried plants used as raw material for the products come from Finland. For some raw materials, such as Shea butter and coconut oil, the company uses European wholesalers that have manufacturers in other countries, such as Africa. Most of the raw materials are organic, meaning that they are even more environmentally friendly than other certified cosmetics. Their most popular products are the bar soaps, from which hemp and peat shampoo is the bestseller.

The company has customers from all over the world. The target customer is a 25-40-year-old woman who is interested in her health and an organic lifestyle. The company sells its products all

over the world through their online store on their web site as well as through retailers located in Sweden, Germany and Slovenia. They also have distributors in Hong Kong, Iceland, and Austria as well as a wholesaler in Czech.

4.2 Internationalization

In what phase of internationalization are the case companies in?

Aarni is currently in the first steps of internationalization, however the plan has always been to create a business that operates internationally. Niklas Tuokko, the founder of Aarni explains, “We do business mostly in Finland due to our company’s strong market presence in the domestic market.” This means that most of their customers are from Finland. Tuokko feels that, “We first wanted to have a strong foothold in Finland and gain know-how, before entering foreign markets.” He explains that their online store has been both in English and Finnish language since the very beginning and they ship products to all over the world, for example, the USA, UK, France, and Germany. Tuokko states that, “We have started operations in Sweden during fall 2018 to test what response the products would have with a bigger budget and more determined mind-set. These operations included contacting retailers, having their website and online store in Swedish as well as customized market strategy.” They also have a retailer pop-up in Japan that sells Finnish design products and a retailer in Belgium that sells sustainable fashion. They plan on initiating more foreign operations in other countries as well this year. Their plan is to develop their internationalization process more coherently in order to achieve growth and scalability to their business.

Even though Paptic always strived to internationalize, much like Aarni the company first concentrated on the market in Finland. “The founders decided to start the internationalization process by having agents in different countries,” Valtteri Pussi, the marketing assistant from Paptic explains. “The idea of these agents was that they would push the product to new markets. The agents would be a sales force in other countries in order to do business locally rather than all the way from Finland. The agents have their own contacts in each country and operate as a contact person from the foreign country,” he further explains. By using agents, Paptic has more resources and support for internationalization. Even though Paptic is still in early phases of internationalization, the company has already business operations all over the world since they have

agents in France, Portugal, Spain, United Kingdom, Sweden, and Japan. The company is also planning on increasing the use of agents in other countries in the near future.

The CEO of Arctic Warriors, Ilkka Kauppinen states, “Our original idea for the company was to conquer the world right after it was founded and not to focus on the domestic market at all.” Despite their plans, Arctic Warriors has also first focused more on conquering the domestic market before entering new ones. “When first visiting a fair in Sweden, right after founding the company, we realized that it requires more experience and know-how before entering the foreign markets. We also needed more workforce, a better marketing strategy and better products,” Kauppinen recalls. Due to this, the internationalization of the company was not proceeded as actively as the business operations in Finland. Kauppinen reflects that the decision “has given us reference value, favorable marketing as well as sales results”. After gaining know-how and confidence in the domestic market, Arctic Warriors continued to proceed their internationalization process more systematically. Currently, Arctic Warriors has retailers in Sweden, Germany, France and United Kingdom. In addition to these retailers, they started to use a sales manager in Japan last year who is meant to begin business operations in Japan. Also, Arctic Warriors’ online store ships products to almost everywhere in the world. Kauppinen states that “during the year of 2019, we have an opportunity to offer a bigger number of products to buyers, because we have more raw material resources.” As they grow all of their raw materials themselves, sometimes a product can run out and it might not be possible to pick new plants until summer. “Some plants might take even several years to grow and get picked,” Kauppinen explains. According to Kauppinen, during the next fiscal year they will focus more on exports.

Flow Cosmetics has had a longer path to internationalization than the other case companies. Back in 2004, when Kunnari's mother, Riitta Jänkälä was selling her own products directly to consumers through a trade name, there were no initial plans to internationalize. “The focus was more on developing on the product range, more than anything,” Kunnari explains. However, after the company was renewed as Flow Cosmetics in 2012, within a year the company had its first international customer: Hilla Nature Cosmetics, an online shop that operated in Germany. Kunnari stresses that, “The time before Flow Cosmetics allowed Flow Cosmetics to gain feedback on our products in order to develop their formula and for us to have more experience before entering international markets.” Flow Cosmetics have been sold in several foreign online shops and retail stores. These retailers have been small in size and are mostly owned by Finns, despite having international business operations. In addition to having an online store that ships products all around

the world, Flow Cosmetics also has retailers located in Sweden, Germany, and Slovenia. They also have local distributors in Hong Kong, Iceland, and Austria as well as a wholesaler in Czech. According to Kunnari, most of the retailers and distributors have contacted Flow Cosmetics from foreign countries, which has enabled their internationalization process. Kunnari explains, “The reason of internationalization was to find new opportunities to grow as a business”. Right now, they would want to sell products to the Swedish markets, they have not been able to find a right partner nor a channel for it.

Why did the case companies choose to internationalize?

According to Niklas Tuokko, “Our reason for internationalization was that the market in Finland is too small while other countries can provide more business opportunities for our niche products. Even if we have a lot of fans in Finland, the opportunities are not endless.” He further explains, “Our company does business mostly in Finland due to the company’s strong market presence.” This means that most of their customers on their website and retailers who buy their products are from Finland. They have also mostly invested in the Finnish market in order to create a successful business domestically. Tuokko feels that “We want to have a strong foothold in Finland and gain know-how, before entering foreign markets.” Aarni is still in the first steps of internationalization, however their plan has always been to create a business which sells products internationally. For example, their online store has been both in English and in Finnish language since the very beginning and they ship products to all over the world, for example, the USA, UK, France and Germany. “Our products are niche, and the Finnish market is not limitless as it has approximately five million people, whereas, for example, Germany has over 80 million people. At some point the products will reach market saturation, which means internationalization is necessary to continue growth,” states Tuokko.

Valtteri Pussi states, “In order to have high profitability internationalization is a must, especially because Paptics’ cause to replace paper and plastic in packaging concerns the whole world.” Pussi says that the aim has always been to create an internationally functioning business. Even though Paptic always strived to internationalize, at first the company concentrated on the market in Finland. Then the founders decided to start the internationalization process by having agents in different countries. Pussi explains, “Finland is not a big enough market for a big and profitable business, which is what Paptic aims to become. International markets provide the answer for Paptic: a bigger market with more potential customers. Also, the global plastic problem requires a globally

operating solution. It is not enough to solve the plastic problem only in Finland by providing an alternative for companies to use instead of plastic, the product should be utilized in companies all around the world.”

Ilkka Kauppinen says, “The original idea for Arctic Warriors was to conquer the world right after it was founded and not to focus on the domestic market at all. We strive to provide Finnish raw materials to a larger market because we truly believe in the greatness of the products and that they would be profitable in foreign markets. Some people are very willing to pay a lot of money for niche products such as Lappish superfoods.” Kauppinen believes that internationalization is the answer in order to have a scalable business model. “Even though we still have a chance to grow in the domestic market,” Kauppinen explains, “the growth will reach an end and we have to move to foreign markets in order to make more profit.” He further explains “We saw an opportunity in Lappish super foods because we truly believe in the products and in their profitability, especially in foreign markets as they are niche products.”

According to Suvi Kunnari, “The reason for Flow Cosmetics to internationalize was to find new opportunities to grow as a business.” As mentioned in the previous chapter, Flow Cosmetics had a longer path to internationalization as the company has changed shape in the past 15 years. Even though the brand Flow Cosmetics has been around since 2012, the company’s story starts from 2004. During this time there were no initial plans to internationalize in the very beginning of the business. However, as the company grew and changed from a one-woman show to a SME sized business, they had an opportunity to internationalize to Germany. She explains, “the retailers had found us,” which started their internationalization process. According to Kunnari, “Most of the retailers and distributors have contacted us from foreign countries which has enabled our internationalization process.” Kunnari states, “The first international business operations were online stores in foreign countries that sold our products. After that, there were some small stores that sold our products in the foreign markets.”

What difficulties the case companies have encountered in their internationalization process?

In the interviews, the case companies were asked about difficulties they have encountered during their internationalization process. Tuokko states that, “globalization has helped us, for example, in shipping and taxes which enables them to make more sales in, for example, the USA, as they do not have to pay taxes or a tariff, if the purchase is over 800 euros.” However, according to both Tuokko

and Kunnari, expensive custom payments and shipping can be challenging for Aarni and Flow Cosmetics regarding their online store sales.

Another difficulty Aarni and Flow Cosmetics have faced is to enter foreign markets where they do not have any market presence. Kunnari explains, “there are bigger companies with more resources and brands that already have a strong market presence which makes the new markets such as Sweden highly competitive.” Both feel that it is difficult to completely start business operations in the new market as a newcomer. Tuokko explains “we lack resources as they are a SME where there are not many workers and time is limited which makes prioritizing internationalization over other tasks difficult.” Kunnari states that, “As an SME they do not want to use a lot of money for marketing and want to be able to do marketing with a small budget.” From the findings it was clear that also Kauppinen agrees with Kunnari’s statement, “it is difficult to enter markets with a small budget,” Kauppinen explains. He further explains, “it has been difficult for us to make the decisions to actually put effort in the internationalization process financially.” According to Kauppinen “if a company truly wants to enter a new market, they have to create a proper marketing strategy and focus on that in order to achieve internationalization.” The findings also show that, by not having any relevant networks in the new market, it makes internationalization more difficult. Kauppinen explains, “it has been difficult to enter the Japanese market without any connections”. Pussi says, “the agents can enhance sales on their own market segment and attend possible meetings in order to build networks as the agents also already have comprehensive networks on their target markets segments.”

4.3 Social Media Marketing

What does social media mean to the case companies and which social media channels are the companies using for their marketing?

The interviewee of Aarni, Tuokko boldly states, “For Aarni, social media is the main channel to communicate our brand image. By scrolling an Instagram feed of a company, the consumers create an imagine of the brand and its message rather fast.” Tuokko feels that social media should be utilized in every business but especially for an accessories brand, it is a crucial marketing tool. “Social media not only helps businesses to build their brands or communicate their message but also generates more traffic on their online store that results more into sales. Companies are also able to utilize the data gathered from social media and benefit from that in their future social media

marketing purposes,” Tuokko explains. According to Tuokko social media is their main marketing channel and they are currently mostly using Facebook, Instagram as well as Google marketing. In each of these channels, they use paid advertisement, influencer marketing and regular postings as a marketing strategy. However, their most used social media channels for marketing purposes are Facebook and Instagram. They state that the utilization of both channels has been beneficial. On Instagram Aarni has over 12 600 followers and on Facebook they have over 11 500 likes as well as subscribers. They also have a YouTube account which they have used as a platform for their brand video. The video can also be seen on their website.

“I see social media as a very helpful tool in our marketing,” states Valtteri Pussi from Paptic. For Paptic, the company uses LinkedIn, Twitter and Instagram as well as their blog for social media marketing. Even though Paptic is a B2B company, they also target consumers on their social media channels. Pussi says, “We want to create awareness of the global environmental issues via social media marketing in order to influence consumers to make more environmentally conscious buying decisions and demand companies to become more eco-conscious with, for example, packaging which is a large part of the global plastic problem.” This will reflect on the choices’ companies make as they are required to respond to the eco-consciousness and consumer preferences, as also Mustalahti (2018) has mentioned. Pussi emphasizes that, “as a business to business company, LinkedIn is the most important social media channel for us.”

Kauppinen explains that the company uses different platforms for different purposes. He states that “Social media marketing has brought us customers who otherwise would have never found us. Arctic Warriors has an account in the following social media channels: Facebook, Instagram, LinkedIn, YouTube and Google plus. According to the analytics, most traffic on our website comes from social media marketing. Our online store makes up for 25 % of overall sales.”

According to Kunnari “In today’s world social media plays an important role in business. By having a strong social media presence, it shows the qualification of a company. I believe that social media marketing is the most beneficial tool for improving a company’s brand image. For example, we are often asked about our social media channels during fairs we attend as the potential distributors want to know if our brand has a strong social media presence. However, for us, I do not believe that merely social media marketing is enough to find merchants and distributors. We also have to participate in the fairs and take other actions in order to make the sales process faster.” Kunnari says, “Flow Cosmetics uses mostly Facebook and Instagram for social media marketing

purposes.” The company also has a YouTube account and a blog on their webpage that they started approximately a year ago. On their blog they create beauty and lifestyle themed-posts related to their products. The blog posts include more in-depth information about the products and their ingredients than the online stores product descriptions. It is also beneficial for search engine optimization (SEO) that generate audience for their website. On their other two social media accounts, they have over 5000 followers on Instagram and over 12 000 likes on Facebook and they usually post content approximately four times per week. Kunnari states, “sometimes regular posts are boosted by making them paid advertisements,” she continues, “these posts usually display bestseller products in paid advertisements and promote joining their e-mail newsletter.” They also use influence marketing, which means bloggers and other social media gurus post about their products on their own channels in exchange for free products or payment. Kunnari explains, “Facebook and Instagram are very popular channels for our customers to use in order to interact with the Flow Cosmetics and vice versa.” The company receives messages from their customers on an everyday basis as many social media channels have become a popular way to get in touch with the company in addition to email.

Kunnari says, “Currently, all our posts on Instagram are made in English in order to reach a more international audience.” According to Kunnari, Instagram is a channel where Finnish people are more used to reading posts in English than on Facebook business pages. They have mostly created content in Finnish language on their Facebook site, because they have mostly Finnish customers who are used to reading posts in their mother tongue. She further states, “Due to feedback from followers who concern posts made in Finnish language, we have started using both Finnish and English in each of our posts to engage with a wider audience.”

How has social media been a beneficial tool for the case companies?

Tuokko believes that social media has helped them in marketing the products internationally. For example, customers from the USA have familiarized themselves with Aarni via social media such as Instagram. Tuokko explains, “Social media marketing is our way to generate the viewers into customers, which is done by leading the customers from the social media channels to the online store of Aarni where they can make a buying decision.” Tuokko states, “As an accessory brand we need to have a presence in social media, otherwise the company is not credible. Whether the business is done in a domestic markets or international markets, the power of social media in

marketing is undisputed which means companies have to be present as well create convincing content for the consumers to see.”

Paptics social media marketing strategy is built on bringing awareness to their brand and its core values such as putting sustainability ahead of everything rather than promoting their actual product. According to Pussi, “In today’s world the awareness of the world’s environmental problems such as climate change, is a global phenomenon.” As Mustalahti (2018) stated, the knowledge of the environmental challenges in our world has transitioned countries, citizens and corporations to become more conscious about their everyday choices. For example, Paptic created a hashtag on social media called #witmop, which stands for “Why is this made of plastic?” Pussi explains, “It encourages people to post pictures on social media of unnecessary plastic usage in order to make consumers question the excessive use of plastic and bring awareness to the cause.” Paptic also uses their social media channels for inbound marketing in order to spark interest in customers, then guide the potential buyer to request a sample from them and finally, make a purchase decision. Pussi says, “The company has also used social media for recruiting purposes, for example, we have published an advertisement of an open job position on their social media accounts and webpage.” They stated that the outcome of the publications generated a lot of applications. Another of Paptics’ main purposes in their social media is to create trust to their potential buyers. Pussi strongly believes that social media marketing, especially in LinkedIn, will support their internationalization process, but also other social media channels are important for their marketing. Pussi explains that not all social media marketing emphasis should be on that specific channel. Behind the LinkedIn business profiles there are individual people who use all kinds of different social media channels. According to Paptics’ analytics, LinkedIn is a place where users spend less time than on Twitter and Instagram. Pussi explains, “This means that on Twitter and Instagram, people discover new things, such as new brands more than when using LinkedIn.” However, Pussi emphasizes that no channel should be shut out.

Kauppinen says, “We only use social media marketing for internationalization purposes as we consider this is the only way of doing marketing efficiently to foreign markets.” Kauppinen explains, “Many retailers have found and approached us online via social media which has not even required any active marketing action from us.” Kauppinen believes, “Social media has been an aid in our internationalization process.” Artic Warriors uses Facebook for mostly content marketing in order to offer something interesting to consumers that reflects their brand image. They use paid Facebook advertisements for marketing specific products. The Facebook page has over 8000 likes

and subscribers as well as fairly good coverage of somewhere around 50% according to Arctic Warriors analytics. In Facebook they mostly target women in the ages of 35-40 who are from Finland. They have yet to start Facebook marketing for international business purposes. Kauppinen explains, “We use Facebook marketing for three different purposes.” They firstly focus on branding that will create more awareness of their company. This is done through published content on their Facebook page such as videos. Secondly, they strive to get more followers and likes to increase their engagement rate. According to Kauppinen, “Our end-goal of these actions is to achieve remarketing, meaning that when consumers view posts from Arctic Warriors on Facebook, they will receive more posts from the company which will then hopefully generate into purchase decisions that convert into sales. The customers should also subscribe to an e-mail newsletter and the company blog. This is a basic funnel strategy we use in our social media marketing plan.”

For Instagram, Arctic Warriors publishes content in English, so it is meant for an international audience. They use a different marketing strategy for Instagram as the target group is younger starting from the age of 25 and older. They mostly create content for the company’s personal feed and stories section. Kauppinen admits, “Operations in Instagram are not as strategized as Facebook.” However, he further explains, “Paid Facebook advertisement are also displayed on Instagram.” The purpose of their Instagram marketing is to spread Arctic Warrior’s story, to create awareness of their brand and to find new potential customers. The company also has their own personal hashtag called #arcticwarriors which followers can use when sharing content about Arctic Warriors or its products. Kauppinen emphasizes on the importance of interacting with customer on social media and not just using it as a message board.

As for other social media channels, Arctic Warriors uses YouTube to get new subscribers or likes in order to have more visibility on their website where they can use remarketing as well. As mentioned, in addition to YouTube, Arctic Warriors has a blog on their webpage that contains different kind of content including the videos posted from YouTube. Kauppinen confesses, “We are not being very active on Twitter, but when we are, we post both in Finnish and English.” Arctic Warriors also has a LinkedIn business page for international business purposes. According to Kauppinen, “This (LinkedIn) is where the retailers find us.” He further states, “We also use affiliate and influencer marketing, where influencers promote us as a company as well as our products that were gifted to them.” The company has outsourced their influence marketing through an PR agency called Sugar Helsinki. The PR agency has organized, for example, a spruce sprout latte campaign where they send spruce sprout latte to influencers and media. Kauppinen explains, “the innovators

and early adopters who promote Arctic Warriors' brand on their own channels have been one of the most important aspect of social media marketing for us. Especially influence marketing has proved to be an effective way to create brand awareness in foreign countries. Influencers are seen as the early adopters of the product who introduce the company and its products to new markets after which other consumers follow."

Kunnari felt that social media marketing has been beneficial by increasing their sales. She says, "I can't say numbers for sure, since it is hard to measure the results just by looking at the sales numbers from our online store since most of our revenue does come from retailers." However, she stated that even though most of the company's revenue comes from retailers their sales have gone up after starting to put more effort into their social media channels.

How has social media been beneficial in marketing bio-based products?

Tuokko explains, "Majority of our watches are made of wood apart from the machinery and inner metal structure. All the materials we use in our products come from responsible resources." He also states, "the wood is FSC-certified if it comes from abroad" and when it comes to Finnish raw materials, "we know where it comes from as well as that the forestry has been done responsibly". In the interviews Tuokko says, "We also aim to use carbon neutral transportation as we are transporting products from factories to here (Finland) so that our carbon footprint would stay smaller." According to Tuokko, "social media has helped Aarni to make tests to different countries via social media marketing in order to understand in which countries there would be the most demand for our products." If some foreign markets do not give favorable response, they want to understand how to attract the buyers to their company and products. Tuokko explains, "We also want to represent the product development as the products are made from natural resources. This makes our products unique and differentiate from other traditional models in the market." He also believes that some buyers are particularly interested in having a watch made from Finnish wood. Tuokko describes, that most of their customers want to "express naturalness, uniqueness and difference" with their bio-based products. He further describes that "Aarni watch can be seen as a statement, it symbolizes something to the customers and stands out for sure. I think this is the reason why people choose Aarni."

The interviewee, Pussi admits that even he didn't know how serious the global plastic problem was before working at Paptic. Pussi says, "If nothing changes, in 2050 there is more plastic than fish in

the oceans.” Paptic is investing more on social media and uses social media marketing to bring awareness to the plastic problem in the world. As mentioned previously, the company created a hashtag (#witmop) that had a purpose of making people question why so many things are made of plastic. They want consumers to become more active in the fight against plastic and have awareness of their power as consumers. In that way, the consumers can demand change from companies that make the decision of using more sustainable materials e.g. in packaging. Pussi explains, “We want to communicate our product and cause to consumers in order for them to put more pressure on companies to start using our products.”

According to Kauppinen “In our social media marketing we try to communicate that our raw materials are handpicked and locally grown in one of the cleanest places in the world; Lapland.” Kauppinen explains, that they really try to emphasize their marketing to support their company’s story as it is a relevant part of their special products and the “core of their business”. Kauppinen believes that their story will attract customers as it makes them authentic and special compared to their competition. He says, “There are many firms pretending to be what they are not. It is hard to create a story that supports the company’s brand. Instagram has created an opportunity for companies to communicate their story and be transparent to consumers.” Kauppinen also states, that when doing social media marketing for internationalization purposes, they focus on specific products that are “door openers” for them. “According to our research, blueberry products have been door openers for us in foreign markets. When entering new markets, it is easier to first focus on selling products that are better accepted by consumers. After opening the door to the new market with one product, we can start introducing other products as well.” Kauppinen says, “Blueberry, lingonberry and spruce sprout products are designed for international markets.”

Kunnari states, that in social media marketing Flow Cosmetics emphasizes that the products are natural, organic and environmentally friendly e.g. their bestseller product, the shampoo bar has been promoted this way on social media. “All raw materials used in our products are Ecocert and Cosmos certified. Also, most of our products are organic, more organic than other similar natural cosmetic products with the same certifications.” On Flow Cosmetics social media channels, their posts emphasize on the high quality and the benefits of their products. They also inform about discounts and products that are coming soon. Flow Cosmetics also has a blog on their website where they have several posts that have information about their products as well as raw materials and the different advantages they have. Some products can be used for more than one function. Perhaps all of the consumers do not realize that when they buy products for a specific purpose,

the products can be used for several purposes for example, tea tree oil which can be used for several different purposes. “We do not bargain when it comes to quality. Even in the packaging we strive to get rid of plastic by changing to more environmentally friendly packaging options.” In one post on their Instagram, Flow Cosmetics posts about the packaging boxes that are made 100% from recyclable carton and do not produce any plastic waste for consumers.

What does the future of social media marketing look like for the case companies?

Tuokko feels that they have been able to spread their brands message out to the world, even if there is still a lot to do regarding improving social media marketing. This year in order to reach new potential customers the company will emphasize on their social media marketing more than previously. Tuokko states, “In this way we hope to strengthen the brand image of Aarni as well as spark interest among consumers.” They are also planning on branching out to new social media channels in order to develop their social media presence and to get a wider audience with more visibility from the different platforms. Especially YouTube is a channel they wish to explore more in order to boost videos and present them to a new, wider audience. Tuokko says, “Our plan for the future is to gather the know-how of social media marketing used in the Finnish market and utilize it in our international marketing plan in order to conquer foreign markets. We strongly believe that social media marketing is an important factor in our internationalization, and we are counting on the power of social media to benefit us on our journey to foreign markets.”

According to Pussi they have not used social media very much yet, as the company is fairly new, and they have not had an actual product to advertise. As mentioned before, their marketing has mostly been about creating the right brand image and creating awareness about the company. They have not been promoting their product in the most obvious and straightforward way. As the product is now ready, they are changing their communication in marketing to emphasize more on the actual product in order to push it to the market. “Paptic’s social media presence is not strong enough due to lack of activity on the channels, however I am certain that it will be easy to improve as we have new plans for social media marketing for this year,” says Pussi.

According to Kauppinen, they are relatively active on their social media channels and also use affiliate marketing in order to internationalize. During the interviews Kauppinen did not describe any planned social media strategy for Arctic Warriors for the near future. However, he did mention they do not use social media channels to the fullest potential in marketing such as, e.g. in product

development. Kauppinen also believes, “We should also remain active on our personal social media accounts and not only on the company’s business accounts in order to network and create more business opportunities.”

In the future Flow Cosmetics want to invest on their YouTube channel since they believe it’s a good potential channel to use for marketing purposes, especially for international consumers. According to Kunnari, “I feel that it is a very popular channel even if in Finland the channel is considered more for the younger audience. On an international scale it is used by every generation, but especially adults of all ages.” As mentioned previously, the average customers of Flow Cosmetics are 25-40-year-old women, which means YouTube might be a new marketing channel to reach new potential customers.

5 Discussion

In this chapter, the analysis of the research results will be presented and discussed. The empirical data, which was presented in the last chapter will be analyzed by linking it to the theoretical framework. This analysis chapter will provide a discussion and comparison between the similarities and differences between the empirical data and the theoretical framework as well as the case companies. The chapter will be structured, similarly as the previous chapter concerning research findings, by going through the two major themes of this research that are most relevant for the research question; internationalization and social media marketing.

5.1 Born Global Firms

According to Gabrielsson et al. (2008) born globals are firms that have products with global market potential as well as entrepreneurial capability and together these two characteristics can accelerate the internationalization process of a firm. According to the empirical findings, all four case companies have products with global market potential even if their products are from different business industries. All companies sell bio-based products that use raw materials from Finland, such as berries from Lapland or wood from Finnish forests. They all have a brand built around the fact that they are a Finnish company that uses domestic raw materials which benefits them as Finland has a reputation of being an innovative pioneer especially in the forestry industry. In today's world the word "bio" and "sustainability" play an important role in products as consumers are more eco-conscious, which is why the companies have huge potential to internationalize to new markets that have a wider customer base.

The common characteristics for born global firms is early and rapid globalization (Rialp, Rialp & Knight 2005; Gabrielsson & Gabrielsson 2011). Aarni, Paptic and Arctic Warriors have had their sights on conquering new markets since the very founding of the companies. They have all started operations to internationalize in the very first years after birth. As discovered in the theoretical framework, the difference between a traditional SME and a born global firm, is that born global firms internationalize from inception. However, some SMEs internationalize rapidly after they are founded, thus becoming a born global firm. For example, from the very beginning Aarni has had their website and online store in English in addition to Finnish language, which means that the products could be ordered from and delivered to almost anywhere in the world. According to Knight and Cavusgil (2004), studies have shown that even if born globals do not necessarily

internationalize right after birth, they move from domestic to international markets within three years or less of founding. All three companies mentioned above were founded no more than five years ago. However, the fourth case company, Flow Cosmetics differs from the other case companies as it has been around in some form of business since 2004. The company was renewed as Flow Cosmetics in 2012 and started internationalization within a year after the reformation, which is why it was still considered suitable for this research that is targeting born globals.

According to Gabrielsson et al. (2008), firms that are considered born globals should have more than 25% of foreign sales or sourcing in international markets. This is in conflict with all of the case companies as not all of them have over 25% revenue from exports of foreign sales within the three years of foundation and internationalization. Aarni stated that their products move half and half from their online store straight to individual consumers around the globe and to retailers that are mostly all based in Finland. Paptic differs from the other case companies, as it has created a completely new innovative material and unlike the other three companies they sell to businesses and not to individual consumers. They have yet to generate a big profit, but in the upcoming year it is estimated to grow considerably. Paptic is a very innovative company that provides a comprehensive solution to the growing global plastic problem, which is why it was especially relevant to have it included in this research. Arctic Warriors started their internationalization within a year of founding the company by participating in a fair in Sweden. They quickly realized that they lacked know-how on how to enter foreign markets, which forced them to focus on the Finnish markets before entering to new ones. Within two years of founding the company, they had an internationally operating online store, in both Finnish and English. Flow Cosmetics begun international operations after they renewed the company to what it is today and have approximately 10% revenue from exports. However, Flow Cosmetics has currently internationalized to several countries and ships products from their online store to almost everywhere in the world, much like Aarni and Arctic Warriors.

5.2 Internationalization

As mentioned before, most of the case companies knew they wanted to internationalize from the very beginning. Oviatt and McDougal (1994, 49) define “An international new venture as a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.” However, all case companies first focused on conquering the domestic market and gathering knowledge before entering new

markets. Aarni, Arctic Warriors and Flow Cosmetics have been selling products internationally since the early phases of founding their online stores in order to expand their business from the very beginning. According to Luostarinen and Gabrielsson (2004) there is evidence that even though born globals have similar patterns as seen in a traditional internationalization process, they seem to pass the stages through more rapidly and even jump over some, if not all of them. This can be seen in the actions of the case companies as they have opened their online stores in their early phases of business.

According to the findings of this research, all case companies wanted to especially internationalize in Sweden. According to the Uppsala model the internationalization process starts from markets that are geographically close to the market where the firm is already operating in. The target markets are chosen by having similar characteristics to the domestic market such as language, culture and way of doing business. This way, the company may apply domestic knowledge and actions into the internationalization process. Close geographical distance and similar characteristics lower the risk to operate in foreign markets due to low uncertainty. (Johanson & Vahlne, 1977.) The findings showed that the case companies chose new markets to enter by the country's characteristics such as geographic distance and as culture. One of the common factors found in the findings for wanting to enter the neighboring country is that the foreign market is close to the domestic market, which makes it more affordable in terms of shipping. Also, Sweden has a similar culture to Finland, which makes it easier to understand the market. As mentioned in the findings, shipping costs and taxes can cause difficulties to the case companies when selling products abroad from their online store. Also, Asia, was found to be a popular foreign market area choice for all of the case companies. According to Johanson and Vahlne (1997), when there is more knowledge it gives firms the ability to move to markets less similar to the domestic market. Without necessary market knowledge it might be more difficult to overcome obstacles that may occur during the internationalization process (Johanson & Vahlne 1997). After gaining experience in the domestic market and foreign markets geographically close to the domestic market, the case companies seem to have taken interest in starting business operations in Japan, Hong Kong, and Singapore.

One of the common reasons for the case company's internationalization, was to enter larger markets that could provide more business opportunities. The case companies seem to agree on the fact that the market in Finland is too small that often leads to market saturation which is why the firms have to enter foreign markets in order to achieve growth and scalability. Madsen and Servais (1997) support this reason for internationalization by stating that the demand for products can be limited in

domestic markets, which is why firms have to expand to international markets. The market conditions have increased in terms of specialization and in the emerge of niche markets (Madsen and Servais 1997), which is even more true today in 2019.

According to the IP theory, the most important resource for a successful internationalization is considered to be FMK (Johanson and Vahlne 1977; Eriksson *et al.* 1997), because it can guide firms towards new business opportunities in foreign markets. All companies acknowledged that even though they wanted to internationalize, they first wanted to conquer the domestic market because the companies wanted to have more experience and know-how before entering foreign markets. By focusing on the domestic market first, they were able to have reference which could improve their products and marketing strategy. Also, the Uppsala model by Johanson and Vahlne (1977) suggests that foreign market knowledge comes from gained market experience. For the case companies this market experience was gathered by experimenting with social media marketing and by using third-party specialists such as agents in the foreign countries. From the findings it was understood that some case companies had executed tests via social media channels that would advertise their products in foreign countries such as Sweden, to see if there was demand for their product and to understand how to make a suitable social media marketing plan for different countries. This tactic allowed the firms to gather knowledge about the foreign market and the possible business opportunities. The information gathered could then be utilized in the foreign market social media marketing plan. Some case companies also stated to use third-party specialists who work for them in foreign countries in order to provide relevant information about the foreign market, possible new clients or new business relationships.

All the case companies stated that they had encountered some difficulties along the way to internationalization. The findings showed that the case companies suffering from limited resources, inexperience, and foreignness. They did not have any market presence or relevant business networks in the new foreign markets that could help them in their internationalization. As some companies, such as Paptic are in a very early stage of internationalization, according to Johanson and Mattson (1988) they can be referred to as early starters. In this stage a firm has a weak network position and they do not yet have a lot of international relationships. However, the case companies have different methods in lowering uncertainty and gathering knowledge about the market (Johanson & Matsson 1988), such as using agents or doing tests on foreign markets via social media marketing. According to Johanson and Vahlne (1990), business partnerships can be seen as bridges to foreign markets (Ojala 2009), which is why the case companies have some connections such as

agents, retailers, sales representatives, or other business partners in the foreign markets as they need them in order to expand their network. SME's can benefit a lot from having strong networks, especially with large firms who have a strong market presence and offer resources as well as knowledge to the firms in order to become more competitive in the new market (Ojala 2009). According to Ojala (2009), these business relationships can even motivate firms to move towards international markets. If the companies do not have a position in any relevant networks, they are considered as 'outsiders' which according to Johanson and Valhne (2009) is the biggest threat for a firm's internationalization. As mentioned in the findings, bigger companies with a strong market presence were seen as a threat by the case companies in foreign markets. All of the case companies also stated to have struggled with finding retailers in Sweden, that could help them in their internationalization. In conclusion, even though the case companies suffer from liabilities such as smallness and newness which reflect to limited resources, inexperience and foreignness, they have the innovation and entrepreneurial competence that give them the capability to internationalize (Knight & Cavusgil 2004). In the next chapter, there will be a description how social media can help firms to overcome these difficulties.

5.3 Social Media

Digitalization has provided new web-based tools and channels for companies to utilize when exploring new market areas. These tools may give young companies the same advantage as they do for big corporations. Born globals have been relatively quick to adopt to internet-based channels (Gabrielsson & Gabrielsson 2011) and the Internet can provide them with tools for business development and speedy internationalization (Bell & Loane 2010). According to Bell and Loane (2010), the Internet can be seen as a facilitator that allows firms to establish a global presence, communicate more efficiently, and effectively, as well as obtain better information on international markets. The Internet can also be considered as an enabler as it allows firms to make transactions online, introduce new e-offerings, adopt new business models, and operate in supply chains.

According to recent research, the Internet is seen as a creator or driver of innovative international opportunities that involve co-creativity and collaboration (Bell & Loane, 2010). As the findings show, most of the target companies have utilized internet as a main platform for their sales by having an online store. According to the findings, social media channels can generate more traffic to company websites as well as the online stores, and in this way increase their sales. From the findings it can be understood that the Internet and more precisely social media has provided endless

opportunities for companies to utilize in their marketing, that helps them to gather information, target specific customer segments, reach new potential consumers, and guide them on their sales channel through social media channels. Firms can monitor and analyze conversations on social media and gain knowledge about consumers views on the firm or its products and services (Schweidel & Moe 2014; Felix, Rauschnabel & Hinsch 2017). According to the findings social media has also become a platform for direct messaging with consumers, buyers and potential business partners that is comparable with email. These social media platforms such as Facebook and Instagram provide an opportunity for direct contact and messaging with the company. This can be an opportunity for companies to improve their customer service and gain trust. With social media, companies are able to engage with customers, create content and develop their brand at a low cost on social media (Neti 2011; Ashley & Tuten 2015; Hainla 2017; Ivankova et al. 2018). In the findings it was stated that social media can be a relatively low-cost way to do social media marketing which is beneficial for them as a small sized company with not many resources.

The findings showed that the interviewees agreed on the fact that social media is an effective way to enhance a company's brand image as it allows the companies to communicate with the consumers. Companies are able to share their story, create visual content and become creative with their publishing in order to create a brand image that compromises with their brand identity. By being present on social media, companies are able to create brand awareness and, in this way, find new customers who maybe would have never found them without seeing their content on social media. According to Lacoste (2016) the most important benefit social media offers B2B firms is creating and enhancing of brand awareness (Järvinen, Tollinen, Karjaluoto, and Jayawardhena 2012; Lacoste 2016). Social media can be a useful tool in brand management by creating content that connects the audience with the brand (Popp, Wilson, Horbel, & Woratschek 2016; Plangger, Botha, Kietzmann, & Pitt 2017; Ivankova et al. 2018; Pitt) as consumers are able to create a brand image by looking at a company's Instagram feed. Content shared on a firm's social media channel can lower potential customers' uncertainty about the company, its brand and products (Fischer & Reuber 2014; Fraccastoro & Gabrielsson 2018). The findings showed that building the correct brand image and strengthening it with the right content on social media is extremely important as the company gains visibility which can increase the popularity of the brand, this increasing sales and business opportunities.

From the results we can see that all of the case companies use almost identical social media channels. Instagram and Facebook seemed to be very popular social media platforms for companies

to utilize in their marketing strategy. According to Ivankova et al. (2018) and Popp et al. (2016) Facebook is found to be an effective tool in CRM. Even though all of the case companies do focus on consumer marketing, Arctic Warriors, Flow Cosmetics and Paptic also focuses on B2B marketing via LinkedIn i.e. in order to reach potential retailers. This is not uncommon as B2B organizations prefer professional social networks such as LinkedIn where as B2C organizations prefer mass-consumption social media networks such as Facebook (Ivankova et al. 2018). By developing a presence on different social media channels, the company can interact with old customers and reach new potential ones. The companies need to understand which social media channels are best suited to reach their target audience as different social media channels attract different kind of users. Companies need to put emphasis on being active and present on as many social media channels as seen beneficial for their business purposes. Different channels have different strengths and in order to have a better customer experience, companies are required to use multiple social media channels (Pozza 2012; Ivankova et al. 2018). Consumers do not only use social media for updating their personal page, they use it to attain information about companies and share content to other accounts as well (Andzulis et al. 2012) i.e. with the use of hashtags that work as search engines on social media. This provides an opportunity to companies to interact with consumers on social media and attain valuable information from them. They can use the information they get from customers to better their services and product development. According to Maltby (2012) social media is a valuable tool for attaining information and feedback from customers that can be utilized in product and service development. As Kietzmann et al. (2011) stated, the power has shifted from marketers to individuals and communities that create and share content on social media channels. For example, Arctic Warriors encourages people to use the hashtag #arcticwarriors and by using this hashtag, anyone can post content about the company and its products as well as find the content that was marked with the above-mentioned hashtag.

The three B2C case companies Aarni, Arctic Warriors and Flow Cosmetics all stated that they use affiliate marketing with influencers. Brand management done on social media can utilize the engagement with influencers to promote the brand (Kozinets, De Valck, Wojnicki, & Wilner 2010; Barry & Girona 2017; Ivankova et al. 2018) on the influencers platforms which provides more visibility to the brand. In influence marketing, the companies either gift products in exchange for advertisement or pay for the advertisement on the influencer's channels. The findings showed that influencer marketing can be beneficial in internationalization, because influencers can promote products by introducing the brand as well as its products to the new market. This way early adopters are the first to buy them, after which more consumers make the purchase decision.

According to the findings social media has become a primary marketing channel for most of the case companies for internationalization purposes. All four interviewees agreed on the fact that social media is a beneficial tool in their internationalization. Firstly, Social media can i.e. create brand awareness and trust in potential customers. This is in line with Fischer and Reuber's (2014) statement that communication through social media can build trust with the audience thus reducing uncertainty about the firm and increasing differentiation from competitors (Fischer & Reuber 2014; Fraccastoro & Gabrielsson 2018). Secondly, business social media channels represent the company, which is why it is important to have a clear strategy for the content in order to communicate the right message to potential customers. Lastly, social media lowers the barrier for internationalization while simultaneously enabling a cost effective and relatively easy way to reach potential customers in a new market. For example, a company is able to advertise their products via social media while targeting a foreign market in order to find out what kind of response their products have on potential customers before actually entering the market.

Like the case companies in this research, many businesses today have online stores where they sell their products which means they do not physically have to enter foreign markets e.g. with retail stores. The company can simply adjust their shipping according to their customers geographic location. According to Fraccastoro and Gabrielsson (2018) social media and other online related channels can act as an alternative channel for internationalization which is an easy and cost-effective solution without requiring using a great amount of resources internationally. The findings also showed, that social media can be beneficial for creating new networks in foreign countries. For the case companies, social media has been beneficial in findings retailers in foreign markets. By having customers from different countries, it can also attract retailers from the foreign markets. The stronger the social media presence and popularity of the channel, the better the company appears in the eyes of not only the consumers but retailers as well. According to Fraccastoro and Gabrielsson (2018), the use of social media can help companies to enhance their reputation and credibility as well as speed up the internationalization process by overcoming liabilities of outsidership and boosting performance (Fraccastoro & Gabrielsson 2018). If a company has a strong social media presence it can be an advantage when creating a network in a foreign market, because the company may appear more desirable in the eyes of buyers, retailers or other possible business partnerships. According to the findings, good social media presence has given the case companies an advantage and, in this way, enabling their internationalization process. In conclusion, even though the case companies suffer from liabilities such as smallness and newness which reflect to limited resources,

inexperience and foreignness, they have the innovation and entrepreneurial competence that give them the capability to internationalize (Knight & Cavusgil 2004) with the help of social media. It has been found that when used properly the Internet can even reduce liability of foreignness and resource scarcity, thus leading to faster globalization (Arenius et al. 2005; Gabrielsson & Gabrielsson 2011).

Social media marketing has created an opportunity for companies to promote their products and their brand in order to reach customers and connect with them. In today's world, the bio-products and companies that have eco-friendly values are in favor of many consumers. According to Watanabe et al. (2018) consumers favor companies that are more eco-conscious by enabling customers to waste less and at the same time delivering a great experience. From the findings it was understood that creating posts about bio-products that are eco-friendly on social media can be beneficial, when the company wants to reach eco-conscious consumers, who make purchase decision based of their values. This is why it is important to create content on social media that communicates this to the consumers, so that the potential customers can find them. The company's brand is one of the reasons why customers connect with the company and choose the bio-product instead of the competitors. Companies can use social media marketing to bring awareness to global environmental issues and in that way lead potential customers to them. Social media platforms also enable the possibility for consumers to share their opinions on what is ethical, sustainable and eco-friendly, simultaneously businesses can use this information for their product development process. (Watanabe et al. 2018.) The content created on the company's social media channels can be used to portray the bio-side of the company and its products, which is a way to target the potential customers and piqued the interest of those who make eco-conscious purchase decisions. In the findings it was understood that some forest-based bio-products products might be easier to introduce to potential consumers in new markets than others. If a company can communicate their brand and story on social media it seems more authentic and transparent to consumers, which makes creates trust towards the company. When the customers are familiarized to the company and its products and trust has been created between the two parties, the business can be expanded in the foreign market.

6 Conclusions

The conclusions chapter is divided into four chapters; (1) research summary, (1) key results and significance, (3) research limitations, and (4) suggestions for future research. The first chapter summarizes the research and the reason for doing it. The second chapter explains the key results and provides answers to the main research question as well as the sub-questions of this study. Thirdly, there will be a description of research limitations and finally, the last chapter that provides suggestions for future research purposes.

6.1 Research Summary

The purpose of this master's thesis research was to understand how social media marketing could be beneficial in a company's internationalization process. The study focuses on four Finnish case companies that have forest-based bio-economic products. The case companies have also internationalized relatively fast after their founding, which has created a born global aspect to the research. As social media is an important tool for today's marketers, it was important to study how it can be beneficial in a specific aspect of business, in a company's internationalization process. Social media is a constantly evolving and changing environment that requires fast adaptability and constant learning which all businesses must acquire in order to keep ahead of the competition. This is why it is important to constantly research social media and its effects on business, for companies to understand the benefits of this marketing tool as well as utilize it in their marketing strategy in the most efficient way. The overall objective of this research was to investigate how the case companies use social media in their marketing strategy when it comes to their internationalization process. The case companies for this research were chosen by their similar traits which included being founded in Finland, early and rapid internationalization, and having forest-based bioproducts. As the case companies sell forest-based bioproducts, the study also focused on social media marketing especially on these types of products. Today, environmental issues are a very current topic due to climate change, especially in Finland which is why this brought an interesting perspective to the research. Consumers today are making more eco-friendly purchase decisions than ever and the bioproducts the case companies sell are eco-friendly. This is why in this research the focus is also on the forest-based bioeconomic aspect and how forest-based bioproducts can be promoted via social media marketing.

From the findings that were made from the interviews with the case companies, conclusions were drawn, and the research question is to be answered. The main research question of this study is:

- How can social media marketing be utilized in the internationalization process of a firm?

The sub-questions for this research are:

- Which social media channels can be used for marketing purposes by born global firms?
- How social media channels are used for marketing bio-based products for internationalization purposes?
- Does social media marketing have effects on consumers or buyers?

In the following chapter, there will be a presentation about the key results and conclusion of the results that will answer the research question and sub-questions.

6.2 Key Results and Significance

How can social media marketing be utilized in the internationalization process of a firm?

All case companies have benefited from social media marketing and consider it a beneficial tool in today's international business operations. The empirical findings have proven that social media can be utilized for internationalization purposes in several different ways. By doing social media marketing in foreign countries, companies can have a better understanding of the new markets because social media allows companies to gather data about the new market, competitors and consumers. The information gathered can be used to create a more effective marketing strategy for internationalization purposes. Companies may also use their data gathered from the social media marketing done in the domestic market and utilize it in foreign countries. The findings also showed that this might not always be the most effective way in the purpose of internationalization as different markets require different marketing approaches. However, social media offers the benefit of doing cost-effective tests on social media while targeting international markets, which can increase knowledge about the market and in that way lower the risk for companies when entering foreign markets. This is especially important for born global companies, that are small in size, are new and have limited resources. Digitalization has enables new tools, such as social media, that can create

new opportunities for Finnish companies to seize when doing international business. Due to digitalization, the Internet and now social media, the distances between different countries have diminished more than ever. Because of social media, companies have easier access to new markets, as online stores allow companies to send products anywhere in the world, do customer service merely from behind a screen, and do marketing in any target country. Social media has also made it easier to create brand awareness and introduce a company across borders. By targeting foreign countries with social media marketing, companies may also create new networks that are beneficial in international business operations. The answers for the sub-questions of this research will provide a more specific insights of the findings and conclusions that were drawn from them.

Which social media channels can be used for marketing purposes by born global firms?

The findings showed that different social media channels can be used for different purposes. However, the case companies had similar channels they used for their marketing purposes. The two most popular channels that the case companies used were: Facebook and Instagram, when concerning B2C marketing. As for B2B purposes, LinkedIn was found to be popular when creating new business relationships. YouTube was also a social media channel that the companies were present on and that supported their other social media channels marketing. Also, Google marketing was mentioned because it can generate traffic to a company's websites.

How social media channels are used for marketing bio-based products for internationalization purposes?

The case companies used social media to bring awareness to environmental issues and in that way promote their forest-based bioproducts. They wanted to create an environmentally friendly, natural, and authentic brand image to consumers through their content. The content on the business social media channels showed images of the bio-products and texts that explained how the product is eco-friendly or natural in order to catch the attention of the target audiences for these products. The social media content also communicated the story of a company that would add value to the products and in this way seem more attractive in the eyes of consumers. Case companies saw it as a strength to present themselves as Finnish companies that have forest-based bioproducts as Finland is one of the leading countries in exporting forestry goods. By promoting bioproducts and their story, the companies could communicate their core values and, in that way, strengthen their brand as well as customer relationships.

Does social media marketing have effects on consumers or buyers?

From the findings of this research, it was understood that social media can be a very powerful tool when interacting with consumers and buyers. Social media provides a cost effective and fast way for companies to reach customers anywhere in the world and vice versa. Social media marketing content can target potential customers and create trust as well as brand awareness, which is beneficial when building customer relationships. Strong social media presence with quality content, active accounts on the right social media channels, and good recommendation online not only builds trust but also credibility with the potential customers. Much like email, social media channels can also work as a direct messaging platform where customers can communicate with companies via chats online.

6.3 Research Limitations

In every research, there are limitations that should be considered as they influence the findings of the research topic. Firstly, one limitation was that the researcher does not have a lot of experience in conducting research and producing academic papers when compared to the work of experienced scholars. Secondly, the subject of this research is rather new as it focuses on the social media marketing of Finnish companies that sell forest-based bioproducts. Due to this, it should be noted that there are limits to this research and it will only be a scratch on the surface. Thirdly, the results are based on the four case companies, so the results might not be compatible with other countries or with other industries. Lastly, as mentioned in the chapters above, there is not a lot of research on the impact that social media has on the internationalization process of SMEs or more specifically, born globals. This leaves a gap in the theory part which is supposed to be the foundation for the whole research and could affect the analysis of the results by not having enough information to compare the results to. However, it should be acknowledged that the lack of previous research of the topic makes this research more meaningful and is an important opportunity to explore. This is also why this research could also serve as a base for the studies made in the future.

6.4 Suggestions for Future Research

As the importance of social media in business grows, it will most likely increase research about the topic. Social media is a large concept that holds inside many different aspects and it can be utilized in many different ways in business. In regarding of this research, there are many different perspectives and aspects that could be studied about social media marketing as well as internationalization. More research is needed to have significant knowledge that companies can utilize in their future international marketing operations.

Here some research topics are presented, that could be researched in the future:

- A) Future research could focus on either just business to business or business to consumers aspect in social media marketing for international business purposes. In this way there could be more specific knowledge about how to benefit from social media marketing in a B2B and B2C concept.
- B) While social media channels increase, new channels appear and even replace old ones. This is why there is a constant need to study how different social media channels can benefit companies in all business aspects, but regarding to this research, from the marketing and internationalization perspective. So far consumers seem to spend a lot of time on social media channels, thus that is where companies need to be present in order to reach them. Due to this there needs to be knowledge about the new social media channels and the opportunities they provide businesses.
- C) In this research the objective was to understand social media marketing in a firm's internationalization process from the forest-based bioeconomic perspective. However, the topic was not only about the marketing of forest-based bio-products which could be a completely new topic itself.

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