

Internationalization Process and Product Launch Strategy

Case: Company X

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ABSTRACT

This thesis is an introductory guide for Company X into the field of new product launches and the internationalization process of a pre-launch start-up company. The thesis introduces established theories of internationalization such as the Uppsala theory, Network theory and Born Globals for Company X founders to gain knowledge on the various nuances in new start-up company's internationalization process. As Company X is entering the app market, the process of new product launch is examined both in the form of general product launch theory inspection and app market specific product launch process.

This thesis applies the deductive research approach and uses the qualitative method for data collection. The thesis is comprised of both primary and secondary data. In the theory section, mainly secondary data is used while in the empirical section, primary data is the main source of data. The primary data used in the empirical part was collected by interviewing an app industry professional with several years of experience in the field.

The main findings and results of the thesis were achieved by applying and combining the secondary data, i.e., theory with the findings from the primary data, i.e., the interview. The findings provided by the answers to the research questions indicate that the international app industry is a highly competitive market, saturated by thousands of apps. As a result, Company X must perform thorough plans of its marketing and launch processes and steps prior to the launch. This will give the product the best possible chance of success in the app industry where fast changing trends and customer preferences ultimately dictate the fate of a new product. The aim of the thesis was to present these research findings on internationalization and product launch processes to Company X in a study form. These findings would then be utilised by Company X during the setting up process of the company leading up to the launch of its product.

Key words: internationalization, product launch, app

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TIIVISTELMÄ

Tämä opinnäytetyö on kirjoitettu alustavana opaskirjana Yritys X:lle uuden tuotteen julkaisuun ja julkaisua edeltävässä vaiheessa olevan start-up yrityksen kansainvälistymiseen. Opinnäytetyö esittelee yrityksen kansainvälistymisen vakiintuneita teorioita; Uppsala teoria, Verkosto teoria ja Born Global teoria tarjotakseen Yritys X:n perustajille tietoutta start-up yrityksen kansainvälistymis prosessin eri vivahteista. Yritys X tähdätessä sovellus markkinoille, uuden tuotteen julkaisu prosessia tutkitaan sekä yleisen teorian kannalta, että sovellusmarkkinoihin kohdistetun toiminta prosessin kannalta.

Tämä opinnäytetyö hyödyntää deduktiivista lähestymistapaa sekä käyttää kvalitatiivista tiedon keräys tapaa. Opinnäytetyö sisältää sekä primääri- että sekundääri tutkimustietoa. Teoria kappaleissa käytetään pääasiassa sekundääri tutkimustietoa, kun taas empiirinen osa perustuu pääasiassa primääriin tutkimustietoon. Empiirisessä kappaleessa käytetty primääri tutkimustieto kerättiin haastattelemalla usean vuoden kokemuksen sovellusteollisuudesta omaavaa alan ammattilaista.

Opinnäytetyön tärkeimmät löydökset sekä tulokset saavutettiin vertailemalla ja yhdistämällä sekundääri tutkimustietoa primääri tutkimustiedosta tehtyihin löydöksiin. Tämän opinnäytetyön tutkimuskysymysten löydöksiin pohjalta voidaan todeta, että kansainväliset sovellusmarkkinat ovat erittäin kilpailut ja tuhansien sovellusten täyttämät. Tämän johdosta Yritys X:n tulee suunnitella markkinointi ja tuotteen julkaisu prosessit mahdollisimman tarkasti ennen julkaisu vaihetta. Tämä takaa Yritys X:n tuotteelle parhaat mahdollisuudet menestykseen sovellusmarkkinoilla, missä nopeasti vaihtuvat trendit ja kuluttajien tottumukset lopulta määrittelevät uuden tuotteen kohtalon. Tämän opinnäytetyön tarkoituksena oli kerätä tietoa kansainvälistymis ja tuotteen julkaisu prosesseista tutkimuksen muodossa Yritys X:lle. Yritys X tulisi käyttämään näitä löydöksiä yrityksen ylös ajo vaiheessa matkalla tuotteensa julkaisuun.

Asiasanat: kansainvälistyminen, tuotteen julkaisu, sovellus

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ABBREVIATIONS/ACRONYMS

| | |
|--------|--------------------------------------|
| SME | Small and medium enterprises |
| App | Portable device application software |
| B-to-B | Business to business |
| B-to-C | Business to consumer |
| DAU | Daily Active User |
| WAU | Weekly Active User |
| MAU | Monthly Active User |
| CPI | Cost per Install |
| ARPU | Average revenue per user |

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1 INTRODUCTION

In this chapter, the reader is introduced to the thesis and the author's motives behind the selection of this topic. An overview of the objective of the thesis will be explained along with the research question. The theoretical framework, research methodology, data collection methods and thesis structure are also presented in an introductory fashion.

1.1 Research Background

The author's interest into the world of global marketing and product launch strategy methods first started during a practical training period conducted in London, England. During the period of six months of working in a global marketing services company the author gained a close and experience-based understanding of product marketing and worldwide marketing campaign management. During the practical training period the author worked as a member of a client account management team that was tasked with coordinating a client's marketing material's conformity across different global market areas. This also included the client's new product launches and assisting the client in forming strategies depending on the nature of the product being launched. This process included several different variables such as target market analysis and analysis of various legal restrictions and nuances based on the market region and the composition of the targeted consumer base. The management and assurance of the simultaneous launch of a product, in different global markets in order to assure the maximum effectiveness and results of the launch, was also one of the main duties.

The need for this research and thesis project came about during the winter of 2017 when Company X was in the early stages of formulating the launch of their business idea. This coincided perfectly with the author's thesis schedule and a mutual agreement was reached that the author would be the perfect candidate to carry out this study. A major factor for this selection was the author's previous experience in working on

internationalization and product launch processes of companies in similar situations as Company X.

This newly formed company would be operating in the application market and thus would need to gain an understanding of the early steps of an international start-up company. The market of applications in today's world is massive, with thousands of new applications launching daily and only a small fraction of them actually become successful (Porkka 2017). With that in mind it is absolutely essential to formulate a finely honed and well-thought-out product launch plan through examining the market environment and product launch strategies.

The fields of global marketing, new product launch strategies and methods are extremely complex and vast. Therefore, proper examination of various established methods and doctrines on the matter will be essential.

1.2 Thesis Objectives, Research Questions and Limitations

This thesis aims to provide Company X and the reader with a thorough view into the field of global marketing methods and important factors to be taken into consideration when planning the launch of an international or possibly born-global company/product. The thesis aims to do this by presenting the reader with established marketing, product launch and internationalization theories such as born-globals, the Uppsala theory and the Network theory. The theories will be examined and researched in the framework of today's digital business environment via an e-mail interview and examples provided by it.

As an end result of this thesis, Company X will be more qualified and equipped to form the final strategy and implementation plan for its product launch.

The definition of a research question is a central part of the planning process of a research paper. The intended role of the research question is to provide a clear goal for the research paper and give the reader a core theme to follow throughout the paper. When a research question is

carefully defined and focused the conducting of the data collection and analysis will be more relevant to the results. The goal of the research question is simply to provide an answer to the researched issue; the more clearly this is done, the more successful the research question is. (Saunders, Lewis & Thornhill 2009, 32-33.) In the case of this paper the research question is:

- What are the critical factors to consider when aiming to launch Company X directly to the international app market?

Now, as is often with a subject of a study, not just a single research question is broad enough. Therefore, other supporting research questions may be presented to support the main research question. (Saunders et al. 2009, 32-33.) In this study, these sub-questions are:

- What are the key success factors of an international product launch to the app market?
- What are the common mistakes/pitfalls in international product launch to the app market?

As is with every thesis or research, there are certain limitations that are inherent to each particular research subject. In the case of this thesis the major content limiting factor is that all matters relating to Company X need to remain confidential except for the part of the field of business it is operating in. This is, of course, due to the market environment being applications and the inherent nature of it being first come first served, so to speak. That is especially true in this case since the product Company X is developing is, at the moment, still uncontested thus making it vitally important to protect the business idea from being exposed to possible competitors.

For these reasons, this research study will focus on researching the field of business in which Company X will be operating in and providing it with insights and an understanding of it. This thesis will not be providing a specific examination of Company X. Neither will it present Company X specific instructions or plans of action pertaining to the subject matter of

the thesis. It is also important to note that the research carried out will be done mostly for a highly-specialized market – an application market operating in the intangible products field. This means that the research and results will not be broadly applicable in markets of e.g. tangible products, as there are completely different issues that come from the global commerce of physical objects.

1.3 Theoretical Framework

The objective of the thesis is to examine established internationalization theories and their implementation and how they affect a new start-up company's product launch strategy. The goal is to present these theories to the reader in depth so a clear vision can be formed as to what a start-up company will be facing in its early steps when it is deciding on its launch scale internationally.

These theories are then supplemented by presenting some case examples and insights provided by an app industry professional. The case examples are part of the primary data collected from an app industry professional via an interview.

1.4 Research Methodology and Data Collection

When starting a scientific research process one of the researcher's first tasks is to select the applied approach of research. The most popular and widely recognised paths to solving the research problem are deductive and inductive reasoning. Sometimes deductive and inductive reasoning are misunderstood so it is important to clarify the differences. With deductive reasoning a research is started with a broad general statement or hypothesis and then the possibilities of reaching a specific, logical conclusion are examined and tested. (Bradford 2015.) The steps of deductive reasoning are depicted in the following figure.

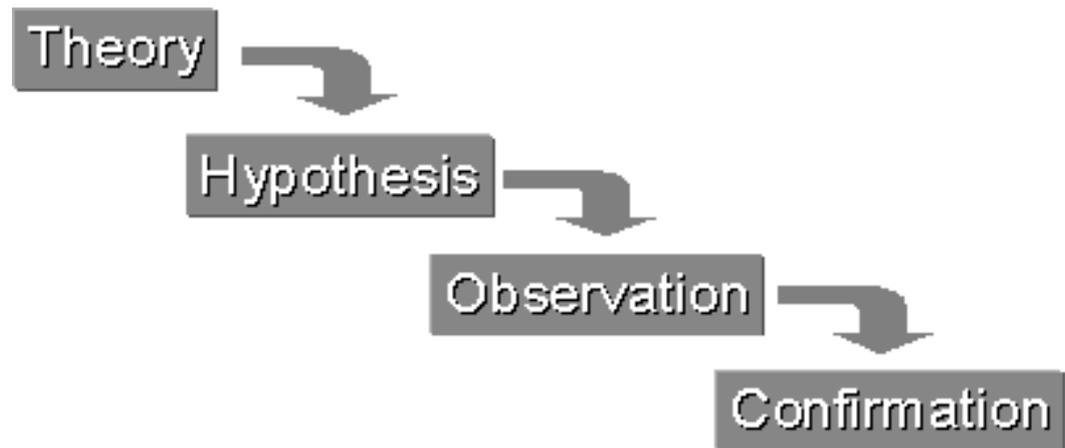


FIGURE 1. The steps of deductive reasoning. Adapted from Trochim (2006)

Inductive reasoning on the other hand starts the process from a specific observation and strives to draw broad generalizations from it and then tests them (Bradford 2015). The steps of inductive reasoning are depicted in the following figure.

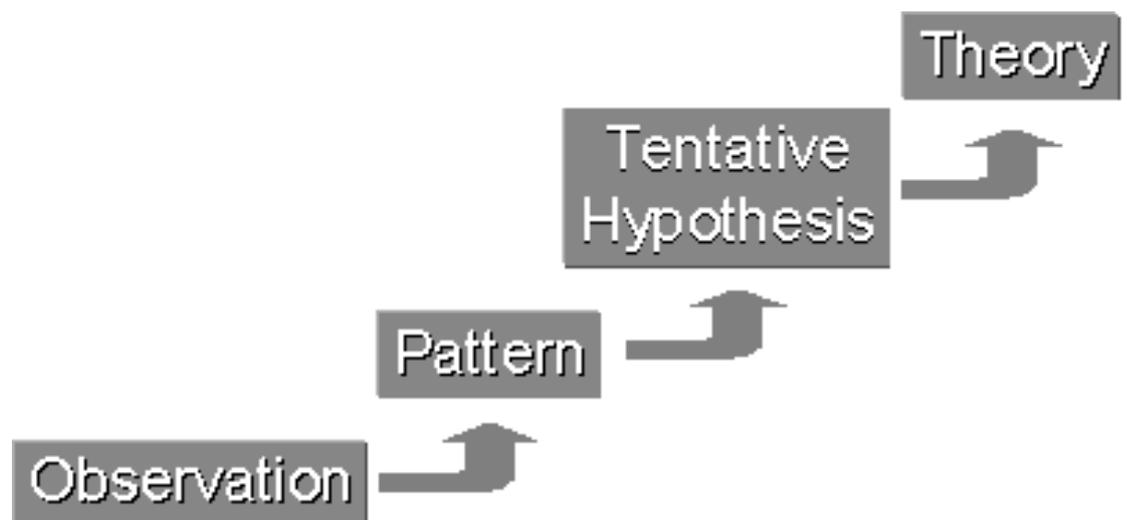


FIGURE 2. The steps of inductive reasoning. Adapted from Trochim (2006)

This process is then followed by the selection of the research method. The suitable selected method may vary depending on the type of the researched subject. In the field of research there are two main methods of approaching the process of gathering and reporting information, qualitative and quantitative methods. The approach of the qualitative method to information gathering is to do so in a deep and comprehensive manner. In its primarily exploratory nature, it can be used to provide ideas and hypotheses for the potential quantitative research. The most commonly used methods of qualitative data collection are interviews, open-ended questions or focus groups. The sample size is typically small and respondents are selected to fulfil a given quota. (Ben-Eliyahu 2014.)

The quantitative research method focuses on describing a phenomenon through a larger number of participants thus making it possible to summarize characteristics across groups or relationships. This method uses a large number of individuals and applies statistical techniques to measurable data in order to find common patterns and formulate facts. Quantitative research methods are more structured than qualitative methods and include: forms of surveys (online, paper, mobile), interviews and online polls. (Ben-Eliyahu 2014.) The main features of both methods are depicted in the following figure.

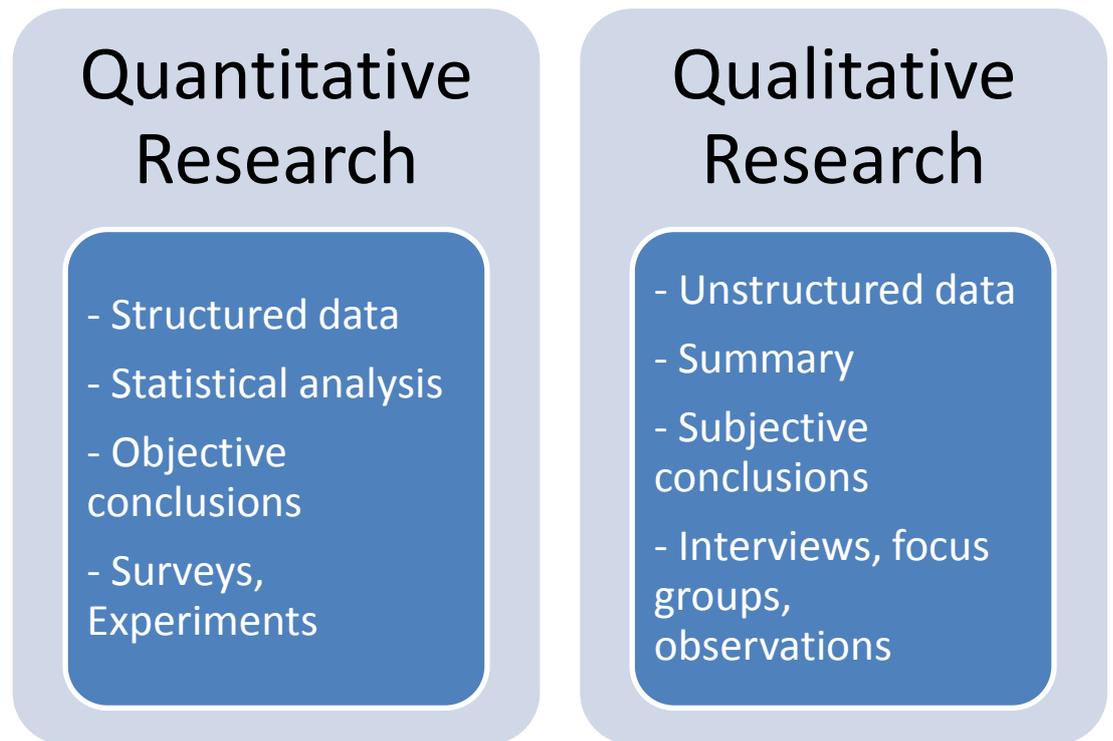


FIGURE 3. The main features of quantitative and qualitative research methods. Adapted from Krishnaswami & Satyaprasad (2010, 5-7)

In the case of this study, being that it is primarily a research paper on different internationalization theories and their effects on born global start-up companies launch strategies, a deductive research approach was selected. This thesis's aim of providing a general overview of a subject matter and theory and narrowing the data down to a more concise form suitable for the use of Company X in a specified field of business supports this aforementioned chosen approach. The research method selected for this model of study was the qualitative method.

This study will contain both primary (original information) and secondary (existing information) sources for data collection. The theoretical nature of this study means that the majority of the data used will be secondary data.

The main sources for the secondary data will be established publications of literature in the field of global marketing. These will be supplemented with different trade articles and data collected from the Internet.

The primary data collection for this study was carried out in the form of an e-mail interview of a person of significant experience in the field of building successful global start-up companies.

1.5 Thesis Structure

The thesis is mainly theoretical in its nature. Therefore, the majority of the thesis is the theory portion. The theory portion of the thesis is presented first and explains the different applicable concepts relevant to the subject matter. The first chapter introduces the reader to the background, objectives and structure of the thesis. The second chapter covers the theories of the internationalization process of a company. This is followed by the third chapter where an examination of the field of industry, in which Company X will be operating in, will be carried out. The fourth chapter focuses on the product launch process and its relevant stages. The fifth chapter consists of the empirical research and data analysis processes that includes an interview of an app industry professional. Also, Company X relevant analysis of the presented theories is performed. The interview will provide a basis for a real-life examination of the presented theories. In the final chapter conclusions on the different subject matters will be presented.

2 INTERNATIONALIZATION THEORIES

In this chapter, the reader is introduced to chosen examples of established theories on internationalization of a company. The theories start with the older, more traditional ones that have led to the emergence of the contemporary theories of today. These theories will describe different strategies of approach to a vital part of a company's growth, entering the international markets. These internationalization theory examples will also provide a look into the evolvement of the global market place and how it has developed over time and with the aid of digitalisation.

2.1 Uppsala Theory

In the 1970s a group of Swedish researchers, working at the Uppsala University, began focusing on the internationalization process. The researchers in question were: Johansson and Wiedersheim-Paul in 1975 and Johanson and Vahlne in 1977. They started to study the internationalization of Swedish manufacturing companies which led to the development of a model of a company's choice of market and the form of entry when beginning the internationalization process of a company. The researchers began by interpreting the internationalization process patterns they had witnessed being used by manufacturing companies. The primary observation they made was that the companies appeared to begin their internationalization process in the nearby markets and proceed gradually to penetrate the more distant market regions. The second observation was that the companies primarily entered new markets through exports. Very rarely did the companies start new market entry by establishing sales organizations or manufacturing subsidiaries of their own. Completely owned and operated operations were launched only after years of experience in exports to the market. Johanson and Wiedersheim-Paul differentiate between four different international market entry modes, in which successive stages indicate greater levels of international involvement and market commitment.

These entry modes are as follows: 1. a company has no regular export activities, 2. export is handled via independent representatives, 3. establishment of foreign subsidiary, 4. foreign production/ manufacturing units. The theory of the internationalization of a company developing step by step was supported by a case study of four Swedish companies. (Hollensen 2011, 74.) The sequence of market commitment stages is shown in Table 1.

TABLE 1. Internationalization of the firm: an incremental (organic) approach. Adapted from Hollensen (2011, 75)

| Market (country) | Mode of operation | FDI (foreign direct investment) | | |
|---------------------|----------------------|-------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|
| | | No regular export (sporadic export) | Independent representatives (export modes) | Foreign sales subsidiary Foreign production and sales subsidiary |
| Market A | | | Increasing market commitment → | |
| Market B | | | ↘ Increasing internationalization | |
| Market C | | | | |
| Market D | | | | |
| ⋮ | | | | |
| Market N | | | | |

Additional annotations in the table:
 - A vertical arrow labeled "Increasing geographic diversification" points downwards from Market A to Market N.
 - A diagonal arrow labeled "Increasing internationalization" points from the top-right of Market A towards the bottom-right of Market N.

The geographical aspect of Figure 4 is indicated by gradually entering markets with greater psychic distance. Psychic distance is defined with factors e.g. language, culture and differences in political systems that can adversely affect the flow of information between the market and the

company. This is why the internationalization process begins with the most easily understandable markets and gradually advances to markets with greater psychic distance as the company gains more experience. (Hollensen 2011, 75.)

In recent years, the Uppsala model has begun to face some criticism in international business literature. The common theme of the criticism is that the model is too deterministic in that it only covers Swedish companies and bases its results on fairly small number of companies. Also, for companies in the modern economy, the repetition of the value chain process when entering a new market is less common. Most times the company reconfigures the entry method based on cost and revenue factors. Recent research on new venture companies also indicate that the small rather than large companies are the ones that internationalize more aggressively in shorter time periods. Years after the publication of the Uppsala theory, its authors have stated that the internationalization process has been revolutionised as markets and industries have become more integrated. (Glowik 2016, 68-70.)

2.2 The Network Theory

The business network model is based on managing the activity interdependences between a number of business operators. In the network model of internationalization, the business operators are dependent on each other through the exchange of relationships, company's needs and capabilities. The business network uses each business operator's willingness to engage in business relationships with the other operators within the network. In this model, the autonomous operators handle their interdependencies in a bilateral way rather than in a hierarchical way that is controlled by one operator positioned at the top. The inherent way of the bilateral network allows each operator to change the shape of the network easily as each operator in the network can pursue new relationships or detach from existing ones. This allows for the operators to adapt more rapidly to the changing conditions especially in

fields of business that are turbulent by nature such as technology. Thus, it can be said that business networks will form in fields where the coordination between operators provides strong gains due to the rapidly evolving conditions. (Hollensen 2011, 80, 81.)

As the core assumption of the network model dictates that an operator is dependent on the resources of other operators they will strive to create and enter new and different networks. In order for an operator to be able to enter a new network the other operators need to have a motivation for interaction. This motivation is created by offering the network something that would otherwise require a lot of resources or even several different operators to provide. This will then provide the new operator in the network a way of entering a new market through the existing networks of the operators already in the market. (Hollensen 2011, 80, 81.)

TABLE 2. The position of the company depending on the internationalization level. Adapted from Hollensen (2011, 83)

| | | Degree of internationalization of the market | |
|--------------------------------------------|-------------|----------------------------------------------|--------------------------------|
| | | <i>Low</i> | <i>High</i> |
| Degree of internationalization of the firm | <i>Low</i> | The early starter | The late starter |
| | <i>High</i> | The lonely international | The international among others |

In the table on the previous page, the four stages of internationalization of a company are depicted. These four stages are: the early starter, the lonely international, the late starter and the international among others. These stages indicate the level of internationalization of both the company and the market in relation to each other.

The early starter begins with no business contacts to foreign companies. In it a pioneering company in the field must work to establish the network of operators. At this stage, the company may achieve a gradual involvement to the market by utilizing an agent that would eventually lead to the establishment of a manufacturing subsidiary.

The lonely international is experienced in relationships with operators in other countries. It has achieved knowledge and means to operate in a market differing in culture and language and so on. The internationalization gains of the operator do not come from the other parties in the network since they are less internationalized. The lonely international already possesses the means to advance its production networks internationalization and thus the operators approach it. (Hollensen 2011, 81-83.)

The late starter is in a position where they often struggle to position themselves in the established networks. Often the operators are already linked to competitors which may result in aggressive pricing and rendering the newcomer unprofitable.

The international among others is in a position to use an existing network to spread to other networks with regard to expansion and penetration. For such moves to be successful, the coordination of the international activities along the value chain needs to be properly managed. The international business networks evolve more easily and fast. As a result, international networks emerge in industries and markets where the coordination of interested parties produces important additional revenues. (Hollensen 2011, 83, 84.)

2.3 Born-Globals

Since the establishment of the aforementioned so-called traditional methods of internationalization, the digital world of today has had to create new methods of internationalization. This is largely because of the emergence of the digital marketplace and the way it operates where the traditional methods of internationalization simply are not applicable or effective enough. Contrary to the traditional methods of internationalization, the born globals target the international or even possibly the global markets right from their establishment. The definition of a born global could hence be summarised as a company which from its inception begins to strive toward becoming global or begin globalizing despite not having any preceding domestic or internationalization stage (Oviatt & McDougall 1994, 45-64; Gabrielsson & Kirpalani 2004, 555-571). The born global companies create a fascinating spectrum of companies that operate under such time and space conditions that it has allowed them to commence their operations in a global geographic scope right from their inception. These time and space conditions mean that their geographical processes essentially can be put under the term here and now trade and information exchange covering the whole globe. This phenomenon is perhaps the most evident in today's financial market. (Hollensen 2011, 87.)

The typical definition of a born global company would be an SME of less than 500 employees and annual sales under \$100 million. The company typically would be heavily focused and reliant on cutting edge technology to develop its ground-breaking product. Usually the born globals are companies founded and run on a single person's vision that consider the world as a single borderless market right from the company's inception. This one person's vision approach is especially suitable for establishing small technology driven companies to the global marketplace. The born global phenomenon has challenged the traditional internationalization theories due to the distinctively unique parameters of both the products and the market the companies operate in. In most cases the product being an intangible object rather than a conventional tangible object the

obstructions for internationalization have become considerably more marginal in their significance. (Hollensen 2011, 87.)

With born globals the premise often is that the founder's background plays a substantial role in selection of the internationalization path. The market knowledge, personal networks and international contacts are often results of the founder's previous occupations, business relations and educational background obtained before the birth of the company. These factors such as experience from living abroad, education and internationally oriented jobs lead to the open-mindedness of the founder and thus decrease the psychic distance to specific product market considerably.

The slow and organic Uppsala internationalization model and the accelerated model of born globals are in many ways considered the polar opposites of each other in terms of the speed of internationalization. These models also often represent the choice between making it alone in the case of the Uppsala model versus utilizing different types of cooperation and business partnerships to achieve rapid internationalization and growth in the case of the born-globals.

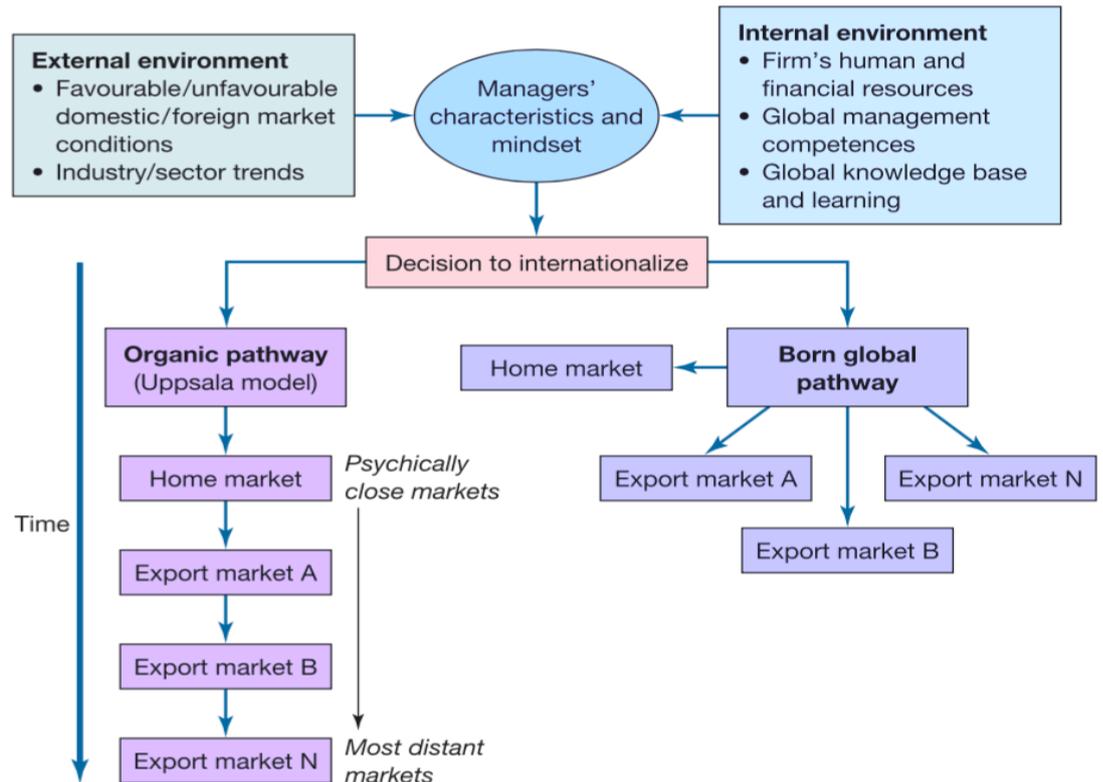


FIGURE 4. The differences between two extremes of internationalization models. Adapted from Hollensen (2011, 89)

That is not to say that there are not some similarities between different models. The internationalization is viewed as a process of knowledge and learning that benefits from previously gained knowledge. (Hollensen 2011, 88.) These two extreme paths of internationalization are presented in the above Figure 4.

2.3.1 Factors Contributing to the Rise of Born-Globals

In the recent years as the digital revolution has gained more and more speed the number and significance of born global companies has risen dramatically. This is perhaps mostly due to the establishment of a totally new fields of market that are easy to access and can possibly yield great

returns for the entrepreneur/company with reasonably small investments. An example of such new market is the app market and the near infinite possibilities it presents for establishing small quick to launch companies that are instantly operational in the global market place. This has been made possible by the emergence of various app platform technologies such as smart phones, tablet computers and smart watches. For most of these quick to launch born global SMEs the strategy is to specialize in a market with a niche product they have identified as missing from the marketplace. The entrepreneurial revolution driven by the Internet has created new platforms for young SMEs to launch global operations. Thus, it can be said that the service and information based digital companies have managed to internationalize more rapidly than the companies which operate in the tangible products markets. (Hollensen 2011, 90.)

Generally speaking, the major advantages of these small companies – quicker response time, adaptability, flexibility– provide the base for the international endeavours of born globals. Born-global SMEs are also inherently readier to adapt to foreign markets' tastes and various market specific standards due to their flexibility. As described the aforementioned acceleration of digitalization has worked especially in the favour of born global companies. The era of highly vertically integrated companies with slow and expensive information flows is starting to be in the past. With the ease of access to global communications through e.g. the internet, even the smallest companies are able to manage worldwide operations with relative ease. This is to say that everything has become smaller in a sense as information, ideas, products etc. reach more people and locations considerably faster. (Hollensen 2011, 90.)

3 INDUSTRY OVERVIEW

This chapter aims to familiarise the reader with the field of business in which Company X will be entering with their product. The market in question is the digital market place of multi-platform portable device applications known as apps. The reader will be presented with facts and figures of the market's state and development to create an understanding about the market's evolution over time.

3.1 The App Market Overview

Over the past few years the app market has grown rapidly since the public has embraced the use of smart phones and other platforms of portable technology devices. The explosion of the app market can be largely attributed to the arrival of the smart phone and other portable technology platforms such as tablet computers. The app marketplace platforms created by Google and Apple have created an easily accessible platform to thousands of apps. As a result of consumers' eagerness to download and use apps created specifically for an intended task has thrived. As a result, the share of mobile device Internet site browsing has largely been replaced by the use of apps. As for what are the most frequently used apps on a daily basis? Most of the daily app usage takes place on social media apps such as Facebook, Messenger, Instagram, WhatsApp and Twitter. Gaming apps are the other major group of apps that get the most usage on a daily basis. These two major categories are beginning to see increased competition from the so called functional apps. These functional apps are apps created to simplify and assist people's daily lives in areas such as food delivery, logistics, sports and health. (Porkka 2017.)

The future of apps is most likely going to continue to be growing for the next several years. The next big development on the app market is expected to be the transfer into the so called "alpha apps" which are basically apps that do not just perform one single service but multiple different ones. (Porkka 2017.)

The business of selling or providing apps for consumers/customers to acquire is done in these dedicated app marketplaces. These marketplaces are digital distribution platforms for mobile and desktop apps and can be separated by the operating system platforms they provide apps for.

There are two major operators in the marketplace; Google Play which supplies apps for Android operating system based portable devices and is the largest app store based on the number of available apps in 2016 (2.6 million available apps), second is the Apple's App Store which only supplies Apple operating system based devices and is the second largest in terms of available apps in 2016 (2.2 million available apps). The other smaller operators in the app market are: Windows store for Windows based operating systems with about 669,000 apps available in 2016 and Amazon Appstore which has grown rapidly to hold about 600,000 apps in 2016. (Statista 2017.)

The number of downloaded apps from the app stores is expected to reach nearly 270 billion apps by 2017. This would represent a significant increase from the estimated number from 2016 of 224,8 billion apps and continue the rapid growth that has been going on since the 2009 number of 2.52 billion. (Statista 2017.)

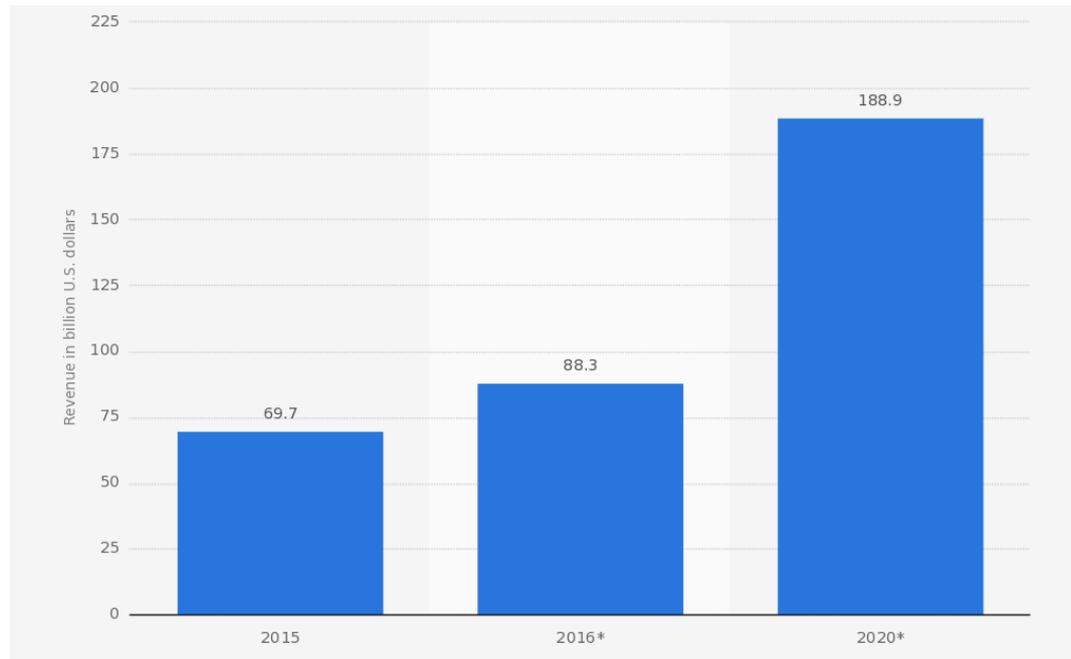


FIGURE 5. Projected portable device app revenue development worldwide (in-app advertising and app store revenues). Adapted from Statista (2017).

The above figure depicts the projected development of app revenues worldwide from the year 2015 revenues of 69.7 billion U.S. dollars. The market is growing at a rapid pace and is expected to more than double in revenues reaching 188.9 billion U.S. dollars by the year 2020 (Statista 2017). As is evident from the numerical and statistical data above, the app market is a huge industry an enticing one at that due to the relative ease of access to the market. Still it should be remembered that easy access to the market itself does not mean that it would be by any means easier to prosper in it than e.g. a more traditional tangible products industry.

3.2 Industry Analysis Tools

A big part of any new product launch procedure is to perform an analysis on the industry. First part of the industry analysis process is to choose a

method for gaining insight into the nature of both the competition and the market. An industry can be described as a group of companies producing products which are each other's close substitutes. As is with any field of industry the role of competition is to diminish the rates of return on the capital invested by the company towards the rate which would be earned in a perfectly competitive industry. All rates going beyond this so-called competitive rate will generate an inflow of capital either from new entrants to the market or from existing companies increased investment. The possibility of experiencing rates of return lower than this competitive rate may lead to the withdrawal from the industry and subsequently to lower levels of activity and competition in the industry. (Keegan 2014, 266, 267.)

An effective and often used method of industry analysis that is globally acknowledged is Porter's five forces that influence the competition in an industry. This would be an example of an applicable market analysis tool for Company X to apply in depth when it has reached the phase in its development where market research becomes relevant. An in depth analysis (market segment specific) is not possible to be carried out in this thesis due to the confidentiality aspect of the product being launched. Market segment specific analysis would expose Company X's product and in the case of the app market subject the idea to be copied/stolen prior to Company X's launch. Hence, the model will now be briefly explained and applied to the app industry in general later on in the Empirical Research and Data Analysis chapter. The basic idea of the model is illustrated in the figure at the beginning of the next page.

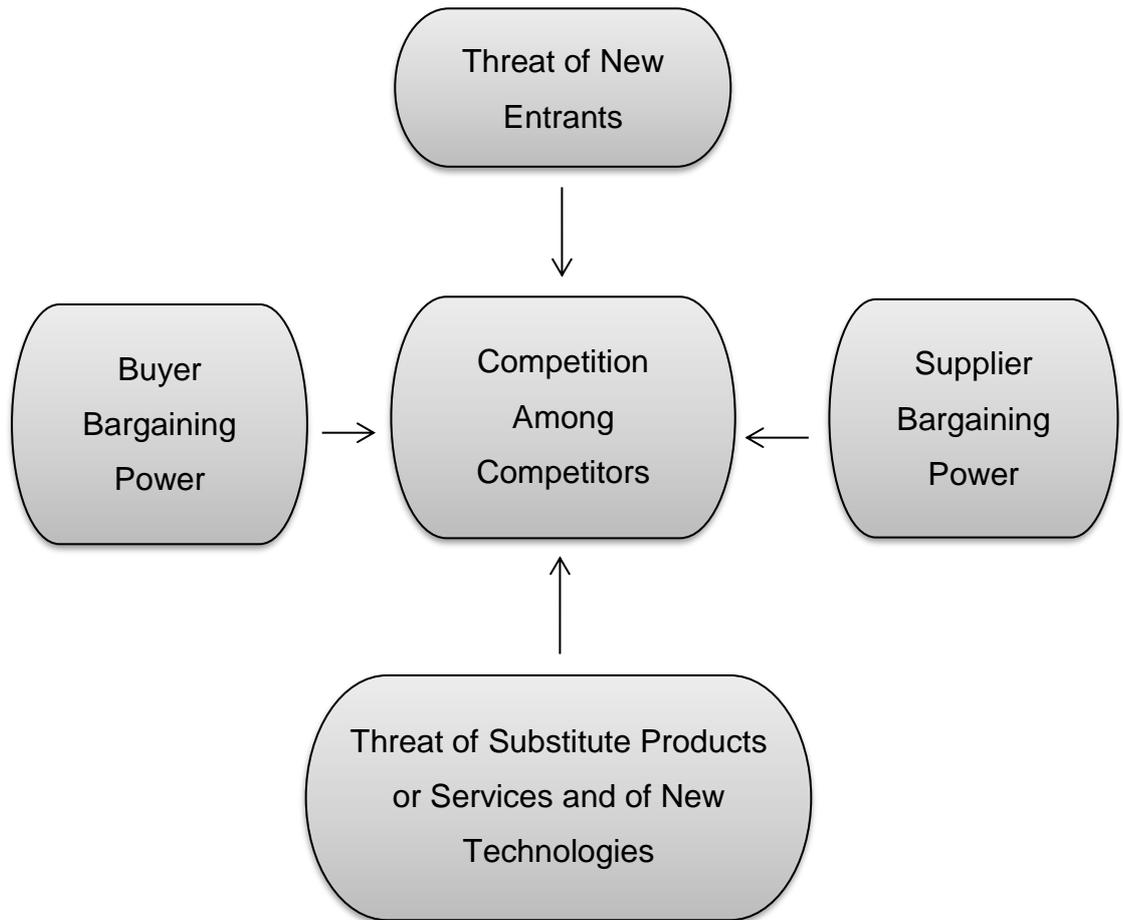


FIGURE 6. Porter's five forces influencing competition in an industry, adapted from Keegan (2014, 268)

Threat of new entrants is described as the entry of a new company to a field of industry bringing additional capacity, desire to gain market share and often a fresh take on satisfying the customer needs. The commitment to entering an industry is more often than not accompanied by significant resources commitment. This large resource commitment is often directed toward bringing down the cost of the product to the customer in order to gain market share which in turn leads to diminished profitability for the whole industry. (Porter 2008, 8.)

Threat of substitute products presents the second force in our description. It affects the market by offering a substitutable product to the buyers thus limiting the prices the market leaders can charge in an industry. If companies do not adjust their product pricing, they run the risk of losing buyers to the substitute. (Porter 2008, 17.)

The third force is the bargaining power of suppliers. In an industry where the supplier plays a significant role and has enough leverage over the industry, they can raise the prices high enough to influence profitability of the industry. This situation becomes an option in the following cases: when suppliers are large enough and few in number, the suppliers' products are important inputs to user companies and present considerable switching costs, their business is not threatened by alternative products or are willing and able to develop their own products if unable to reach satisfactory terms from industry buyers. (Porter 2008, 13.)

The next force influencing competition in a market is the bargaining power of buyers. The goal that all industrial customers strive towards in the end is to drive the price of the acquired product/service as low as possible. (Porter 2008, 14.) The buyer is able to exert power over the suppliers in the following cases: when buyer makes large enough purchases to make supplier company dependent on buyers' business for survival; when the supplier's products are viewed as undifferentiated and can be supplied by many other firms; when the supplier industry's products/services represent a significant part of the buying company's costs; when the buyer is not against achieving backward vertical integration (Keegan 2014, 269).

The fifth and final force of rivalry among competitors becomes a factor when competitors begin competing with price, advertising, product positioning and attempt to differentiate from rivals. These actions may force the companies to innovate and rationalize costs which may also be a positive force. A positive force in the sense that it creates the need to lower prices and thus profitability suffers, which creates instability and decreases the attractiveness of the industry. (Porter 2008, 18, 19.)

4 PRODUCT LAUNCH

In this chapter, the reader will be familiarised with the established theory and steps of the new product launch process in a non-industry specific manner. The product launch process is broken down into five steps representing the different stages along the way of a new product development cycle.

4.1 Product Development Strategy

Generally speaking, there are two ways a company can obtain new products. Through acquisition is the first method in which a company buys a whole company, a licence or a patent to produce a product created by someone else. The second option is through new-product development carried out within the company. The new product term encompasses original products, product improvements and modifications and new brands created through the company's own R&D process. New products represent a substantial source of growth for companies when successful. New product development must continue even in down economy conditions for it is the main way a company can respond to changing customer demands brought on by the down economy. (Kotler & Armstrong 2012, 284.)

On the other hand, innovation can be and generally is not only expensive but also risky. New products usually encounter tough odds for it is estimated that 80 percent of all new products under perform or fail. There are several reasons as to why new products fail. They range from poor product design, overestimation of the market size to incorrect product positioning, failed pricing and insufficient advertising. (Kotler & Armstrong 2012, 284.)

Even with the high probabilities of failure with the new product launch the company must keep developing them. This puts the company in a situation where they must strive to understand their customers, markets and competitors in order to offer superior value products to customers.

This can be successfully done by following clear new product planning and customer driven product development processes.

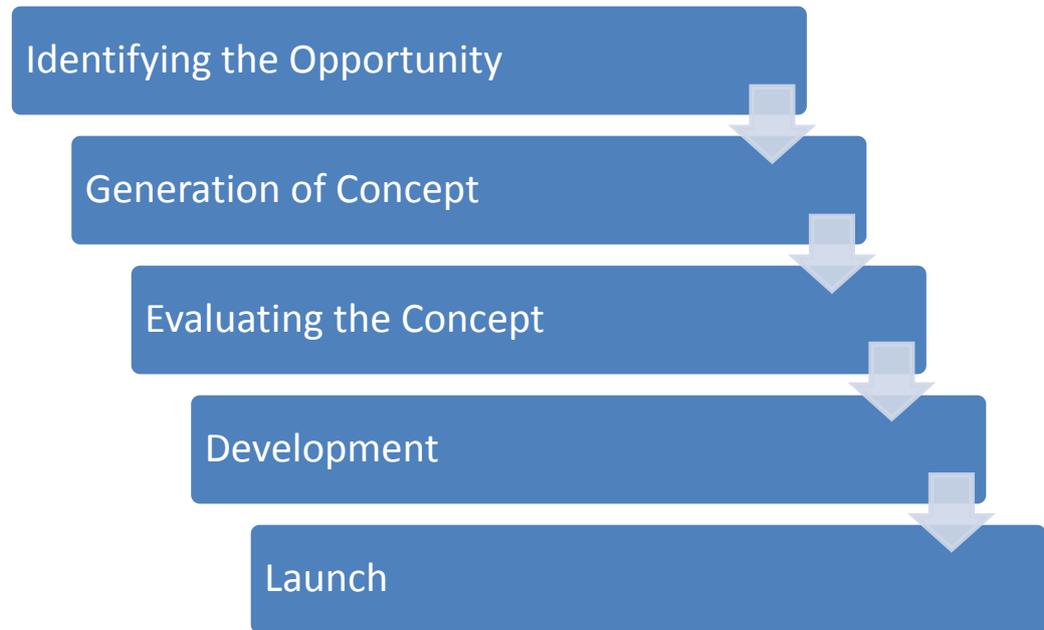


FIGURE 7. Steps of new product development. Adapted from Crawford & Di Benedetto (2011, 30)

4.2 Identifying the opportunity

This is the phase of systematic search for product ideas. In this phase, a company typically goes through hundreds if not thousands of ideas depending on its size to identify a few good ones to proceed with. The most important sources for new product ideas can be categorized into internal and external idea sources that include ideas from customers, competitors, distributors and suppliers. Traditional R&D is also a source of ideas for a company even though a survey of 750 global CEOs points out that only 14 percent of their innovation came from it. The survey instead

found that 41 percent of ideas originated from employees and 36 percent from customers. (Kotler & Armstrong 2012, 285.)

According to Crawford & Di Benedetto (2011, 31) three main activities support the planning for new products. Ongoing marketing planning and ongoing corporate planning e.g. top management dictates that the company either owns a market or gets out of it thus generating new product activity in all markets where the company has a minor position. The third activity is special opportunity analysis where e.g. a consultant is hired to consider the company's resources and identify avenues for new products programs. After the selection of an idea or a few ideas the process then moves on to developing the product concept.

4.3 Generation of Concept

There are some situations where just by identifying an opportunity for a new product the company has clear product concept in place. This though is not the case in most situations so a lot of strenuous ideation work must be carried out by different groups of people. Within the company the new products development people often use systematic problem based ideation where a number of problems are identified and then solutions for them are proposed and screened and product concepts identified. (Crawford & Di Benedetto 2011, 32.) There is a significant difference between a product idea and a product concept. For a product to have reached the product concept stage from the idea stage the concept has become a detailed version of the idea stated in relevant consumer terms. (Kotler & Armstrong 2012, 288.)

4.4 Evaluating the Concept

This stage is where the concept has been deemed viable enough to move forward with testing it with groups of target customers (Kotler & Armstrong 2012, 289). According to Crawford and Di Benedetto (2011, 32) this formal evaluation depending on the concept may be end user screening or technical screening. Depending on the product it may require just a few

phone calls or an extensive target group testing. However, as Kotler and Armstrong (2012, 289) point out a more concrete and physical inspection of the product by the target consumer test group will increase the viability of the concept test process. The results of these processes will then indicate to the company which product concepts would have the strongest appeal to the target market. At this point the company based on the target market testing might even draw out projections on estimated sales volumes scaled to cover the full market population.

4.5 Development

The development step in the product launch process is where the product concept is developed into a physical product. This development process step demands a considerable increase in investment from the company and will reveal if the product concept can be turned into a workable product. (Kotler & Armstrong 2012, 290.) At this stage, the actual development of three areas commences – the item or service itself is developed, the marketing plan is drawn out and a business or financial plan will take shape. The marketing team continuously monitors the target market by performing periodic market scans to keep the product development up to date on possible market changes while development is underway. The continuous evaluation through the development process is there to assure that by the time development phase is done the product is still relevant and addresses the issues it was intended to solve at the beginning of the process. At the end of the development stage a comprehensive business analysis is often performed to assure the company management on the project's viability to the company. (Crawford & Di Benedetto 2011, 32.)

4.6 Launch

The results from the test marketing will give the management the information needed to make the decision on whether to launch or not launch the product. When the decision to launch is made the launch time

must be set depending on various factors. Factors such as the state of the economic environment, competitor's competing product launch timing or even further product development needs may all influence the launch timing. After the timing is set the launch scale i.e. which markets the product is launched in first needs to be decided since only a few companies or products can be launched globally from the beginning. Usually a market roll out plan is created to map out the broadening of the launch from market to market. (Kotler & Armstrong 2012, 292, 293.) Once the product launch has taken place there is still an important activity that needs to be carried out i.e. launch management. This encompasses the management of the launch process and its evolvement into further market areas in accordance to the market roll out plan. (Crawford & Di Benedetto 2011, 35.)

5 EMPIRICAL RESEARCH AND DATA ANALYSIS

This chapter begins by describing the thesis writing process. Analysis of the empirical research carried out on the thesis subject matter and the data analysis resulting from it is also performed. The general theories on internationalization and product launch presented in the previous chapters are applied to the empirical data.

5.1 Data Collection

In the following table, the tasks carried out in the thesis writing process are illustrated to present a clear visual image for the reader of the steps of the process.

TABLE 3. The thesis writing process timeline

| Activity | February 2017 | March2017 | April 2017 | May 2017 |
|-----------------------------|---------------|-----------|------------|----------|
| Desk research | | | | |
| Designing the questionnaire | | | | |
| Questionnaire via email | | | | |
| Data analysis | | | | |
| Conclusions & suggestions | | | | |

This thesis writing process begun in the beginning of January 2017. The process was agreed upon when the author and Company X recognized a need for an introductory guide book to be compiled for the use of Company X. The fields that Company X representatives felt they needed more research data on became the subjects of the thesis. Thus, the thesis focused on internationalization and product launch processes. The desk research process started in late January 2017 after the thesis subject was confirmed with Lahti University of Applied Sciences Ltd.

The desk research continued throughout the months of February and March of 2017 while at the same time the writing process on the theory chapters was being carried out. In early March 2017, the author and representatives from Company X agreed on conducting an interview of an app industry professional. The questionnaire was designed in early March 2017 and sent out.

Having received the answers to the e-mail interview back from the interviewee in mid-March 2017, the data analysis process got underway. The process of analyzing the questionnaire answers and extracting findings from them consisted of comparing and processing them alongside the theories that were introduced in the theory chapters. This analysis and writing part carried on throughout March and April 2017. The thesis writing process conclusions, suggestions and final amendments were worked on in the late April 2017 and early May 2017.

5.2 App Market Analysis Company X

The market analysis for the app market differs somewhat from a market analysis of a more traditional industry e.g. tangible goods industry. The biggest reason being that in the app market the newcomers to the industry are primarily looking for market niches that are yet unmet by existing app providers. Also, in the app industry the role of the supplier is not as prominent and does not play a significant role like e.g. in a tangible goods industry where a company needs to purchase raw materials to manufacture its product. Nevertheless, it is vital for a new start up in the

app market to know the industry and its competitors (direct or indirect) to successfully launch its product. For this reason, the previously introduced market analysis tool Porter's Five will now be applied to the app market.

The threat of new entrants in the case of Company X would not be the first threat to be tackled. This is because Company X is looking to enter a market niche in the app market that is not yet met by existing companies. Later, in Company X's existence the threat of new entrants will undoubtedly become relevant providing Company X's product becomes successful in its own niche. Being that the app market by nature has a comparatively low barrier of entrance (app development programs are accessible to anyone with little more than basic computer skills) there will most certainly be a plethora of new entrants of varying levels of quality attempting to gain market share from Company X (Porkka 2017).

As for the app industry in general, the threat of new entrants is one of the major forces to affect the industry due to the inherently low barriers of entry to the industry. A new entrant in the app market has many methods of going about gaining market share. Depending on the existing companies' pricing and revenue creating models the new entrant may choose an alternative one to create revenue, entice customers and thus gain market share. The ways for an app to create revenue can vary in the following main ways: free app download that has in-app advertisements, free limited access apps where full features of the app cost money to be unlocked, apps that cost money to download, apps that create revenue by providing in-app purchases (physical or virtual goods), paywall or subscription model allows the user to view a predetermined amount of content free after which a paid subscription is required, sponsorships or incentivized advertising where app users are rewarded for completing certain in-app actions by the brands paying to be part of the app's incentive system. (Munir 2014.) These methods give the newcomer multiple possible strategies in for gaining market share and thus affect the profitability of all other players in the industry.

The substitute product threat is not one of the primary threats in the app industry in general being that apps are predominantly created to perform a certain specific function. There are still some sectors of the app market where substitute products can even be considered as one of the main threats. An example of such sector is game apps. In this sector, the primary competition for a market leader seldom comes from a product that is the same or tries to copy its primary competition. In most cases the industry leader in this situation has gained such a vast customer base and created a brand of such strength and uniqueness that direct copies have no footing in the market. Here is where the substitute product threat becomes reality. An effective method the new company can attempt to gain market share with and thus diminish the industry's existing operators' revenues is to create a substitute product; a game that through its own originality and appeal attracts customers from the existing industry leaders. (Porkka 2017.)

The bargaining power of the suppliers is not one of the major threats in the app industry. This is because of the way the app industry works. The industry is primarily an industry of products of intellectual capital or product ideas. The companies are often results of one person's or a small group's idea for a product. The product itself i.e. the app in most cases is not highly dependent on suppliers, if at all. The app development tools are also fairly easily accessible. The main supplier industry used by the app industry is computer coders/app developers which has plenty of supply. As a result, the skills and know-how are not concentrated to few industry suppliers in which case the suppliers would be able to exert bargaining power over the industry.

The bargaining power of the buyer by itself is not a major factor in the app industry. The majority of the apps on offer to the customer are free to acquire or demand a low purchase price. Additionally, the app industry consists mainly of b-to-c commerce rather than b-to-b commerce where a single buyer buying in large enough quantities may exert bargaining power over a supplier by threatening to buy from other suppliers of same product. The factors affecting acquisition or purchasing decisions are

predominantly other than price of the product in the case of the app industry.

The fifth force of the Porter's five forces deals with rivalry among competitors. This is a significant factor in the app industry where competition is fierce due to the huge number of products on offer and relative ease of access to the industry. This makes differentiation from competitors' products very difficult. The digital nature of the app industry also gives industry competitors multiple ways of attacking the industry leaders for market share. It is an industry where methods towards differentiation from competitors cover a wide selection of strategies. With product visibility among competitors being vital for an app to prosper, advertising and product positioning if carefully planned and executed can produce great results in market share growth. (App Annie 2017.)

In the app industry, the way the competition works between the competitors is focused more on the customer acquisition side rather than straight forward product pricing competition. It is a case of first creating a product good enough that customers' preferences move towards it from the competitors' product. After which the most important part follows, achieving visibility for the product through the various advertisement channels such as social media, advertisement in e.g. TV and effective product placement. In the app industry, often there is one or a few industry sector dominating apps that have become in a sense the industry standard. These industry dominant companies have been highly successful in product placement and advertising strategies thus achieving the industry standard status. Customers automatically think of these brands when looking at a product in their industry sector. (Porkka 2017.)

5.3 Product Launch into the App Market

For the most part, the launch process of an app follows the same principles and steps that the launch process of any other tangible or intangible product does. In the app market though the original product idea, it's validity and relevance at the moment of the intended launch is the

most important factor effecting the app's success. With the biggest challenge in the app market entry being the originality of the idea and especially its relevance to the market, once the start-up has this sorted the process of launching to the markets is often the difficult part. (Rajput 2016.)

After the start-up has settled on a great idea for an app and researched the market and competitors it must resolve the question of funding before the real development of the app can commence. Being that depending on the app, its features and complexity it costs an average of 2000\$ - 200 000\$ to develop an app and launch to the market, this is the stage where many great ideas die and do not materialize. For the app to have the best possible chance of global success and maximum breadth of customer base it is crucial that the app is supported by the main platforms. This investment into multi device compatibility inevitably increases the app development costs but eventually in the long run will yield greater profits through wider customer bases. (Rajput 2016.)

At this point, there are nonetheless a great many sources of funding for the app depending on the size of the development budget. The funding sources vary greatly from friends and family to professional business investors and business angels. The required amount of funding for the app mostly dictates who the possible investors are. In situations where the start-up only requires a small investment to develop the app it might be smart to start the search for funding from friends and family. In the situation where the need for funding is more sizeable the most common sources for funding are business angels, early investors and later on growth phase investors. These professional investors almost always demand for some sort of structured presentation of the app's projected profitability. The professional investors are well informed on the relevant app performance data which emphasises importance of being able to present positive numbers even if at this stage, the database is still relatively small. (Porkka 2017.)

If the start-up succeeds in selling the idea to the investor there are several different models that the investor may suggest to get their investment back. At this point the start-up and the investor must choose the best model from e.g. company equity percentage in exchange for investment or some sort of royalty agreement deal and so on. There are a plethora of capital raising models which this thesis will not be focusing on in more detail. One other important venue for start-ups to seek funding from are investor events. For example, in Finland there are two internationally significant events that attract global investors every year Slush and Arctic15. These kinds of events broaden the available investor base for a start up considerably. (Porkka 2017.)

Selecting the scale of the app launch is one of the key decisions the start-up must make before the launch. The most common path is to select one test market that requires the least initial investment and scale up when the app is successful in it. Some apps though can be considered global from the beginning. These are usually apps that do not require market specific modifications in e.g. market area specific app source data or even language. A good example of such are most game apps that are launched globally in English or require minimal investment in translation costs. A major factor that influences the launch scale is the individual market area preferences of the customers. These preferences can be analysed using e.g. country specific app download statistics and rankings. This helps the start-up pin point the markets where similar apps are in demand and are generating revenue. There are many different tools for researching the customer behaviour in the app market such as Appannie.com and Google App Store analytics that track the app download data worldwide daily. Examples of important parameters that app developers use to analyse market behaviour in app industry include: CPI i.e. cost per install, what percentage of the downloaders become active users, daily/weekly/monthly active user numbers (DAU, WAU, MAU), and how many users spend money on the app (ARPU= average revenue per user). (Porkka 2017.)

The most important factor for the app's successful launch is to create as much awareness of the app among the customers as possible prior to and

after the launch. The desired outcome from creating awareness of the app is that the app goes viral. The term go viral means that the customers' awareness of the app spreads rapidly through Internet and social networking sites. This is achieved when individuals who have become aware of the app forward e.g. links, videos, marketing material of it to their friends who again continue passing it on. The best channels for marketing the app and enabling the app to go viral are selected by researching gathered data on different marketing channels e.g. Facebook, Twitter, Google, YouTube etc. In addition to the marketing channel search, testing and optimising of the product content and target market is constantly taking place. This includes determining the channels and marketing messages that work the best for different target groups. Because of this process if an app manages to create enough interest in it to get it to go viral, the possibilities for global success increase considerably. This though is only achieved by a very small number of apps mainly because the most important requirement of having an extremely well carried out and unique product is so difficult to meet. (Porkka 2017.)

Generally, the prerequisite for creating a viral launch campaign is to generate a phenomenon among the intended target consumer group that will spread the word about it quickly. Some commonly used tools for getting the app to go viral include the following. Creating mystery around the app by e.g. withholding information and features that it offers can get the consumers talking about it even more and heighten the anticipation of launch. Designing the app to be scarce or exclusive is also a method used to create word of mouth if the app is of the nature that this is possible. In general, it can be said that mystery around the product makes it desirable and draws people to it. Offering rewards to users for getting their friends to sign up to the app is also a good method to spread the word. These rewards are mostly provided in the app so that the activity remains tied to the app. (Abrosimova 2017.) In summary, the most important factors to focus on when creating a successful global app launch are: create an excellent product, recognise the right market/target group, optimize the app to function globally (different platforms, language versions), build the

mechanisms to facilitate the app's viral growth and time the launch of the app to meet the market needs, consumer needs and technology requirements. Many of the successful apps that have carried out this launch process are game apps such as Pokémon Go, Angry Birds and Clash of Clans to name a few. Recently some of the video based apps such as Snapchat and Houseparty have also had great success. (Porkka 2017.)

There are several factors that can destroy the launch of an app even when it has reached the development stage. Starting with the product market fit. Most failed apps share this trait in that the product just is not good enough when launched. The developers usually operate on investor capital and receive it in small increments in the beginning and are expected to convince the investors on the viability of the idea with limited resources. This consequently hinders the app development and marketing that would be required for the app to experience viral growth. In some situations, the marketing campaigns are misguided and simply do not manage to create interest and lead to users e.g. discontinuing the use of the app after first use. In ideal situation where the developers have sufficient funds these mechanisms are fine-tuned early in the development phase to avoid these issues. This unfortunately is not the case most times and the apps are launched "incomplete" and fail because of it. (Porkka 2017.)

6 CONCLUSIONS

The findings of the study will be utilized to provide answers to the research question as well as the sub-questions in this chapter. This is then followed by the authors take on the validity and reliability of the study. The chapter will conclude with the author's views on suggestions for further research.

6.1 Answers to Research Questions

The main purpose of the thesis was to collect information on the mechanisms and methods of internationalization and new product launch in the app industry. The information was then packaged into a concise report that the relatively inexperienced entrepreneurs/founders of the case company can start with. The sub-questions are answered first followed by the answers to the main question.

What are the key success factors of an international product launch to the app market?

In the launch of an app, to the international market, there are many things that are essential for a successful launch. First, it is important to note that only a small number of apps succeed. The reason why this is the case is because the app market is filled with thousands of new apps daily. Therefore, the most important thing when launching an app is to make sure that enough interest in the product is created by the company prior to the launch. The biggest goal is to get the app to go viral due to customer word-of-mouth and social media sharing and marketing. To have the best chance of succeeding in this, the company needs to make sure of the following: have a great product, identify the correct market/target market, optimise the app for global customers (language versions, different platforms etc.) and build the mechanisms for viral growth.

What are the common mistakes/pitfalls in international product launch to the app market?

The most common mistakes in an international launch of an app are often product based. The most common reason is simply that the app is not appealing enough to the customer, i.e., the product-market fit is not there. With the app market, product marketing plays a significant role in the success of the product. Failures in the marketing and product placement are inevitably going to destroy the launch of even a potentially successful app due to the potential customer not being made aware of it.

What are the critical factors to consider when aiming to launch company X directly to the international app market?

In general, there are many factors a company needs to consider when launching a product or even a company internationally. The company needs to have a clear understanding of the industry and its operating mechanisms. This is where the understanding of internationalization processes and international market operating mechanisms becomes extremely important. It is vital to understand the operating processes of the company's field of business thoroughly. In the case of Company X and the app industry, the ground work needs to be done properly prior to the launch. The app industry is a fast moving and crowded industry, where newcomers cannot afford to be unprepared at the moment of the launch of a product. There are no second chances in launching the app again as the market most likely will have moved on or a competitor has filled the need for such a product if there was one. Thus, it is important to formulate the launch strategy starting with the selection of scale of the launch. The company must identify the launch scale potential (national, international, global) based on the nature of the product and the possible varying regional market needs. When Company X has completed all these steps thoroughly, in the app market, the market then dictates if Company X and its product becomes successful. This is because Company X is launching a product, that it has identified a market niche for, where there are no competitors at the moment.

6.2 Validity and Reliability

The assessment of the validity and reliability of a study is always important after any research process. In this study process, both primary and secondary data sources were utilized. The secondary data used in this study was collected from both books and articles written by established authors in their respective fields. Combining the secondary data with the primary data collected from an interview of an industry professional with several years of experience in the relevant field of apps, results in this study being valid to a high degree. The author recognizes the fact that had the author had more time to complete the thesis process, a higher number of primary sources would have increased the validity even more. From Company X's point of view, the study achieved the desired level of depth of information at the pre-launch stage that was desired.

The sources used in this study were all highly reliable. The primary data collected with an interview can be considered reliable since the interviewee is a long-time acquaintance of the author and was given open ended questions to answer. The interviewee also does not hold any stake in Company X, nor is Company X going to compete directly with the interviewee's own company. Also, all the sources in this study are persons of both high world-wide peer recognition and experience in their respected fields of expertise.

6.3 Suggestions for Further Research

This study aimed to present the founders of a new start-up company in its pre-launch stage with factors to take note of in both product launch process and the subsequent internationalization process of the company. This study was carried out to the extent that it was intended to from both the authors and Company X's perspective. A case on behalf of carrying out further research can be made to achieve a deeper analysis of Company X's specific questions. Viable areas of further research that would be beneficial to Company X include e.g. further research of the viral marketing mechanisms and app analytics data understanding. This further

research would be best carried out by Company X and within the company due to the sensitive nature of the industry in terms of business ideas being exposed to the competitors.

7 SUMMARY

This thesis is written to provide information and knowledge on the subjects of internationalization and product launch. The thesis is written on the subjects requested by Company X as a part of its pre-launch research process. The subjects researched in this thesis are somewhat new to the founders of Company X as they have no prior experience in the app industry. Thus, the research questions of the thesis aim to answer Company X founders' questions about starting a company in the app industry as inexperienced entrepreneurs.

The thesis uses a deductive research approach and utilizes both primary and secondary data. The theory part of the thesis consists of chapters two, three and four. Chapter two introduces the selected theories of internationalization Uppsala theory, Network theory and Born Globals. In chapter three, the focus is on industry analysis and the tools used to perform it. Chapter four presents the product launch process and its steps.

In chapter five empirical research and data analysis is carried out. The chapter begins by describing the thesis writing process and its timeline. This chapter uses the primary data acquired through an e-mail interview as its base. The interview results are applied in to the analysis of the app market and analysis on product launch in to the app market.

Chapter six concludes the thesis by presenting answers to the research questions. This is followed by discussions on Validity and reliability and the author's suggestions on further research.

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APPENDICES

APPENDIX 1. Interview questions for Mr. Niko Porkka Co-founder of Midealab.co, a venture studio specialized in building start-ups.

1. What are the most important factors behind a successful global launch of a new product (app)?
2. What are the most common mistakes made in the global launch of a new product (app)?
3. What are the key factors affecting the selection of the new product launch scale?
 - a. going global, staying domestic, selected regions?
4. What are the main marketing platforms to be utilised in the marketing of a new product launch?
 - a. social media, trade fairs, event publicity?
5. The avenues of acquiring funding for a start-up company launch?
6. What external threats are to be taken into consideration when launching a new product (app)?
 - a. protecting against competitor created copies
7. How would you characterise the international app market?
 - a. development of the market, future, opportunities

8. Examples of a successful global launch of an app?

9. Examples of an unsuccessful global launch of an app?