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A SYSTEMATIC INTERNATIONAL MARKET SELECTION MODEL FOR SMALL ENTERPRISES – THE CASE OF PAKILIA GBR



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Abstract

The processes of internationalization of a firm, such as the entry mode selection, demonstrate a crucial tool for companies to grow. Based on their beneficial effects in terms of growth of companies and their fundamental importance, such processes and models are widely discussed among academics, researchers, and policymakers. However, the majority of such discussions neither evolve around the international market selection stages as a crucial part of the overall process but rather on later parts of a firm's internationalization, nor focus on small enterprises but rather multinational companies. Thus, this master thesis aims to discuss the most important factors determining a firm's market selection process. By this means, conceptualized theoretical frameworks as the findings of the literature review provide the foundation for a following qualitative study. It was cooperated with a case company and several experts of small enterprises in the fair trade industry, in order to derive major implications for the international market selection process for small enterprises in the fairtrade industry. The final results reveal the most relevant variables and factors incorporated in an integrative process for small enterprises seeking to expand internationally. The conception of this compound process offers a foundation for further interpretation and discussion of such variables and highlights the importance of further improvement and development of the process.

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List of Abbreviations

British Association for Fair Trade Shops	BAFTS
Born Again Globals	BAG
Born Global	BG
Business to Business	B2B
Business to Customer	B2C
Corporate Social Responsibility	CSR
European Fair Trade Association	EFTA
Global Competitive Index	GCI
Gross Domestic Product	GDP
Global Competitiveness Report	GCR
Multiple Criteria Decision-Making	MCDM
Networked Readiness Index	NRI
International Market Selection	IMS
Product Life Cycle	PLC
Purchase Power Parity	PPP
Research and Development	R&D
Structural Business Data	SBS
Small and Medium-Sized Enterprise	SME
World Fair Trade Organization	WFTO
Weighted Sum Method	WSM

1. Introduction

1.1. Problem Statement

Over the past years, increasing numbers of international consumers have begun to question their purchase decision based on environmental and economic changes. This resulted in substantial growth of the fair trade industry in recent years, exhibiting an industry with vastly lucrative turnover rates for businesses and a rising consumer awareness all over the world (Zerbini et al., 2019, p. 167). The international sales revenue of the fair trade industry has grown more than three times within the past ten years; in 2018, it amounted to be 9.4 billion U.S. dollars (TransFair, 2019, p. 9). Especially European markets have experienced an increase in customer base within this industry, and the transnational social movement of fair trade aims to reduce poverty in specific areas, for instance, the Global South. Thus, by modifying the price mechanism of customer goods while increasing payments for producer parties beyond the market price, a unique developmental goal is achieved (Koons, 2021, pp. 168, 169).

Nevertheless, the market potential of the fair trade industry varies between different national markets. Hereby, it highly depends on specific factors, such as a positive consumer attitude towards handmade products, fair trade in general, environmental protection, and availability of action-related knowledge. When considering such aspects, the European market has been reported to indicate a rather high level of market potential for fair trade products when compared to other worldwide markets (Tanner & Wölfing-Kast, 2003, p.883). However, even within the European fair trade market, significant national differences can be seen (Fairtrade International, 2018, p.11).

In order to enter international and foreign markets, businesses are seeking to examine and analyse fundamental market entry strategies, while further considering local market differentiation and characteristics including factors such as the legal, cultural, or economical suitability for the enterprise. Effectively ascertaining the brand or product within the foreign market and ultimately establishing a steady market position is the key objective. A thought-out internalization strategy allows businesses worldwide to enter foreign markets, subsequently, extending their target customer base and broadening or establishing their market presence (Trinugroho, & Lau, 2019, p. 19).

However, previous literature has focused on the overall market entry strategy, leaving the selection of the international target market deprioritized. A significant number of small enterprises do not adhere to a specific process when determining potential target markets (Morraís & Ferreira, 2020, pp. 68, 72). Moreover, the choice of entry has previously overshadowed the determination of an international target market for small enterprises in recent literature. This is partly based on the worldwide dominance of manufacturing companies and their requirement for highly complex logistic chains. Nevertheless, many producers of small products, such as jewellery or other small

products, are tangibly not obligated to concentrate on extensive logistic approaches but can rather put a special emphasis on the choice of the international target market (Sakarya et al., 2007, pp. 211-212). Numerous market entry barriers, such as an eligible justification of higher pricing approaches, and extensive fair trade certification processes, must be analysed and have prevented small enterprises from entering foreign markets in the past (Raynolds & Bennett, 2016, pp. 71, 159).

As previously mentioned, one industry indicating significant growth potential in the upcoming years is the international fair trade industry. An increasing number of small enterprises were created in the fair trade market segments. Their innovative key feature is the approach to changing traditional market characteristics toward financial equality among the product. The opportunity to focus on customer segments with increasing awareness and prioritization of fair trade purchases displays a key advantage for small fair trade enterprises. Moreover, 61% of small enterprises decide to focus on business to business (B2B) approaches, based on fewer market barriers (Collins et al., 2016, pp. 376-381). Nevertheless, at this time merely a limited number of studies and research offer detailed guidance on how to effectively select a foreign market in the fair trade industry while considering small enterprises. Additionally, several researchers have doubted whether small enterprises should target to internationalize in restraint of resources or rather focus on their native market (Chalmers et al., 2020, p. 24). One fair trade enterprise, which has chosen to position and expands to the European fair trade industry is pakilia GbR. This thesis will focus on pakilia GbR as a case company concerning the development of an ideal market selection process within the European fair trade market.

Pakilia GbR has been founded in 2012 and is based in Germany while collaborating internationally. The company guides its purpose around the support of Mexican artisans, providing an opportunity to distribute handmade silver jewellery in European markets while grounding the fundamentals of fair and sustainable trade. However, the company has previously focused on the German business to customer (B2C) and B2B fair trade market, whereas only B2C has been focused on in foreign European markets (pakilia GbR, 2017). Thus, the company did not realize its full market potential in the B2B section up to now, which is aspired to be changed by this thesis.

1.2. Research Objective

The research interest of this paper is based on small fair trade enterprises internationalizing in European B2B markets, whereby the selection of suitable target markets is in focus. Thus, the fundamental objective of this thesis is to develop a process for pakilia GbR when expanding in the European B2B market, including key criteria for the market selection decision. The importance of this research interest is emphasised by a significant amount of small enterprises by the rapid growth of the fair trade industry and the significant market potential of European fair trade markets. Thus, the subsequent research question arises: What process can the small enterprise apply in

order to make a sufficient market selection and which European fair trade market is the most lucrative choice for pakilia GbR when internationalizing?

The key objective of this thesis can further be divided into the following related purposes:

- 1) to investigate reasons why pakilia GbR should enter international markets and analyse market potentials,
- 2) to understand the main challenges of selecting an international target market,
- 3) to determine key criteria when deciding which market to enter.

Presently, small enterprises must overcome altering challenges in the fair trade industry. Therefore, this thesis also intends to examine previous experiences of fair trade enterprises, as well as of pakilia GbR. Based on this analysis, several suggestions and recommendations concerning the international market selection process will be presented. Additionally, criteria for successfully entering foreign markets, including specifically developed implications for pakilia GbR, will be demonstrated. This framework can then be utilized as a fundamental approach by small enterprises.

Concerning previously mentioned analysis approaches, this will be achieved through the application of several expert interviews with people from different areas of expertise. Firstly, it is crucial to interview the CEO of pakilia GbR concerning internal long-term objectives as well as the fundamental business strategy. Furthermore, the employee leading international sales operations in pakilia GbR will be interviewed regarding past experiences in the European fair-trade market. However, it is critically important to focus on both sides, the seller and buyer side. Thus, after completing the international market selection process, two carefully selected foreign fair trade shops will be interviewed concerning key structures of potential foreign business partners that are preferred by them. Finally, two experts from fair trade companies that have previously entered the European market will be interviewed, whereby a comparison of approaches will be discussed. Hence, such expert interviews will display the fundamental part of the latter analysis and discussion in close relation to the literature review.

The initial part of this thesis provides an overall introduction with special emphasis on the objective, methods and further structure of this thesis. This section will subsequently be followed by a systematic literature review, whereas characteristics of small enterprises and elements of the fair trade market are in focus. Thus, crucial concepts concerning core reasons for small enterprises to go abroad will be investigated, with a special emphasis on the market potential, and differentiation between long-term and short-term goals of the enterprise. Furthermore, potential market entry modes will be discussed and later be utilized for a deeper discussion. Hereby, a detailed presentation of the fair trade industry will be displayed. This part delivers important aspects for later sections of this thesis. Frameworks and concepts for the process of internationalization of businesses will be described, with a strong focus on those that are important

for international enterprises within the fair trade industry. Fundamental issues will be analysed to generate an essential understanding of the underlying causes. An analysis of internationalization theories and tools concerning the international market selection is provided.

In the chapter on the empirical investigation several tools of qualitative analysis will be applied. The research design underpinning this study is a case study design based on its characteristics of qualitative interviews in combination with cross-referencing different cases. This form of research design is chosen due to the flexibility of contrasting various European markets concerning their key success criteria for the fair trade industry. The expanding conception of multi-case studies displays a key advantage of this research design, obtaining a crucial component in recognizing causality (Bryman, 2016, pp. 453 ff.; O'Reilly, 2012, pp. 279 ff). Thus, the comparative research design allows this thesis to contrast several European markets and later focus on the most lucrative market for pakilia GbR.

This chapter will subsequently be followed by a section, combining formerly analysed information based on the literature review. Moreover, semi-structured interviews will be included, and this section examines previous experiences, and current challenges of market entries for small enterprises in the fair trade industry of European markets, linking recent interviews findings with previous literature. Key advantages and specific challenges which are sought to be overcome will be discussed with a special emphasis. The last section of this thesis will display an outline of major findings, and further, formulate several implications and recommendations for pakilia GbR. Finally, the limitations of this thesis will be reviewed, followed by a potential outlook of future developments within the fair trade industry, in regard to pakilia GbR.

2. Literature Review

2.1. Characteristics of Small Enterprises

Companies can be clustered into three different types of enterprises according to their operating size. As can be seen in table 1 (European Commission, 2021, pp.7), it can be differentiated between micro-enterprises, small enterprises, and medium-sized enterprises. Characteristics that are applied to distinguish the enterprises are applied corresponding to the volume of the balance sheet, amount of turnover as well as a level of employment. Thus, small enterprises employ between ten and 50 employees with a yearly turnover and total balance sheet between two and nine point nine million euros. However, all three forms of enterprises are characterized by the structural concept of small and medium-sized enterprises (SMEs) (European Commission, 2021, pp.7, 8).

SMEs differ on the subject of several attributes, such as the internal and external potential for growth, as well as the capability to enhance globalization and internationalization. Small enterprises are often categorized as organizations with limited access to a resource. Thus, small

firms especially differ in three essential variables concerning the assessment of an organization's performance: risk, growth, and profitability (Kim & Vonortas, 2014, p. 454).

The exposure to and processing of risk is a significant difference between small and medium-sized organizations. Four risk domains are key aspects concerning the success of small enterprises. Firstly, technological risk refers to product design, intellectual property, as well as a production technology. This is rather complex due to the detailed and complicated level of the required information about the environment (Perez-Luno & Cambra, 2013, p. 182). The second major risk is the market exposure of the small enterprise. Consequently, the acceptance of the product, overall market evolution and conditions, as well as the prospective action of competitors display key criteria that must be assessed thoughtfully (Kim & Vonortas, 2014, p. 456). The exposure to financial risk, hence, the tangible value shareholders and investors lose in case of a failure of the business, illustrates the third major risk for small enterprises. Several studies report that small organizations experience difficulties when raising investment funds, among other reasons, due to rather extensive levels of risk perceived by external investors (Altman et al., 2010, p. 99). Lastly, operational risks must be considered. Thus, the internal organization, in addition to the management of internal development and human resource processes, supply and distribution, as well as productional systems, are relevant (Kim & Vonortas, 2014, p. 456).

In order to decrease internal and external risks, several approaches can be established in small enterprises. As previously mentioned, it is crucial to quickly adapt to changing circumstances, such as Covid-19, and actively search for implementable solutions (Juergensen et al., 2020, p. 500).

The past two years have been momentous for European SMEs, based on crucial challenges arising from the ongoing Covid-19 crisis. The pandemic led to a rapid break or even undid the increases which were achieved by the European SME sector within the recent decade. Many small enterprises faced significant declines in sales in direct response to several lockdowns as well as to other Covid-19 reduction measures in the various states (Juergensen et al., 2020, p. 500). As can be seen in figure one (European Commission, 2021, pp. 2), despite the continuous growth of the overall number of European SMEs in the past twelve years, a clear decline can be seen in 2020 and 2021. However, SMEs implemented a varied scale of mitigation actions ranging from utilizing diverse support programs provided by national governments to temporarily ceasing trade. Moreover, the pandemic led to an increase in digital tools as a fundamental part of their business. SMEs either increased sales online or moved them entirely online to continue to operate (European Commission, 2021, pp. 1, 2).

For fundamental risk management in small enterprises, strategically managing risks through approaches such as continuously improving their products, reacting promptly to competitors' tactics, or by closely monitoring customer feedback and being highly aware of market developments, display beneficial actions. (Kim & Vonortas, 2014, p. 457)

However, such risk reduction measurements gain special importance when entering new, international markets. Despite risk reduction, the success of small enterprises after expansions highly depends on related key entrepreneurial skills and attitudes: a proactive examination of market opportunities, personal know-how, creativity in handling deficits in the regulation of laws and financial constraints, and risk-taking attitude (Altenburg et al., 2017, p. 459).

Nevertheless, characteristics such as market exposure differ between different economies. Thus, the following section will present an overview of the fundamental characteristics of the fair trade industry.

2.2 Reasons for Small Enterprises to go Abroad

The term internationalization is repeatedly described as a process, in which a business's engagement in transnational activities is enhanced. Steps are taken with the main mission of appealing in business operations in a foreign country. This results in structuring essential resources abroad, hence, establishing the business as a major player (Omokaro-Romanu et al., 2019, p. 76; Welch & Luostarinen, 1993, p. 46). Other scholars define the term internationalization as a process, whereby the business increases local activities, as well as between different countries globally and regionally. (Jansson, 2009, p. 48) The importance of this topic increased significantly due to phenomena such as globalization, free trade, and internationalization. Thus, small enterprises must constantly innovate in this context to advance their reactivity, competitiveness, and flexibility (Carrier, 1996, p. 5; UBS Outlook, 2005, p. 18).

2.2.1 Diversifying the Business

Nevertheless, there is a number of definitions of the term diversification, wherefore managers and researchers do not agree on a single, unique definition but rather rely on a variety of approaches (White & Fan, 2006, pp. 18, 40). However, one definition, which is often referred to, is to view diversification as an act of companies to broaden the range of their product, service offers or markets. There are different dimensions of diversification/relatedness, which are derived from consultations with managers as well as from various literature. In previous years, several authors highly suggested managers do not diversify but rather focus on the core market. This approach has been changed over the past years, resulting in several strategies of how to diversify successfully and quickly take advantage of new opportunities. Crucial examples for small enterprises to consider are thus, to promote new product development, empathising with the development of research and development (R&D) or considering organizations as potential business partners that are comparably impacted by the economy. The degree of diversification can be influenced by two aspects. On the one hand, the degree of difference within one dimension, for instance, the products that are being produced (Kenny, 2009, pp. 15-17).

When diversifying the business internationally, costs and benefits must be analysed prior to that. Significant benefits can result for small enterprises when diversifying internationally, for instance, through improved access to tangible resources or specialized knowledge in various markets. Such advantages significantly highlight the importance of diversifying. On the other hand, it is crucial to take into consideration the possibility of growing expenses, which might result from internationally diversifying the enterprise. These costs can result from a lack of knowledge concerning local market environments, higher coordination expenses or increased organization-detailed business risk due to an enlarged exposure to uncertain surroundings. Additionally, a variety of company-specific features and characteristics, for instance, marketing intensity, age, size, product diversification, and R&D intensity are considered to impact the overall international diversification as well as the long-term success (Majocchi & Strange, 2012, pp. 880, 881).

Some authors argue that international diversification leads to greater internal transaction expenses, foreign exchange exposure, or potential liabilities of foreignness, thus resulting in a greater potential of intensifying systematic risk. However, the weight of such expansions of systematic risk might compensate for potential reductions in unsystematic risk (White & Fan, 2006, pp. 18, 40).

Another approach, which is studied by various authors, considers a portfolio approach and argues that market risks can be spread, and cash flows stabilized through the international diversification of an organization (Hennart, 2007, 425, 426; Rugman, 1976, pp. 75-77). It is further claimed that the unsystematic risk can be decreased considerably, if the enterprise determines to go into a foreign market with little cultural, geographical or institutional parallels, consequently creating rather different business cycles (Hennart, 2007, pp. 430, 446).

International diversification in the fair trade industry is currently represented at an average level, similar to the industries of metal, electrical systems or fashion, for example. However, a prior study revealed that the size of the enterprise positively influences the diversification process. With the increasing size of the business, international diversification grows to be of less difficulty, revealing a considerable disadvantage for small enterprises. A high degree of internal and external flexibility of a business, however, positively affects the diversification process, hence presenting a major advantage for small enterprises. Additionally, it is fundamentally important for small enterprises to investigate different ownership structures, given the significant influence of ownership structures on the overall success of international diversification as well as the internationalization process, which will be analysed in section 3.2 in detail (Majocchi & Strange, 2012, pp. 893, 894, 896). The following section of this paper will provide an overview of motives for the internationalization process in regard to specific time frameworks.

2.2.2 Long-Term vs. Short-Term

Before entering a foreign market, enterprises must be aware of factors that successfully impact the process of internationalization in detail, particularly in knowledge-intensive industries. Considering that, it must be differentiated between long- vs. short-term motivations and benefits. This distinction allows small enterprises to adapt their strategy accordingly and further creates a detailed long- vs. short-term plan for the organization. A major short-term motivation for internationalization, for instance, is to gain financial support, and ultimately financial stability. Long-term motivations tend to focus on establishing a sufficient market position in the new country and less on exploiting current advantages such as a quick, but time-limited economic growth in the target country, hence planning for a longer timeframe (Utama et al., 2018, p. 67). Whether the small enterprise focuses on long- or short-term goals as an outcome of the respective internationalization process depends on which growth phase the enterprise is in, at the time. The growth tends to be significantly high, whereas the stagnation phase follows with a relatively stable market position. However, over time, the company's growth can either decrease or increase, depending on the organization's activities. Such an increase or decrease in the companies' size can result in previous motivations for the company to grow, depending on long-term versus short-term strategies, thus highlighting the importance of this issue (UBS Outlook, 2005, pp. 18–20).

However, various models explore factors such as timing or strategic decisions that influence the process of internationalization. A number of scholars rely hereby on the Uppsala model, which displays the various steps organizations must take in order to become engaged in activities revolving around internationalization. Due to limited resources, such models considering timing strategies are more important for big companies, than less for small enterprises (Johanson & Vahlne, 1977, p. 24).

Considering possible differences in fundamental key motivations between expanding into developing and developed markets is important, given the structural disparities between such economies. According to several studies, key motivations for expanding into developed markets are, for instance, to maintain shareholder return, risk diversification or management vision, whereas crucial motivations for internationalizing into a developing market are for example globalization, improved profit margins, strong competition in the home country and lower resource costs. However, such motives cannot be generalized for all small enterprises but rather represent frequent motives but display indicators for long- versus short-term strategies (Utama et al., 2018, pp. 67–69; Awil & Abdul-Aziz, 2012, pp. 95–97).

Thus, key motives will be analysed briefly in the following section. Firstly, small enterprises often experience a lack of resources, in specific key sectors such as managerial, social or financial capital. Such shortages often occur given the smallness and newness of the enterprises due to limited experience. Hence, foreignness and liabilities of newness are often faced and must be tackled. However, expanding operational activities into new countries can conquer such

challenges by providing access to additional know-how, capital, or finances that the enterprise is missing in the home country. For instance, the number of small organizations in Europe expanded to Poland due to especially advanced innovations and technologies combined with lower expenses. Moreover, resources do not only demonstrate a considerable determinant for internationalization but the continuing success of the enterprise, in the long term as well as in the short term (Ratten et al., 2007, pp. 367, 368).

Entrepreneurial networks must be taken into account as an essential element for the long-term internationalization process and success. Several authors suggest a direct, positive relation between entrepreneurial networks and the access to novel, necessary resources leading to experienced growth of the organization (Larson & Starr, 1993, p. 11; Ratten et al., 2007, p. 368; Welch & Luostarinen, 1993, p. 51). Thus, due to the positive consequences of networks on companies' competitiveness, a deep and well-developed building of clusters represents a fundamental goal for international entrepreneurship. According to studies, such networks can consist of both, formal as well as informal relations. However, networks of small firms primarily concentrate on supplier relationships, potential cooperation with foreign partners, as well as relationships for receiving new technologies and product development (Welter et al., 2008, pp. 70, 73). The government can further display a significant role in networking activities, for instance, by introducing new regulations that are promoting the industry and beneficially influence the current situation of the enterprise (Ratten et al., 2007, p. 369).

A number of small enterprises choose to internationalize due to different local governmental policies. Crucial factors are, thus, how the companies' success and growth can be encouraged, for instance through beneficial tax incentives, special training initiatives for entrepreneurs, providing favourable credit support systems or encouraging the general formation of networks within certain regions or industries (Spence, 2008, p. 493). Several entrepreneurs empathize with limited governmental initiatives in their home country, for instance, inefficient access to financial capital or governmental tax incentives (Ratten et al., 2007, p. 369).

Another long-term reason for small enterprises to internationalize is to enable potential future investments, whereas specifically considering the long-term effects of such assets. Moreover, small enterprises see an important reason for expanding to European markets in obtaining assets of particular competitive advantages, rather than taking benefit of existing competitive advantages. Thus, small enterprises focus on the economic growth of the respective country, intending to accompany growth long-term, hence, growing with the economy (Awil & Abdul-Aziz, 2012, p. 95).

Previously described motivates only portray selected reasons for small enterprises to internationalize, based on their overall importance. However, it should be considered that other motives, such as defending current market shares, creating jobs or contributing to economic growth display additional, important purposes. Those goals do not specifically focus on small enterprises but rather on various sizes of companies (Utama et al., 2018, p. 67).

However, after focusing on potential reasons for small enterprises to internationalize, the following section will focus on characteristics that assess the attractiveness of potential new markets.

2.2.3 Market Potential

Prior to the entry of a foreign market, small enterprises must investigate distinct aspects of their potential new market. Thus, several elements determine whether the country fits the organization's internal expectations as well as their requirements. Such elements are of geographical, macro-economic, political as well as institutional importance. However, such country-level factors do not only affect choices concerning various hierarchical modes but alter the equity ownership-degree of potential subsidiaries (Shen et al., 2017, p. 433).

Factors concerning the market-, or industry levels are often reported to majorly evolve around environments such as the market size, demand fluctuation, growth potential, degree of competition or the level of industry advertising or R&D (Li & Li, 2010, p. 1567; Demirbag, et al., 2010, pp. 230, 232; Brouthers, 2012, pp. 7,8). As can be seen in table two (Shen et al., 2017, p.7), various factors influence several categories of assessing the market potential, accompanied by different theories that can be applied. Consequently, entry modes display a significant determinant when assessing the potential of a foreign market, given that the attractiveness of a non-domestic industry leads to favoured equity entry modes. However, the required asset specificity of the market entails for foreign companies to commit to competition, hence rising the tendency for greater-controlled entry barriers (Shen et al., 2017, p. 435).

This can also be displayed by the subsequent example. According to a study, the market potential of Europe's fair trade industry rose significantly throughout the past years, thus, it is now among the top destination for small and medium enterprises within this industry. This is, among other reasons, due to the rising tendency of consumers towards sustainability and fair working conditions. Nevertheless, potential disadvantages must further be analysed, for instance, higher involved costs of production. Thus, when assessing market potential, advantages, as well as disadvantages, must be assessed with special emphasis on company-specific variables (Parvathis et al., 2017, p. 51). However, this will be elaborated further in later parts of this thesis.

After describing and reviewing crucial motives for small enterprises to internationalize, as well as key factors on how to assess market potential, the following section will evaluate potential market entry modes, with a special emphasis on small enterprises.

2.3 Internationalization Process

A firm's attitude towards international activities and the actual realisation of business operations in a foreign market defines the internationalization process of an enterprise. Researchers focus on the basic assumption that the company first establishes itself in the domestic market and later on realizes the internationalization process as a consequence of multiple incremental decisions.

However, within this matter, a potential lack of resources and local knowledge must be considered by the company (Verbeke, 2021, p. 128).

To be able to categorize this research within the overall process of a firm's internationalization, a brief overview of the complete process is given in this chapter. As can be noticed in figure two, there are several phases a company goes through, ranging from the decision to internationalize to the target market entry and positioning in the non-domestic market. Between those two steps, various phases must be analysed by the firm in order to effectively internationalize (Morais & Ferraira, 2020, pp.71,72).

The initial step is to set the aim to internationalize. Crucial factors positively impacting this decision are the prospect to grow and expanding a firm's market size or creating new strategic alliances. Thus, the intentions of the firm must be clear in order to be capable to select responding strategic decisions, for instance, the mode of entry (Shen et al., 2017, p. 431). After this decision, the company must select an adequate foreign target market. In order to do so, there are several models available, however, small companies tend to act based on ad-hoc decisions and personal favouritism of a country by the manager (Papadopoulos & Martin, 2011, p.133). This issue will be focused on in section 3 of this thesis in more detail.

The country selection is then the basis for the market entry mode. As several researchers highlight, the strategic decision of the market entry mode displays a key aspect of the overall success, based on the significant magnitude of this decision. Depending on what mode of entry is selected, the entire strategic direction of a company might have to be adapted accordingly. Moreover, it is crucial to include the company's strengths and weaknesses within the previously mentioned steps, as well as potential market barriers (Brouthers et al., 2003, pp. 1246, 1247).

After an adequate mode of entry has been selected by the respective firm, the next step is to start a marketing plan, create a strategic plan on how to assess and attract potential customers and start realizing the previously created strategic plan (Hollensen, 2020, pp. 93, 94). Thus, the importance of this process is highlighted by crucial financial and personal resources which are at stake. For instance, in case the market has not been analysed prior to the market entry, the internationalization process might have to be reversed and significant financial losses must be considered. Thus, the importance of the overall internationalization process is emphasized by several researchers (Morais & Ferraris, 2020, p. 72).

Concerning the specific steps, there are different paths of internationalization as the process is not unified but can and should be adapted to each firm separately. However, the desired outcome does not vary to the same extent, as a significant number of firms apply the internationalization process with the aim to grow and expand. Other aspects, which are agreed on in international literature, are for instance the process of network positioning, learning, capability development as well as internal politics and learning (Welch & Paavilainen-Mäntymäki, 2013, p. 16).

2.4 Theories of Internationalization

The subsequent part of the literature review will concentrate on three fundamental theories of internationalization, the Born Global (BG), the Uppsala model, as well as the Network model. The particular models of internationalization have been chosen due to their applicability to small enterprises, thus, the case company of this thesis. This part of the literature will then later be applied when formulating an international market selection process for pakilia GbR.

2.4.1 Born Global Model

In response to the increasing globalization, the field of internationalization research is continuously the focus of several researchers and studies. Thus, the number of internationalization theories constantly grows, leading to novel theories and more modern approaches. One model arising from such research is the model of BGs. This approach has been introduced in 2004 and focuses on enterprises, which have decided in rather early business development stages to focus on an operation across national borders (Knight & Cavusgil, 2004, p. 124). Enterprises concentrating on international operations have occurred and been analysed to a large extent, whereas the large-scale development of organizations with substantial national markets entering foreign is a recent occurrence (Knight & Liesch, 2016, pp. 98-99). Moreover, the competitive advantage of a BG combined with the augmented knowledge base is used to rapidly adjust to shifting international markets. Thus, the BG model focuses on fast movement, and quick adaptations (Knight & Cavusgil, 2004, pp. 124, 125).

As this model is highly different to incremental and gradual models of internationalization, several external, as well as internal characteristics of enterprises following the BG model, will be exhibited. As for internal criteria, a fundamental aspect is the early-on global vision of the founder at the stage of the company's inception, combined with the commitment of the founder and enterprise itself towards international markets. This dedication has been stated to be among the key drivers for the swift and early internationalization of the BG. External factors are reported to be in close association with the globalization of markets and production, enabling innovative business models, which target global or international markets near the establishment of the enterprise (Knight & Liesch, 2016, p. 99).

Moreover, a subcategory to BG emerged, including well-recognized enterprises which obtained a sophisticated position in their domestic market but abruptly focus on dedicated and rapid internationalization. Such enterprises are considered to be Born-Again Globals (BAG) (Bell et al., 2001, p. 174). For such companies' external events are of extreme importance for the ultimate decision of internationalizing their operations. While experiencing periods of domestic market consolidation, enterprises highly focus on risks and chances in the foreign markets which are then followed by stages of rapid enlargement in foreign markets (Olejnik & Swodoba, 2012, p. 469).

When directly comparing BGs and BAGs, the second type of internationalizing company benefits from higher financial resources or a superior position to tackle financial requirements, and additionally profit from a highly reliable revenue stream in the national market (Bell et al., 2003, pp. 357, 358). However, both types of internationalization models can be characterized by a rapid emergence in foreign, international markets with a clear focus on internal company growth (Olejnik & Swodoba, 2012, p. 488).

2.4.2 Network Model

The second model of internationalization, the network model, argues that enterprises are not supposed to be examined as isolated individuals but should rather be analysed while considering the interdependence of companies. The focal point of this model is altered to not see the enterprise as a unit, but rather focus on the interrelation between companies and units of companies. Moreover, the relationships between seller and buyer are highlighted instead of markets or products themselves. In order to be able to enforce crucial business interests, enterprises must create a fundamental, trusting base between themselves and the other party and develop extensive knowledge (Johannsson & Mattsson, 1988, pp. 128, 129). Thus, this particular model of internationalization implies a greater complexity than the previously introduced internationalization model.

Moreover, a study by Hadley and Wilson (2003) revealed that the knowledge of internationalization is fundamentally correlated to a company's market diversity. The researcher stated that the network model operationalization further offers an option to advance the targeting and development of export, with a special emphasis on knowledge as the main factor of a business's internationalization process (Hadley & Wilson, 2003, pp. 714, 715). Former methods of categorizing businesses have commonly concentrated on what difficulties are related to distinct periods of internationalization. By analysing the network dimension, however, this particular model allowed to recognize distinctions in the levels of foreign institutional expertise and knowledge among the different varieties of the network model (Bell et al., 2003, pp. 351, 352).

The network model identifies six different ways of bonds which can be established among the firms in the particular network: (1) social, (2) technical, (3) economic, (4) planning, (5) knowledge and (6) legal. The most important types of bonds are in this matter social bonds, as they can be utilized to explain the rapid internationalization of companies in certain industries (Johannsson & Mattsson, 1988, p. 212). Moreover, relationships were identified to clearly recognize the uniqueness of the respective network (Hadley & Wilson, 2003, p. 715).

This can, for instance, be seen in several studies, all reporting that establishing sufficient relationships with consumers to achieve customer-specific knowledge and to effectively forecast market demands display a crucial role to leverage an effective level of competitive advantages (Fernhaber & Li, 2013, p. 318; Hadley & Wilson, 2003, pp. 714, 715). However, it is also reported that enterprises are still deficient in systematic processes that apply and manage previously

gained customer knowledge, while this knowledge is recognized to be integrated into several locations and systems. Thus, the network model clearly identifies the foundation for communicating such customer-specific knowledge, given that the overall objective is not to outperform other firms but to exploit knowledge economies. The studies further highlighted that SMEs recognize the significance of networking and sharing certain knowledge as a tool to enhance their internal skills and readiness concerning internationalization while improving their risk management perception (Magni et al., 2021, Conclusion, para. 1.).

The core hypothesis of this particular model of internationalization is that a firm is dependent on assets and resources regulated by other enterprises. Firms are then capable to achieve admission to such external resources by the respective position in the market (network position). However, since the development of a sufficient position of the firm contained by a network is rather time-consuming but simultaneously crucial for enabling opportunities and overcoming positional limitations, the network position of an enterprise is an intangible asset. This then allows the companies access to other corporations' internal assets. Thus, in order to accomplish internationalization, within the network model, a sufficient position must be attained in foreign networks (Johansson & Mattsson, 1988, p. 127).

Recent studies have reported that internationalizing by focusing on previously gained knowledge of expanding into other foreign markets can display a key issue for SMEs. This is, among other factors, based on the relevance of the prior experience, as the knowledge can be outdated or not referable to other foreign markets. Given the current pace of changing industries, a flexible and quick approach is in need. Moreover, it has been stated that companies expanding with a low commitment towards networks are exposed to a higher risk of the proposed liability of outsiders. This level of radical reliance on networking companies are experiencing when introducing the process of internationalization is essentially recognized due to the expanding interdependencies across companies, markets, and countries (Fernhaber & Li, 2013, p. 318).

Thus, the network model of internationalization offers several advancements and opportunities for firms seeking to internationalize. However, three key benefits for firms applying the network model have been identified: Primarily, network relationships lead to a higher recognition of international opportunities, which firms can then take into serious consideration and act upon in order to expand into foreign markets. Moreover, network relationships that have been established benefit a company's base of knowledge, in the long-term leading to a higher amount of recognized, valued and realized opportunities to expand internationally (Lee et al., 2010, pp. 298, 299). And thirdly, a survey has reported that 64% of international SMEs reported that the respective international market entry has been influenced or even triggered by opportunities that were highlighted by their network relationships, rather than due to internal, active identification approaches (Fernhaber & Li, 2013, p. 318).

Another vital benefit is the provision of legitimacy and resources, which can be achieved through forming networks and exchange relationships. The majority of foreign market entries require a certain amount of resources, which can be difficult for small or young enterprises to establish in such a time-sensitive manner. Hence, by utilizing such networks in combination with their associated credibility, SMEs experience fewer barriers and challenges regarding a lack of resources, which can subsequently increase the level of international performance and growth in the foreign market (Lee et al., 2010, pp. 298, 299; Magni et al., 2021, Conclusion, para. 1.).

As reported by Fernhaber and Li (2013), firms face a certain level of market exposure when entering international, unknown markets. However, the degree of this exposure can be decreased significantly by relying on previously established network relationships as a strategic catalyst to market internationalization. Especially for small enterprises, such networks present unique opportunities, such as access to detailed and market-specific knowledge, and access to otherwise restricted resources (Fernhaber & Li, 2013, p. 332).

2.4.3 Uppsala Model

The last model of internationalization which is introduced in this paper is the Uppsala model. This particular approach focuses on the explanation of companies' behaviour when expanding internationally. This model was first developed in 1975 by Johanson and Wiedersheim-Paul and is up to now one of the most widely utilized models when illustrating the expansion of a firm's international operations. According to this model, the largest challenges, and barriers that enterprises face when expanding internationally, are the lack of resources as well as knowledge. Due to those fundamental obstacles, companies focus on expanding into well-known or similar markets, then intensify their dedication to other foreign markets in incremental, small steps in order to avoid an extended commitment towards resources at a young stage of internationalization operations. This incremental growth of dedication consists of four stages: (1) no usual activities in export, (2) export activities are carried out through independent representatives, (3) subsidiaries of sales, and (4) manufacturing/production. As the stages progress, the dedication toward the operated market enhances and the firm expands into foreign markets which are less well-known and less similar to the domestic market (Andersen, 1993, p. 223; Johanson & Wiedersheim-Paul, 1975, p. 307).

However, according to the Uppsala model of internationalization, several factors must be considered when determining the expansion strategy of a firm: psychical, cultural and geographic distance (Ojala & Tyväinen, 2007, pp. 123, 132). In order to measure cultural distance, several frameworks can be applied. Nevertheless, one widely utilized framework to explain and to some degree compare national cultures, is the cultural dimensions according to Geert Hofstede. The purpose of Hofstede's study was to establish whether cultures could be grouped, measured and parallels or distinctions can be explained. The research does not focus on the individual person but rather on a national scale. The study then established six different cultural dimensions based

on their findings: (1) power distance, (2) collectivism vs. individualism, (3) femininity vs. masculinity, (4) uncertainty avoidance index, (5) long-term vs. short term orientation, (6) indulgence vs. restraint (Hofstede et al., 2010, pp. 281-286). Thus, firms can compare the culture of the domestic market with potential foreign markets to enter. This illustrates a key advantage, as customer behaviour patterns can be identified (Ojala & Tyrväinen, 2007, p. 128).

As previously mentioned, another criterion for increasing a firm's internationalization is geographical distance. Within this matter, it is vital to mention that geographically close markets do not necessarily display a well-known market for an enterprise seeking to expand. According to Johanson and Wiedersheim-Paul (1975), a firm should not only focus on geographical proximity but rather on psychical distance. This distance refers to the aspects disconcerting or inhibiting the streams of information between a market and a company. This term further includes effects arising from differences in political systems, culture, language, or the level of industrial and educational development (Johanson & Wiedersheim-Paul, 1975, p. 308).

Ever since the publication of the Uppsala model, international researchers have observed and focused on the concept of psychical distance. Many scholars support the theory and its predicted concept of early market selection based on previously mentioned criteria instead of only focusing on geographical proximity (Vahlne & Johanson, 2019, p. 8). Moreover, an expansion of the original proposition of psychic distance according to Johanson & Wiedersheim-Paul has been published by Dow and Karunaratna in 2006. Thus, eight measuring indicators have been proposed as the psychic distance stimuli: (1) educational level, (2), language, (3) industrial development, (4) culture, (5) time zones, (6) religions, (7) political systems and lastly (8) colonial links. However, it is also pointed out that the different indicators do not impact the distance to the same extent, given that some aspects are weighted as more important than others, for instance, differences in culture of political systems (Dow & Karunaratna, 2006, pp, 588-593).

On the other hand, several critics raised concerns regarding the Uppsala Model. Firstly, a recent study condemned that this particular internationalization model fails to deliver a theoretical explanation regarding irregular and non-linear dynamics of a company's internationalization process in the long term. Thus, despite the models' provision of a clear explanation for linear internationalization processes of an enterprise following expected and predictable patterns, for instance, the phases of dedication, the model fails to respond to unpredictable situations or internationalization processes (Schweizer & Vahlne, 2021, p. 1).

The second key aspect of critique is centred on the absence of attention towards the individual's role within the company's process of internationalization. Given the recently increased emphasis on micro foundations within the organization theory as well as within strategic decisions, aspects originating from individuals' behaviour are highly impacting firms themselves and their strategic outcomes. Hence, individual behavioural patterns must be understood in order to adapt strategic decisions to the overall internationalization theory, especially within SMEs. Attributes such as

social competence, fear of failure or risk perceptions are crucial to consider when shaping a small organization's internationalization strategy (Vahlne & Johanson, 2019, p. 8).

Within this matter, modern economic effects such as globalization and an increasing level of internationalization must be considered. Consequently, it is essential for an SME to fundamentally understand its key objective, international standpoint as well as internal and external strengths and weaknesses prior to expanding into international markets (Schweizer & Vahlne, 2021, pp. 6,7). Moreover, the selection of the foreign market displays a key role. For this reason, the following section of this thesis will elaborate on the market selection process for SMEs during the process of internationalization.

2.5 Possible Market Entry Modes

After proving major aspects that are crucial for companies to decide which market to enter, determining the best fitting entry mode for the international market entry as a structural agreement, is of ultimate significance for internationalizing small enterprises (Ahi et al., 2017, p. 1). Thus, the following section will present potential, adequate market entry modes for small organizations.

The entry mode decision refers to how the company chooses to operate and organize its business operations in the non-domestic market. There are several approaches to this decision, depending on what level of engagement the enterprise intends to obtain, either by joint ventures or by exporting or forming its own subsidiaries in the foreign market. A significant amount of research has been conducted on this strategic topic for more than 40 years, focusing on several determining factors in the entry mode decision (Shen et al., 2017, pp. 429, 430).

The importance of the decision is highlighted by the analysis of both, external (home/host environments) as well as internal (factors within the company) aspects that are crucial and might affect prospective decisions, both negatively and positively. Moreover, as previously mentioned, the market entry mode is strongly interdependent with the long-term success of activities abroad of the enterprise. The entry mode supports the company in accomplishing the objective of the organization and positively influences the long-term performance in the foreign market (Brouthers et al., 2003, pp. 1246, 1247; Shen et al., 2017, p. 431).

However, companies can either enter new markets hierarchically, contractually (intermediate) or via export modes. As illustrated in figure 3, the three different, time-sensitive modes differ concerning the firm's control, flexibility, and further the level of control. The mode of export displays the lowest level of control and risk, with the highest concentration on flexibility. The intermediate mode is characterized by split ownership and shared control as well as shared risk. Within this mode, several markets are entered virtually simultaneously, which is enabled by partnering with local companies. In hierarchical modes, however, the enterprise enters different foreign markets in a ranked order, whereby high risks and an elevated level of control with a rather

low level of flexibility are preferred (Hollensen, 2020, p. 345). The distinctions between the modes are recognised in more detail in the subsequent paragraphs.

An overview of distinct market entry modes can be provided in regard to the degree of ownership control as well as the extent of investment risk rising with each portrayed entry mode. The most committed and highest intensity of commitment is wholly-owned subsidiaries, followed by joint ventures and strategic alliances. This is then followed by franchising and licensing, lastly displaying exporting as the mode of entry with the lowest risk as well as the lowest degree of commitment (Ansoff et al., 2019, p. 319). However, this paper will only focus on market entry modes that are relevant for small enterprises, given their prior defined characteristics and environment.

The first mode of entry that will be explained, is exporting. This is a rather traditional form of sales-oriented internationalization (Sadaghiani et al., 2011, p. 56; Zentes, 2012, pp. 94, 95). The international supply of economic solutions across borders defines this term. Consequently, it is a market economic transaction, whereas the emphasis is based on a value gain for the home market. Various scholars recognized benefits such as a significant learning experience without high risks while maintaining resources and efforts. Hence, a significant number of organizations select the international entry mode of export for first internationalization attempts and experiences. Additionally, advantages such as using the rapidity of the market entry strategy while obtaining a low level of required investments and risks support this organizational structure (Sadaghiani et al., 2011, p. 56; Kotabe & Helsen, 2020, pp. 541, 542).

It can be distinguished between direct exporting and indirect exporting. The direct export strategy does not involve intermediaries but rather interrelationships with foreign markets and customers, for instance through agents or distributors. Given the direct interaction with customers, well-developed marketing skills are crucial, while providing advantages such as more market information, sales, experience, control, and speciality. However, this mode of entry can also result in increased expenses. The indirect export strategy, on the other hand, involves intermediaries whereby the company sells its products to other stakeholders without separate activities from the organization. The utilizing of export management organizations, or corporations in distribution with export agents is thus common (Albaum et al., 2005, pp. 282, 284, 296; Sadaghiani et al., 2011, pp. 56, 57).

The second form of an international market entry mode is direct investment. Within this framework, an international organization, which holds 100% of the firm, manages the entire production activities in the host country. However, this can occur in two distinct approaches: firstly, the enterprise can actively buy a foreign company, whereas the expenses are rather high. Secondly, the enterprise can create an entirely new firm. The size of the bought or newly established company can vary, as well as the legal form. This form of market entry leads to a high-level degree

of control over several business activities, such as distribution, marketing or technology (Albaum et al., 2005, pp. 122, 261, 327).

Significant disadvantages of direct investments are, for instance, potential high costs as well as possible complicated instituting procedures. This form of market entry further requires fundamental and timely commitments, thus, it is not suitable for rapid market entries (Sadaghiani et al., 2011, p. 57).

Additionally, small enterprises can choose strategic alliances, whereby corporations share or group their expertise, resources, and information and furthermore distribute potential risks or rewards. However, the organization can choose of variety of approaches within their strategic alliance, such as licensing, joint ventures, or franchising (Albaum et al., 2005, pp. 284, 296).

This pool of approaches can be limited to joint ventures for small enterprises due to their size, experience and financial capabilities. The international market entry mode of a joint venture includes a continuous exchange of risks and equity between the parties, as well as contribution to management decisions. Thus, a long-term, profit-oriented relationship emerges between the different enterprises, whereby it is crucial to communicate concerning potential goals, key drivers and common objectives (Sadaghiani et al., 2011, p. 57).

Besides, this entry mode allows small enterprises to save capital and gain access to restricted resources of the foreign country. At the same time, potential risk factors decrease while combined knowledge and skills increase. Moreover, closer relationships with local governments can provide further advantages, as well as local market experience from the foreign partner organization, which can be profited from. On the other hand, joint ventures limit the enterprise's control and autonomy of decisions (Hitt et al., 2019, pp. 256, 257).

Key drivers for the success or failure of SMEs in new countries are, for instance, the extent of control that is established. A study reported that an increased level of control tends to be accompanied by more success in the foreign market. It was further investigated that enterprises that entered the market in earlier stages of the market development illustrated a higher success rate. Despite that, this study further showed a higher success rate if the host market and home market feature similar economic and cultural characteristics (Zentes, 2012, p. 9).

Moreover, it was stated that smaller enterprises obtained greater success when entering new markets, based on several characteristics such as high flexibility and learning aptitude (Hitt et al., 2019, pp. 217, 236, 242).

3. Selection of International Markets

After the firm made its decision to expand into foreign markets and beyond national borders, it is crucial to select an adequate market. However, it is of significant importance to recognize, that the

international business setting and environment can be categorized based on a range of factors (Papadopoulos & Martin 2011, p.133).

Growing opportunities for firms to internationalize are evolving based on the gradually globalized environment and fewer market barriers. However, companies also have to face increasing competition. Thus, once internationalization is decided on within a firm in order to grow, several decisions must be made. One of the key decisions in this matter is to choose a respective foreign market to expand to. The importance of this decision is underlined by the significant importance for the firm's prospective success and the involved amount of costs (Górecka & Szałucka, 2013, p. 32). As previously mentioned, several factors must be analysed, ranging from political to social to economic aspects. However, current research and literature on international market selection are overshadowed by studies concerning the market entry mode selection, resulting in rather few comprehensive studies and integrated frameworks concerning the market selection process. Moreover, such models have a clear tendency to be developed for big corporations, rather than small enterprises (Sakarya et al., 2007, pp. 211, 212).

3.1. Theoretical Framework

Several researchers reported that companies have two distinct approaches when choosing an international market selection (IMS) tool, the cognitive and the orthodox approach. The conventional technique implies the application of quantitative methods, to evaluate, the foundation of specific variables, countries' potentials as well as on mathematical models. In the cognitive approach, however, a heavy reliance on the decision-making process is based on a sufficient network of contacts, the reliance on prior experience, in addition on market-specific knowledge in order to select the target market. Such factors strongly depend on the subjectivity in the assessment of the chosen knowledge and information (Deaza et al., 2020, p. 194).

A higher rate of complications in detecting a future target market for the internationalization process has been reported among SMEs, based on primary causes such as significantly less knowledge of external markets behaviour, besides a deficiency in utilizing market research tools (Iazzi et al., 2015, pp. 97, 104). Another key reason for such difficulties in choosing adequate IMS tools is the widely spread assumption that applying a methodological decision-making strategy involves significantly higher costs. Thus, the majority of small enterprises use the cognitive approach (Deaza et al., 2020, p. 194). Nevertheless, several researchers have reported that complying with a structured IMS process leads to improved execution and a better outcome and performance in the new market. Moreover, a common risk of small enterprises is to lean into ad-hoc decisions made by management with a heavy reliance on geographic or cultural proximity. In some cases, due to the deficiency of a systematic approach to IMS, the focus of where to expand shifts towards the issue of whether to internationalize into markets physically in close proximity (Brouthers & Nakos, 2005, p. 363; Musso & Francioni, 2014, pp.308, 309; Papadopoulos & Martin,

2011, p. 135). In order to provide a sufficient alternative to such ad-hoc decisions, this section of the thesis focuses on providing an overview of a systematic IMS.

Over the past decade, several studies appeared suggesting a variety of indicators to apply when using orthodox IMS tools. However, a significant availability of indicators and variables have been introduced, with the fundamental similarity of having a wide set of knowledge and information to choose from. Hence, multicriteria methods resulted, in combining several sets of indicators or variables. Several factor analyses models, main clusters, or components as well as regression analysis occurred, determining which variables to use (Bosáková et al., 2013, pp.58, 65). The different models can be distinguished based on the assigned weight to the particular set of variables within the overall IMS decision. Hence, certain models concentrate on macroeconomic variables, consisting of socioeconomic indicators. Moreover, microeconomic models focus on the firm's particular components and indicators in terms of market-specific knowledge, and competitive advantages. Lastly, variables based on aspects from the sector or industry in which the respective firm is active, are categorized as mesoeconomic frameworks. Only a limited number of models combining the three forms of indicators and variables are currently applied, however, such models may possibly be judged as the most thorough to support and advise decision-making (Deaza et al., 2020, pp. 195, 196).

As shown in figure 4, Papadopoulos & Denis established a taxonomy by classifying the different types of indicators and variables into two distinct groups: methods and tools of market estimation and market grouping (1988, p. 40). However, recent literature has expanded this model with two crucial conclusions based on investigating the application of systematic IMS approaches. Firstly, and as previously mentioned, the lack of utilizing a systematic approach to IMS leads to less sustainable internationalization processes over time, in combination with worse market performance in regard to the quantity of accessed markets, market share and technology acquisition. Secondly, a clear reduction of the amount of IMS publications focuses on creating commonly applicable frameworks. This is due to the complexity of assembling universal models and higher success quotes when adapted to a particular company (Deaza et al., 2020, pp. 195, 196).

3.2. Process of International Market Selection

Based on the previous analysis, it is established that an application of a systematic IMS results in improved international market performance in the long term, however, several aspects such as complexity, reliability as well as applicability and costs must be considered (Musso & Francioni, 2004, pp. 308, 309). Thus, an approach must be developed which is financially feasible but also delivers realistic results. For this reason, the company must be clear concerning its internal motives for internationalization. If the fundamental reason focuses on, for instance, strategically positioning the company, the entire market selection process highly differs from when the

company intends to internationalize in order to grow or maximize its profits. Moreover, potential limitations such as a certain restraint of resources must be known in the process of selecting a market. Finally, it is highlighted in the literature that despite a theoretical analysis, first-hand knowledge should additionally be acquired from the target market. This can be achieved through in-country visits and should not be undervalued (Johansson, 2009, pp. 106, 107).

Despite the previously mentioned variety of indicators and differences in variables, fundamental phases of a systematic IMS process have been established in recent years. Those phases must be analysed individually. As can be seen in table 3, several researchers agree on three out of four stages. The first stage includes the overall screening of the markets. In the second stage, in-depth screening, and additionally the identification of potential target markets, are concentrated. In the third and last stage, the final selection of the target market takes place (Koch, 2001, p. 67). However, several researchers also propose one more stage, which takes place at the very first stage of the process and either determines the product or identifies the country. This stage, however, highly depends on the particular type of company that seeks to internationalize (Johansson, 2009, pp. 106, 107).

Despite the similarities of the suggested IMS models, there are crucial differences among the IMS models. Also, in recent literature, there is little consensus regarding an ideal process (Papadopoulos & Martin 2011, p.139). Thus, the following IMS approaches are only a selected overview of currently available models, based on the suitability for the case company and the fair trade industry. Moreover, the models have been selected based on the different suggested stages within the processes.

In order to fundamentally understand the differences and characteristics of the distinct stages, the following section will describe each stage of a systematic IMS process.

3.2.1. Preparations

Stage zero of the IMS process is only included in the IMS model according to Johansson (2009) and Root (1994); however, the two models do not fully align concerning the content of stage zero. According to Root, the first stage is noticed as the most significant phase of the entire IMS process, due to the consequence of the product choice within this stage. This model characterizes the fundamental objective by finding a competitive niche market for the respective product, hence, the target market selection process should focus on which product corresponds to a certain niche. Moreover, this phase assumes that a product, which is stagnating in the home market, will be capable to grow in the foreign market, given that the fundamental premise of the product is in the initial phases of the Product Life Cycle (PLC). Consequently, the model according to Root focuses on innovative products with particular stress on the initial stages of PLC for innovative SMEs (Root, 1994, pp. 25 - 27).

The earliest stage of the IMS process according to Johansson (2009), however, puts a special emphasis on the country identification, in close response to calculating potential political threats and risks when going into the potential foreign target market. After the assessment of the political risks, they are further evaluated and categorized into certain stages of risk. In case the assessed risks result in a high stage, the responsive foreign market will be excluded from any further investigation of the following IMS process, saving crucial research resources for the company. However, this model also includes a second phase within the preparation stage, whereby an environmental assessment of the probable target market is conducted. The underlying objective is to identify and then evaluate actual consumer behaviour and use cases to then be able to utilize this gathered information in all following steps of the IMS process (Johansson, 2009, pp.106, 107).

However, both researchers highlight the option of approaching the initial stage at the last part of the IMS process. Thus, it enables the companies to save crucial resources by only analysing the selected foreign target markets as use cases with a significantly smaller number than conducting a use case in every potential market at the first phase of the process. The use cases are recommended to be realized by creating general consumer profiles for the respective product (Johansson, 2009, pp. 106, 107; Root, 1994, pp. 25 - 27).

As this stage does not apply to the case company, given that it has only one product (fair trade jewellery), this stage will not be elaborated on further.

3.2.2. (Preliminary) Screening

The stage of preliminary screening focuses on applying inexpensive resources in order to restrict the potential target markets and finally to discover certain foreign markets with a high potential for prospective thorough investigation (Cavusgil, 1985, p. 30; Johansson, 2009, p. 107; Root, 1994, pp. 34, 35). However, two major risks must be considered when conducting the analysis. It should be assured that no prosperous markets are ignored while, at the same time, not too much time should be spent evaluating unattractive markets. Thus, companies must quickly manage to adapt to gathered knowledge, adjust their analysis to it and include or exclude potential target markets. Moreover, the macro-economic market potential of a country can be assessed, providing a fundamental evaluation of the attractiveness of this particular market as a potential target market (Root, 1994, p. 33).

For this reason, an adequate number of potential markets should be considered within the stage of preliminary screening, however, aspects such as high political risk should also lead to quick exclusions. Moreover, low financial involvement and no extensive timelines are two more key criteria of this stage. Given significant differences across industries, the enterprise must ensure to apply industry- and company-specific metrics within time, to secure a sufficient outcome of the overall process (Hollensen, 2020, pp. 229, 230).

According to Johansson (2009) either market-grouping or market-estimating. As mentioned above, the criteria by which the countries are characterized should be modified to the respective company and industry. However, several scholars describe the following criteria to be of extreme importance: technological, physical, legal, cultural, economic, ecological as well as political criteria (Bosáková et al., 2013, p. 58). According to Johansson (2009, p. 108) physical and technological criteria are both considered to be product-specific, whereby physical aspects are reported to be prioritized and assess indicators such as population density, topography or the climate itself. Economic criteria are valued as rather important indicators, given that they evaluate the economic attractiveness of the respective market, whereby the balance of payments, economic growth and the industrial sector display key aspects. Another criterion, which is an important value for the market screening process is the legal criterion, which assesses potential trade laws, restrictions, or regulations. The governmental stability and attitude towards foreign firms are analysed in regard to political criteria, whereas cultural criteria focus on factors such as linguistic and ethnic tolerance and variations. Ecological criteria relate to environmental factors, potentially impacting the foreign markets' product acceptance (Johansson, 2009, pp. 107, 108).

The model according to Cavusgil (1985, p.30) further included the currency, stability of exchange rate and position of trade within the foreign economy and the overall development level as crucial economic factors. Concerning cultural/social aspects, the researcher additionally added the educational level and the existence of the middle class.

However, it should further be considered that the criteria chosen for the preliminary screening should be selected prior to the screening process. At current times, there is only a little agreement among scholars on which criteria are required and should be applied, as well as concerning the measurement of these criteria. The list of criteria mentioned above is suggested by several researchers, but it is frequently mentioned that the selection should be highly dependent on the respective situation, industry, and firm (Bosáková et al., 2013, p. 58). Thus, a discrepancy among the criteria might occur, based on the objectives of the internationalizing firm. The question is whether the enterprise is driven by resource seeking, strategic asset seeking, market seeking or efficiency-seeking motives. Moreover, the fundamental characteristic of the firm displays a crucial role, given that selected criteria from an investment-seeking firm highly differ from an export-seeking company (Górecka & Szałucka, 2013, p. 36).

A rather widely utilized tool to assess the macro-environment of the potential target market within this phase is the PESTLE framework, including the scope of political, economic, social, technological, environmental, and legal dimensions. However, there are also several variations of this framework available, as some scholars suggest it also as PESTE or PEST. Depending on the variation, some of the criteria are excluded and others are more in focus (Yüksel, 2012, p. 52).

In order to narrow the list of potential target countries, two different approaches are suggested by Cavusgil et al. (2004, pp. 608, 609). The first proposal, country clustering, was identified as a

rather complex tool, whereby markets are grouped based on similarities within their economic development. This approach was then adapted by clustering countries according to similar clusters. Applied indicators are political, cultural, religious as well as socioeconomic factors (Cavusgil, 1985, p 30). The researcher then added several new indicators, in order to adapt the previous approach to novel circumstances. Thus, freedom in the world, and additionally a country risk survey, was added as indicators. As can be seen in table four, ten different clusters emerged, where Cavusgil et al (2004, pp. 109, 612) categorized the different markets according to previously mentioned indicators. The second approach proposed by the team of researchers, country ranking, is based on utilizing efficient secondary sources of data in order to narrow down all potential target markets for the investigation. Simultaneously, this approach focuses on minimizing the risk of overlooking prosperous countries as well as reducing the risk of examining unattractive markets to an unnecessary extent.

3.2.3. In-Depth Screening

The objective of this particular stage of the IMS process is to focus on an estimation of the industry attractiveness for the potential target markets in correspondence to rank such markets against certain previously developed decision criteria (Koch, 2001, p. 69). The following criteria are part of the overall assessment of the market potential and are frequently applied within this stage of the IMS process: (1) market growth, (2) market size, (3) trade barriers, (4) competition, and (5) regulations. However, this stage does not only concentrate on comparing target markets. Johansson (2009, pp, 108, 109) further suggests dividing the country into more divisions to attain an increasingly precise forecast, given the premise that there are key distinctions concerning the market conditions.

Thus, this stage focuses on the market or industry potential of the potential target country. It has been stated that the target market potential displays a key criterion concerning a country's attractiveness, which is one of the major criteria for the overall market selection. A strong relationship between a market's size and potential international business transactions is suggested by international trade theories worldwide. However, there are several approaches concerning an adequate evaluation method of assessing the market potential (Sakarya et al., 2007, p. 215).

Johansson (2009, p. 108) offers a sufficient overview, whereby this step starts by determining the future, in addition to the current market demand, then evaluates the future growth and market size in regard to its trade-off. However, within this step, the firm's attitude towards risk as well as long-term/short term orientation must be considered. Thus, it is essential to consider the internal strengths and weaknesses of the firm. For this purpose, several methods can be applied, such as the SWOT framework, whereby a special emphasis is also on assessing the firm's resource constraints, such as supply capacities, financial constraints, or managerial limitations. Moreover, the strengths and weaknesses of the possible and current competition, and further the height of

entry barriers and regulations, including aspects such as quotas and tariffs must be considered (Johansson, 2009, p. 108).

Concerning the market size, a differentiation between the future and current market has been proven useful. Moreover, three criteria are recommended to be evaluated to assess the market's size: age groups and population, per capita expenditure on respective product grouping and disposable income per capita (Olaja & Tyrväinen, 2007, pp. 132, 134, 140). The future potential, on the other hand, can be assessed by investigating the potential saturation level, the current stage of the product within the PLC and the saturation potential sold (in percent). The market growth can be differentiated by the growth rate of potential novel buyers, the growth in penetration as well as the growth among currently existing customers. Concerning the competitive intensity, the number of foreign and domestic competitors (and the total number) is of extreme importance. However, the importance of competitive rivalry within the potential target market highly depends on the firm's competitive disadvantages and competitive advantages (Johansson, 2009, p. 108).

Another key aspect, which must be considered in the in-depth screening is regulations and trade barriers. Despite the worldwide tendency of eliminating tariffs by promoting free trade frameworks, regulatory limitations still display major analysis criteria given its significant importance (Deaza et al., 2020, p. 203). However, when analysing this aspect, a major issue can occur due to the exact specifications of the entering products and thus depending on tariff data. Moreover, non-tariff barriers such as preferential treatment and customs procedures display a crucial complication, especially for SMEs. Major companies display the tendency to resolve such issues by employing special law forces, whereas SMEs tend to try and resolve such complications without hiring experts. Thus, potential regulations and trade barriers must be analysed in detail within this stage, in order to avoid significant prospective financial losses (Johansson, 2009, p. 108).

Cavusgil (1985, p. 30) and Root (1994, p. 33) on the other hand, named this phase "analysis of industry market potential". Thus, after concentrating on the attractiveness of the market, the researcher then moves on to the industry potential, which is the future and present aggregated demand for the selected country's industries. Three main indicators are emphasized by the researcher: (1) market access, (2) product potential and (3) local production and distribution. The first indicators highlight aspects such as the tariff levels, limitations on trade, code of law, employment or the import and documentation regulations. The second indicator focuses on customer needs and desires, the acceptance of and exposure to the product and other competitive offerings. Local production and distribution, on the other hand, concentrate on the availability of manpower and intermediaries, as well as conditions of local transportation facilities and manufacturers (Root, 1994, pp. 33 - 35). However, Cavusgil further mentions that the precise indicators must be adapted to the responsive industry, given the significant discrepancy among different industries (Cavusgil, 1985, p. 30).

3.2.4. Selection

The last stage of the IMS process is the ultimate decision of the prospective target market. Thus, according to Johansson (2009, pp. 110, 111), the firm compares final costs as well as forecasted revenues of the previously analysed countries, while considering internal objectives concerning their internationalization strategy. According to research, a clear tendency of markets that are rather analogous to those the enterprise has previously entered indicates less risk, lower entry costs as well as quicker returns of investments which are necessary to successfully realize the foreign market entry. Moreover, the risk-aversion of the management and the time-horizon of the firm's objective display key aspects, given that some countries indicate greater long-term prospects than in the short-term. Hence, the enterprise must select certain criteria according to their priority, such as costs, required level of commitment or availability of resources and finally rank the countries according to their overall outcome concerning the attractiveness of the company (Johansson, 2009, pp. 110, 111).

Thus, no new secondary data is included within this phase, but subjective judgements made by the management are increasing their importance. This allows SMEs to apply a less time-consuming and less financially expensive approach. However, it must be considered that the process of internationalization is not finished at the end of this stage but is further continued with the selection of an adequate entry mode and market entry strategy. The overall strategy the firm develops is of extreme importance for the overall success of the enterprise in the foreign market (Costa et al., 2016, p. 565; Johansson, 2009, pp. 110, 111).

To be able to successfully analyse the comparability of a firm's accessible resources and a market's requirements, several methods can be applied. Variables such as associated costs and the forecast revenue are often analysed within this context, which can be combined with the market share forecast. Therefore, the position of current key competitors must be examined, as well as of prospective market entrants, extracting potential market-specific advantages for the newly entering firm. Additionally, the business's own weaknesses and strengths should be assessed in relation to the ones of the competitors. In order to be able to sufficiently compare such firm-specific characteristics, the competitive strength matrix/market attractiveness matrix can be applied. This framework compares the market potential to the companies' competencies and abilities and allows for to classify of the firm into varying priority categories according to the matrix (Johansson, 2009, pp. 111, 112).

According to the IMS model of Cavusgil (1985, pp. 30, 31), on the other hand, this stage concentrates on assessing the sales potential of the respective company in promising countries. However, the model also suggests forecasting landed costs, sales volume, and internal distribution. Concerning the different aspects, the researcher proposes to focus on projected consumption statistics, competitive pressures, and the concentration and size of customer segments. Concerning the landed costs, Cavusgil suggests analysing domestic distribution

expenses, cost of product modification and the usage of the costing method for exports. Concerning the cost of internal distribution, the scholar emphasizes value-added tax, tariffs and duties as well as inventory and local distribution costs (Cavusgil, 1985, pp. 30, 31).

Hence, the crucial importance of the international market selection process has been highlighted in its various stages. A recent scholar further emphasized the importance of an adequate market selection strategy to the significantly higher risk of financial losses a company might face when following ad-hoc decisions or simply focusing on geographical closeness (Christian et al., 2016, pp. 475, 476).

A significant number of small firms struggle to generate sufficient financial resources to examine the international market selection to its full extent, however, the value of the process does not lower itself accordingly. Thus, small enterprises must have a clear IMS process established, in order to reduce required costs and the accompanying complexity of the process. Moreover, a great number of international markets show promising market potential for small firms, which can be profited by daring the step of internationalization and growth (Hilmersson, 2013, p. 387).

4. Methodology

The following chapter will focus on defining a clear research methodology for this thesis. The fundamental objective of a well-displayed research strategy is to allow the research to respond to its previously formulated research question (Bryman, 2016, p. 60). The research questions of this thesis aim to provide a tool for systematic market selection in the European market for small enterprises in the fair trade industry. Moreover, a lucrative European fair trade market for pakilia GbR is to be determined, in order to transfer the previously analysed theoretical process into a practical case study.

4.1. Research Design

Firstly, it is essential to consider the difference between qualitative and quantitative research. The first type of research focuses on the value and worth of the conducted research, whereby the number of participants is rather small. A quantitative approach, however, concentrates on a larger scale on generating primary data. Typical types of quantitative methods are surveys. Expert interviews or case studies, on the other hand, display two examples of qualitative research methods (Scolville-Simond, 2021, p.6; Ravitch & Carl, 2020, pp. 42, 43). Thus, this paper focuses on a qualitative approach, as the empirical layout of the thesis focuses on gathering smaller samples but targets detailed insights and expert knowledge.

Concerning the fundamental research design of this thesis, a case study design was selected. Hence, this form of research entails an intensive and detailed investigation of a single case, whereby the complexity and particular nature of the respective company is included. Within this framework, current literature highlights the close interlink with qualitative research techniques,

however, it can be expanded with further methods, such as interviews. It then results in a cross-sectional design with a clear focus on case study elements (Bryman, 2016, pp. 68, 69).

Regarding the qualitative methodology, it is critical to assess various approaches and tools, as well as diverse interview practices. Adequate methods and tools must be selected, that directly relate to the framework of the explicit research. However, as Bryman (2016, p. 60) empathizes, qualitative research contains various phases, which can be distinguished by distinct components. Firstly, a specific subject of interest is elaborated on, then followed by certain phases, for instance, framing a research question, realizing throughout the literature review, whereby several concepts, theories and frameworks are investigated and potentially applied in later parts. This next step is then to gather information and data, to be able to analyse this data later on (Bryman, 2016, p. 60). Those two steps display crucial phases concerning the overall objective and outcome of the respective research. The last part of the process is then to note the results, including analysis and discussion. Concerning this framework, it is important to entirely recognize the synergies between diverse fractions, such as the literature review, the empirical research and the following analysis of the data (Scolville-Simond, 2021, p.7).

This thesis, however, only highlights respective data collection and analysis methods and techniques which are relevant for the formerly defined research questions. To sufficiently examine this topic, different approaches to qualitative research could be utilized. Nevertheless, there are fundamental varieties between such methods, which can potentially result in crucial advantages or disadvantages regarding the particular topic of research. Such differences are displayed in table five, highlighting the importance of an adequate choice of research outline as a key criterion for effective qualitative research with a realistic conclusion (Bryman, 2016, pp. 68, 69; Ravitch & Carl, 2020, pp. 151, 152, 167, 168).

Consequently, in order to generate detailed insights and target expert perceptions, the form of a case study will be applied in this thesis. In this regard, pakilia GbR is an exemplification of the application of the IMS process. Internal, company-specific data will be provided by the company itself. Moreover, the research is complemented with additional interviews, focusing on the key challenges of selecting an international target market. By choosing a non-probability sampling method, a particular purposive form of sampling and research can be applied. By applying this method, a deliberate selection of interview partners can be utilized, based on respective areas of competency (Robinson, 2014, p. 5244). The form of semi-structured expert interviews offers valuable insights for this thesis, given the fact that expert interviews enable the gathering of valuable information which can currently not be found in the literature. Moreover, experts both create novel knowledge and information based on their visions, opinions and ideas and further analytically review current, existing knowledge (Andersen & Rasmussen, 2014, p. 20).

Hence, the empirical design of this thesis will be answered by several experts in the fair trade industry. They have either formerly internationalized with their branch in a European fair trade market or are part of pakilia GbR and provide valuable insights concerning the overall strategy, internationalization objectives and resources. Moreover, the side of potential customers will be included in the empirical design, as two potential B2B customers of the selected target market will be questioned. Hereby, the evaluation of the customer's preferences towards fair trade, as well as pakilia GbR itself, are in focus. Thus, this use case completes the assessment of potential foreign target markets for pakilia GbR.

The interviews, however, will be semi-structured, whereby it is crucial to create a suitable interview guideline prior to conducting the interviews. This guideline is established by using the literature review as the fundamental framework. The utilization of semi-structured interviews then allows the researcher to generate a sufficient data pool within the outline of an adaptable yet outlined methodology (Bryman, 2016, pp. 468 ff.). This particular approach to data collection has been selected based on the high level of flexibility in combination with the fairly sensitive features of the instrument of qualitative research tool. Hence, it is conceivable to generate reliable, comparable qualitative data with a formerly organized interview guideline. Moreover, this type of information gathering allows for individual and detailed answers, which do not require excessive codes for the following analysis (O'Reilly, 2012, p. 139, 140).

Despite such advantages, several potential issues might arise. Firstly, it might be difficult to gain access to the selected experts, hence, the final selection of interview partners should take place after detailed research regarding the promising interview partners and positive confirmation. Moreover, it should also be considered that ethical issues could arise before, during, or after the interview. Thus, ethical guidelines according to the national standard must be followed. This thesis further contemplates additional ethical guidelines according to Bryman (2016, p.136), such as establishing a certain level of trust as well as an open and positive environment. Given the current worldwide pandemic, the majority of interviews will be conducted virtually and recorded for further examining and transcribing.

Regarding data analysis methods, the extensive availability of various methods, for instance, thematic analysis, discourse analysis or frame analysis, offer distinct techniques directly responding to distinct data collection methods. However, there are fundamental differences among such techniques, especially concerning the preciseness, reusability, comparability, as well as required financial and time-intensive resources. Such data analysis methods concentrate on generating a specific level of interpretation concerning previously collected raw data with key importance on examining specific configurations within the raw data. Thus, certain data is intensively examined whereas other raw data is gradually less focused on. This highlights the

importance of selecting an adequate form of data analysis technique in order to effectively reduce the raw data (Bryman, 2016, pp. 468, 528, 578, 582).

Hence, the selected approach for this thesis is a qualitative content analysis. By applying this technique, an unobtrusive and transparent but simultaneously highly flexible method is chosen, allowing a fundamental transformation of raw data extracted via semi-structured interviews into valuable explanations and information. Additionally, this form of analysis permits to fundamentally investigate of potential obligatory traits of national and foreign markets (Moen & Middelthun, 2015, pp. 344, 345). As mentioned in the literature review, such aspects are of extreme importance for small fair trade enterprises seeking to internationalize. Hence, this combination of document and literature analysis in combination with expert interviews allows this research to fully connect previously gathered data (literature review) with newly generated primary data (semi-structured interviews) while focusing on key aspects and variables without losing any information or knowledge.

Thus, this thesis is based on data collection, consisting of primary and secondary data. A crucial source for the secondary data applied in the IMS process, specifically the indicators, is the World Economy Forum's Global Competitive Index (GCI), Eurostat's Structural Business Data (SBS) and the Networked Readiness Index (NRI). The primary data gathered for the IMS model is based on previously described expert interviews. The different experts will be briefly introduced in the following chapter.

4.2. Interview – Selection

As previously mentioned, the European fair trade industry has increasingly grown over the past years, resulting in a highly transformative industry that is still expanding and expected to increase its impact in the future. However, to be able to fundamentally analyse the European fair trade industry, several interviews were conducted and are examined in the following empirical analysis. This chapter briefly introduces the questioned experts, revealing crucial background information about the interviewees. Firstly, Miriam Müller is introduced, then Melanie Baumann, Jürgen Herold, and Ingo Schlotter.

(1) Miriam Müller

To be able to gather valuable insights into pakilia GbR, one of the CEOs, Miriam Müller, was questioned. Mrs Müller is an internationally experienced entrepreneur and generated her highly diversified skillset in the fair trade industry from several private as well as professional experiences.

During her bachelor's program, Mrs Müller spent two years in Puebla, Mexico, where she generated her first insights into the Mexican culture, country and potential. When she joined the company (pakilia GbR) quickly after the foundation, Mexico was deeply rooted in the company.

What started as a study project has now grown into an international fair trade company, with headquarters in two locations, Germany and Mexico. The German headquarter is supervised by Miriam Müller. There she also manages and oversees controlling, human resources, financing, event and sales management, as well as taxation. She also supervises further parts of the small enterprise, such as strategy, and marketing.

Mrs Müller offers approximately ten years of fruitful and valuable insights into the fair trade industry in several European countries. Hereby, it can be differentiated between B2B and B2C segments, as the company is currently more internationalized in the latter, however, seeking B2B components to follow.

Besides her sufficient start-up and business development experience, Mrs Müller generated valuable insights in management positions at Aldi Sued, Sustenta, and Trumpf Medical Systems. Thus, not only did Miriam Müller absolve her bachelor's in international business administration in two countries, but she furthermore expanded her knowledge through profound international work experiences.

(2) Melanie Baumann

In order to gain practical insights into the department of sales of the case company, Melanie Baumann was interviewed. Ms Baumann has been working for pakilia (GbR) since 2014, hence, has a reasonable background concerning the case company as well as the fair trade industry itself. Moreover, with such extensive experience in sales, she has not only led but also executed several foreign market entries within the European fair trade market. Thus, Ms Baumann offers valuable insights into company-internal processes, previous experience as well as detailed knowledge on how to assess novel customers or weighting competitors.

Prior to working for pakilia GbR, Baumann achieved a bachelor's degree in the field of business and marketing. Thus, with her current position for pakilia GbR in combination, with her study background, a systematic connection between current theoretical frameworks and theories and practical insights into European fair trade markets is achieved. Baumann further paid numerous visits to Mexico, generating valuable insights and close connections to the artisans.

(3) Jürgen Herold – Frida Feeling

Jürgen Herold, the founder, and CEO of Frida Feeling has made it his mission to conquer the fast fashion movement as well as short lifecycles of products by creating a company with social responsibility as one of the key objectives. A fair trade program that benefits both, the customers and manufacturers in the long term as well as the joy of buying in the most positive sense are two fundamentally embedded goals. The vision of the fair trade company is to provide access to European markets for manufacturers, who are operating in developing countries. Moreover, a specific support system is provided for the manufacturers while considering fundamental guidelines of fair trade.

The company offers several fair trade products, such as jewellery, bags, paper, scarves and other décor and accessories and is also part of the umbrella organization of the German fair trade association. The company currently operates in three markets across Europe, which are Austria, Switzerland and Germany.

Jürgen Herold has studied business informatics as well as economics in Germany, followed by a sufficient record of professional experience, ranging from IT consultancy to general management, key account management and fundamental sales experiences in several management positions. Such profound experience allowed him to generate fundamental insights into different industries and companies. He then used this knowledge to found a fair trade organization as well as a consulting company. Both companies are steered from their headquarters in Germany and are internationally well-known.

(4) Ingo Schlotter

Another major competitor of pakilia GbR is WeltPartner eG. Thus, another expert who will be questioned is Ingo Schlotter, responsible for sales operations of the fair trade company, which is operating in several European countries, such as France, and Austria. Moreover, 60 different manufacturer groups worldwide 40 countries are in cooperation with WeltPartner eG. Ingo Schlotter operates in the sales department of WeltPartner eG and has profound experiences in the German as well as the European fair trade market.

By interviewing previously named experts, this thesis generates specific insight knowledge as well as detailed expert opinions of key competitors of pakilia GbR as well as profound perceptions of the case company itself.

In order to be able to answer this thesis's research question, the division of the different markets is carried out on the basis of national countries. Thus, foreign countries are also referred to as foreign markets, whereby the national borders are simultaneously seen as the market's borders.

5. Presentation and Discussion of Empirical Results

5.1. Company and Industry Overview

The following chapters provide insights into the foundation of pakilia GbR, and additionally the history of previous internationalization projects, followed by a synopsis of the fair trade industry in Europe with special emphasis on its current trends.

5.1.1 pakilia GbR

pakilia GbR was founded by Simon Ruf and Julia Maier in May 2012 with Miriam Müller joining the team just shortly after, with the underlying objective to provide a sales platform for Mexican handmade silver jewellery. The company started its operations in Germany and Mexico, arising from an improvised student project. It has since then been developed into a strong social business

with a serious long-term perspective The product is bought in Taxco, Mexico and then distributed in the European market with a clear concentration on the German market. The small enterprise purchases the fairly traded jewellery from artisan families with small quantity manufacture and rather limited to no possibilities to sell internationally (pakilia GbR, 2021).

The business concept evolves around respecting the key principles of fair trade as well as frequent visits and close collaboration with Taxco (pakilia GbR, 2021). The small enterprise is certified by the German umbrella organization of the world shops as an accredited supplier, enabling the company to gain direct insights and access to the German fair trade industry (Weltladen Dachverband, 2021). However, pakilia GbR further commits to the international WFTO (World Fair Trade Organization) principles (WFTO Europe, 2016). As can be seen in figure six, this commitment ranges from providing fair chances for deprived manufacturers to a certain standard in accountability and transparency and providing fair payments (pakilia GbR, 2021).

pakilia GbR has operated internationally ever since the foundation of this small enterprise, hence, the company can be characterized as born global. Thus, the international company did not wait to perform across borders until financial and operational stability and security were reached but rather internationalized right from its inception. The born global conquered highly complex and uncertain environments in an early business. Through this early-on international approach, the small enterprise was able to establish an international long-term strategy, now operating in several European countries and further in Mexico (pakilia GbR, 2017).

Based on the international approach pakilia GbR pursued from the beginning, internal as well as external structures were developed with a clear mindset of an international application. Thus, the products are available in several markets worldwide, such as Spain, the UK, Germany, Austria, Luxembourg, Netherlands, and Switzerland in the B2C segment, as shown in figure 6. However, the business strategy of pakilia GbR did not involve a clear focus on foreign B2B segments over the past years (pakilia GbR, 2021).

Thus, the long-term internationalization strategy of pakilia GbR intends to focus more on foreign, European B2B markets, whereby the company plans to create a specific business plan on how to enter such markets. However, it must be considered that certain factors might differ among the markets, such as cultural, environmental or economic factors. Such aspects must then be considered in aspect in the novel business plan, with the aim of increasing the effectiveness and success of the foreign market entry (pakilia GbR, 2021).

5.1.2 Internationalization of pakilia GbR

When it comes to the internationalization history of pakilia GbR, several aspects must be analysed, whereby the first aspect will be the mode of entry. As the company has previously entered several foreign markets in a hierarchical order, export has always been the chosen entry strategy. Thus, as presented in chapter 2.5, the enterprise chose a low-risk approach, whereby the level of

flexibility is rather high. This particular combination allowed pakilia GbR to keep low financial expenditures involved in the internationalization strategy, hence, the company was able to focus on efficient logistics and expand marketing efforts.

However, as Melanie Baumann highlighted when talking about a hierarchical or simultaneous market entry strategy: *“it depends on [...] our manpower as well and on how different the countries and the markets are [...]”* (Melanie Baumann, 00:18:34) With this statement, she emphasizes the flexibility of the small enterprise. A key strength is to adapt quickly and adjust current strategies to available resources such as manpower. Moreover, Ms Baumann and Mrs Müller described the major acquisition strategy as heavily relying on personal visits: *“We try to do it personally [...], it's better for both sides, like for us, we get to know them, the markets [...], the people, we can actually talk and see [...] and also for them if they don't know us yet.”* (Melanie Baumann, 00:12:59).

The current markets pakilia GbR operate in can be divided into B2B and B2C operations. B2C operations have been expanded to more countries across Europe, whereby the company first focuses on Austria, Luxembourg and Italy. In order to gain international market shares, the company focused on expanding its e-commercial operations within the previously named countries, as well as promoting the enterprise at several exhibitions and fair trade events. As pakilia GbR does not prioritize the quantity of customers, but rather focuses on building a loyal, long-term customer base, the attendance of specifically selected events is in focus.

Concerning B2B operations, on the other hand, fewer foreign markets have been focused as significantly higher efforts are involved. Firstly, the firm must be accredited by the particular country's fair trade association to be able to sell in fair trade shops. However, such processes can be rather time-consuming and extensive. The first approach to B2B internationalization was focused on the Austrian market, whereby the sales operator Melanie Baumann approached several potential new customers. As the Austrian market does not require any additional taxes or trade tariffs, respective operating expenses did not exceed previous calculations (pakilia GbR, 2021).

However, as Mrs Müller mentioned, several challenges must be faced by pakilia GbR when internationalizing. Firstly, it is necessary to examine the prospective markets in terms of potential entry barriers such as tariffs and additional taxes, as well as customer awareness of fair trade products (Miriam Müller, 00:01:11).

Hence, pakilia GbR has increased its international market presence significantly within the past ten years, with the fundamental objective of gaining foreign market shares and expanding profits within the European fair trade industry. pakilia GbR is focused on expanding and strengthening their presence in current markets, and the enterprise is further seeking to realize opportunities for internationalization in other foreign markets as well. Based on the current pandemic, the company intends to expand its market presence rather quickly, as recent experiences emphasized that the

pandemic does not only result in disadvantages, such as fewer exhibitions and events but further provides a clear opportunity to expand e-commerce operations. This is based on a redirection of efforts towards improving current e-commerce activities, such as online marketing and online presence.

Ms Müller mentioned in her interview the following points: “: *Well, the key motives to internationalize are, of course, to extend the customer base, so to acquire new customers in other countries in order to increase the impact, pakilia has a positive impact on the Mexican families. Of course. And yeah, to grow. And increase the revenue.*” (Miriam Müller, 00:00:27).

Company growth, revenue increases as well as the extension of customer bases and the diversification of the business bases have also been mentioned by several scholars in chapter 2.2 by Omokaro-Romanu et al. (2019, p. 76) and Utama et al. (2018, p. 67).

5.1.3 The Fairtrade Industry - Characteristics

There are several definitions of fair trade and what it means. This thesis, however, solely focuses on products being produced according to certain labour, and to some weaker extent, environmental standards. Thus, fair trade consumers exhibit a fundamental concern regarding the effect of trade on labour rights, human rights or environmental principles and guidelines in the respective trading partner. They may wish not to consume products from countries where such guidelines, standards or rights are absent (Lukas, 2015, p.1). However, it is crucial to consider that such concerns do not originate from economic matters but rather as moral concerns. Thus, fair trade consumers are not alarmed that slave labour or child labour might compete in unfair matters with domestic markets such as American or European markets. This particular consumer behaviour arises from the concern of participating in unethical or immoral product productions. Hence, the consumer decision is not driven by concerns about the domestic economy but the foreign economy (Ehrlich, 2018, pp. 15-16).

As illustrated in figure 7, several findings have been devised concerning a conceptual framework of fair trade. A significant influence of fair trade consumption is suggested to positively impact the customers' willingness to buy and pay for fair trade products. Other factors, which are increasing the willingness to buy and pay for fair trade products are the environmental concern, the trust in the certain fair trade label and lastly the innovativeness of the consumer itself. Thus, several aspects must be considered by fair trade companies when analysing the respective market and considering a competitive advantage through fair trade. However, this conceptual framework also accentuates the importance of trust of the consumer towards fair trade labels, and further the continuous increase of importance of environmental awareness of the buyers (Konuk, 2019, pp. 141, 142, 145).

Thus, fair trade is recognised as a sector or trade that integrates environmental and social criteria, highly differing from key criteria in traditional trade. A key objective of fair trade labels is to inform

customers regarding such criteria, ranging from product to production exchanges (Lukas, 2015, p.5). Moreover, a recent study has revealed that several elements embedded in fair trade enterprises and their organisational culture are rather similar. Firstly, adaptability was identified. This element focuses on including other, novel enterprises in joining the values of fair trade. The second shared organizational value is consistency, whereby the customers are consistently reminded of fair-trade principles. Lastly, the research highlights that fair trade enterprises often incorporate a mission formulated in cooperation with their producers. This mission is then sought to increase the overall commitment toward fair trade. Hence, several shared values have been detected in various fair trade enterprises, with the underlying objective to commit to the principles to a high degree and include them in every step of the production chain (Das, 2021, pp. 141, 143-145).

However, this particular industry is recognised to be a rather young industry, beginning with grassroots efforts to support tradespeople in developing economies approximately sixty years ago. Certification frameworks such as Fair Trade have then successfully established themselves as a feasible substitute for traditional international trade. The market volume and market share experienced, and continued growth, emphasizing the rising market demand for such alternatives to conventional trade. Based on the recent growth of this industry, increasingly more enterprises have joined the concept of fair trade, ultimately leading to an increasing pressure to continually improve and expand the fair trade principles. Thus, the provided support for the fair trade producer base improves constantly while the industry also focuses on evaluating the consumers driving demand. This challenge describes, at its core, the divergence of preserving its objective while engaging new channels and customers (Lukas, 2015, p.1).

As previously mentioned, there are several principles embedded in the concept of fair trade. Such principles have been introduced by the World Fair Trade Organization (WFTO) and are internationally recognized. As can be seen in figure 7, there are ten different principles, with the fundamental vision of trade and business that prioritize the planet and people over profit. To fight, decrease and ultimately eliminate injustice, climate change, poverty and gender inequality is currently a main objective of the fair trade movement. Such goals range from establishing prospects for producers who are economically disadvantaged to ensuring that neither forced labour nor child labour is tolerated at any level (WFTO Europe, 2016, pp. 1, 7).

Hence, besides increasing conventional trading enterprises, fair trade remains to display a key approach for an increasing number of buyers in direct reaction to customer demand for fairer conditions at the level of production. While inequalities in international trade exist, fair trade will persist to increase and further play a fundamental part in challenging and confronting concerns within conventional capitalism on a global scale (Lukas, 2015, p. 2).

5.1.4 The Fairtrade Industry - Current Trends

The international fair trade industry has grown significantly over the past years. Figure 8 reveals that the worldwide revenue of international fair trade products has tripled from 2008 to 2018 (Fairtrade International, 2018, pp. 2, 9, 15). However, as previously mentioned, the current economy is changing drastically in a number of industries, triggered by several events such as growing globalization or the Covid pandemic (Koos, 2021, pp. 177-178).

One current trend in the worldwide economy is the rising significance of corporate social responsibility (CSR) and fair trade. The literature highlights that several CSR initiatives, for instance, fair trade, are a direct answer to the increasing concern and awareness regarding a product's lifecycle and an enterprise's product supply chain. Thus, the fair trade movement has expanded from Northern European markets to Southern and Western European economies, as well as to North America and certain markets of Asia (Musa & Gopalakrishna, 2021, p.34). Fairtrade is a direct answer for national as well as international enterprises to reconsider their marketing and production strategies. However, certain industries have experienced a higher level of importance of ethical consumerism and fair trade, such as the food and fashion industry (Konuk, 2019, p. 141).

Dietary products are reported to exhibit the highest category sales within the fair trade industry. Fairtrade International (2020) has revealed that bananas, coffee and cocoa, as well as sugar, cotton and tea are amongst the seven highest sales volumes of fair trade products worldwide. Moreover, it has been reported that the sales volume has increased considerably over the previous decade, with a predicted trend to continuously increase its capacity in the upcoming year (Fairtrade International, 2020).

Another major trend within the fair trade industry is the growing importance of sustainable fashion. In recent years, consumers have distanced themselves from a fashion industry with rapid production and international network, which is multi-layered and focuses on quantity rather than quality. The fair trade fashion industry includes clothing, accessories as well as jewellery, hence, combining rather significant products with a clear prognosis of increasing sales volumes in the upcoming years. Hereby, reducing environmental depletion and textile waste are two fundamental objectives of fair trade fashion companies as well as fair trade consumers. Additionally, the consumption process is aimed to decrease its speed, resulting in a significant decrease in fast fashion and fast consumerism, while significantly increasing sustainable, fair trade fashion with long-term durability and durable quality (Kutsenkova, 2017, pp. 4, 7).

Thus, opportunities for young enterprises emerge through the increasing sales volume of the fair trade industry. Specific products, which are of extreme value for further advancements in the fair trade industry, are for instance several dietary products and fashion items, which are forecast to significantly increase their European market size (Musa & Gopalakrishna, 2021, pp. 34-37).

However, regardless of previously described trends and forecasts, no integrated perspective of the fair trade industry within the next ten to 15 years currently prevails as an outcome of such trends. Nonetheless, different perspectives exist concerning the long-term perceptions of the major product trends (Konuk, 2019, p. 141). However, such trends vary in regard to different, national fair trade markets. Thus, the following section will provide an analysis of the European fair trade market with a special emphasis on the respective sales volume and market potential of key nations.

5.2. The International Market Selection Model for pakilia GbR

The following chapter presents the empirical results of the interviews in combination with the market selection model for pakilia GbR in regard to previously examined literature. The fundamental assumption of the overall process is that local market knowledge and a key understanding of the respective business culture display major criteria for a successful market entry and will do so in the future. As highlighted by Sakarya et al. (2007, pp. 211, 212), there are three main variables impacting the market choice: (1) the environment, (2) the enterprise itself, as well as (3) the choice of entry. However, pakilia GbR will enter the respective market via export in regard to the chosen mode of entry, based on previously elaborated limitations of the enterprise as well as advantages of this strategic approach. Thus, the mode of market entry will not be considered as a separate decision following the market selection process, but rather be considered as given when discussing the market selection process for pakilia GbR. Moreover, it is vital to highlight that the model focuses on pakilia GbR as a specific company, however, can also be modified in order to suit further small fair trade enterprises.

5.3. Preliminary Screening

As stated in chapter 3.2.2, there are several approaches on how to conduct the phase of preliminary screening. As such approaches highly differ concerning their realization, this paper will apply one of the methods according to Cavusgil (2004, p. 30). This allows for the analysis to compare different European markets according to specifically selected indicators. Country clustering, however, is not suitable in this case given that the distinct clusters do not consider European markets as their own cluster, as can be seen in table 4. The other approach, country ranking, allows comparing different European markets based on variables according to PESTLE. Within this regard, it is possible to pre-select the markets according to specific criteria, including European markets (Hollensen, 2020, pp. 265, 266).

As shown in chapter 3.2.1 the fundamental objective is to apply efficient secondary sources of data to narrow down the number of potential foreign markets and proceed with the further analysis. Within this step, primary data from the interviews will be considered. This approach further considers and reduces the risk of examining unattractive markets to a too detailed extent while

further decreasing the risk of overseeing prosperous markets (Hollensen, 2020, p. 173; Johansson, 2009, pp. 110, 111).

Concerning the data for the preliminary screening, the data sets originate from two distinct sources. First, the Global Competitive Index (CGI), which is published within the Global Competitiveness Report (GCR) in a yearly matter by the World Economic Forum. This report aims to provide a scientific comparison of countries and their markets. Different indices can be chosen in order to compare foreign markets concerning a company or industry-specific factors. However, the report for 2020 and 2021 does not include the CGI, as the World Economic Forum argues that this measurement cannot be conducted during the pandemic and its economic changes. Thus, this thesis utilizes the latest GCR report prior to Covid-19 (GCR of 2019).

Indicators from four different categories are applied to measure the indices of growth and prosperity of the respective countries (Innovation Ecosystems, Markets, Human Capital, Enabling Environment) and consist of 12 diverse pillars, whereby each contains various indicators (World Economic Forum, 2019, pp. 611, 612, 613). An illustration of all available pillars can be seen in table 6. However, the same importance is not attributed to all pillars in this thesis, thus, a selection of four out of twelve pillars has been made. The underlying objective of the selection has been to prioritize the pillars based on the relevancy of their information concerning the affluence of target markets for small fair trade enterprises. The following paragraphs elaborate on the choice of pillars for this thesis.

First, the fourth pillar, macroeconomic stability, has been selected based on its measurement of sustainability and inflation level, providing the foundation for this thesis to assess a countries' associated level of risk with investing in this market. The second selected pillar, skills (pillar 6), involves aspects regarding skills of the current workforce and the future workforce. This pillar allows generating insights concerning the businesses selling the product of pakilia GbR and their respective skills and educational background. Thus, when the workforce is highly skilled and motivated, the number of sales is positively influenced, ultimately leading to higher sales volumes for pakilia GbR. The product market (pillar 7) focuses on assessing the fairness within a market, whereby domestic competition and trade openness are examined. Hence, the potential resistance pakilia GbR might face when entering the foreign market can be examined. Finally, market size (pillar 10), will be integrated into the stage of preliminary screening. This pillar combines two different aspects, first the gross domestic product, which is centred on the Purchasing Power Parity (PPP), and second the imports of goods and services, whereby the Gross Domestic Product (GDP) is utilized. The concept of PPP transfers the value of different currencies within various countries into comparable purchasing power (World Economic Forum, 2019, pp. 619, 620, 612, 623, 624).

As previously illustrated, the different pillars will be allocated to a respective weight with the aim to be able to alter the overall country ranking to the particular case of pakilia GbR. As stated by

Musa & Gopalakrishna (2021), the size of the market displays one of the major criteria. Thus, this pillar is weighted as the most valuable, followed by the product market (pp. 34-37). Trade openness and domestic competition were named by several scholars (Górecka & Szalucka, 2013, p. 32; Johansson, 2009, p. 108; Shen et al, 2017, p. 345) as of extreme importance, qualifying the pillar of the product market to be weighted as the second most important. As chapter 3.2.2 illustrates, further aspects are for instance macroeconomic stability (pillar 4), followed by a case-specific aspect: skills.

In order to be capable to evaluate the respective European markets, the Weighted Sum Method (WSM) will be applied. This equation originates from the Multiple-Criteria Decision-Making (MCDM) process. It enables to compare of different criteria according to a specifically assigned weight, which is based on the overall importance of the criterion in the process and finally, the criteria are summed up (Alanzi et al., 2013, pp. 17, 18). As can be seen in equation 1, S_i presents the total score for options i , whereby w_j presents the weight of significance for criterion j . The number of criteria is presented by M , whereby N shows the total number of alternatives and r_{ij} presents the standardized score for option i in criterion j .

$$S_i = \sum_{j=1}^M w_j r_{ij} \text{ for } i = 1, 2, \dots, N$$

Equation 1. Weighted sum method (Janic & Reggiani, 2002, p. 199).

Chapter 3 illustrated, that after completing the country ranking, the best-performing markets are selected and will be integrated into the following stages of the decision-making process. However, the specific number of countries taken into the next stage depends on the company-specific resources, whereby the ranking of pillars is of extreme importance. As previously mentioned, pakilia GbR concentrates on hierarchical entry modes, wherefore this stage of the IMS process is limited to European markets. Based on the chosen entry strategy, the small enterprise intends to select the next market to enter but does not focus on finding several markets for simultaneous internationalization. Moreover, foreign markets with a GDP (PPP) of less than 0.10 were excluded from the preliminary screening due to the low GDP. Thus, only European countries with a GDP higher than 0.10 are integrated into the later analysis.

Table 7 illustrates the first results of the weighted country comparison, whereby 23 European markets are included. As can be seen, several countries scored the highest potential score in pillar 4, macroeconomic stability. Among the top 13 ranks, only one country has a score below 100. Thus, pillar four does not vary to a great extent among European markets. Within the other pillars, however, significant differences between the scores can be extracted, whereby the highest scores are for instance in the German, Swiss or Dutch markets. The significant size of the economy of Germany, France and the United Kingdom is documented by their high scores.

Netherlands, Switzerland and Sweden, however, are among the top-ranked countries as well, despite their significantly smaller economies. All top-ranked European markets exhibit high scores in the pillar of skills. As this pillar is specifically important for internationalization attempts in the B2B business, it displays a major criterion for pakilia GbR. As previously mentioned, current as well as prospective workforces including their skills are represented within this pillar. Moreover, it is essential to mention pillar seven, the product market. As can be seen in table 7, the highest-scoring economies hereby are the United Kingdom, and Germany. The lowest scores within this pillar can be seen in the Bulgarian and Greek markets. Concerning the market size, Germany, as well as the United Kingdom and France evidently present the highest scores, which place them among the top-ranked countries.

Countries such as Sweden and Denmark, however, were not able to secure a position among the highest-ranked countries despite great scores in skills, macroeconomic stability and the product market. This is due to significantly lower ranks concerning the market size, which is of extreme importance according to several scholars (Johansson, 2009, p. 108; Musa & Gopalakrishna, 2021, pp. 34-37).

Nevertheless, at this stage of the preliminary screening, no industry-specific factor has been considered. Thus, the second step within this stage is to include current national revenues with the respective fair trade markets. Hence, figure 9 illustrates a ranking of European markets according to the sales volume of Fairtrade products (Fairtrade International, 2018, pp. 2, 9, 15). However, as this indicator does not originate from the same statistical source, this value must be standardized according to the same value range utilized in CGI. Hence, the Fairtrade sales volume scores will be converted by applying the min-max normalization, which is illustrated in equation 2:

$$B' = \left(\frac{A - A_{min}}{A_{max} - A_{min}} \right) x (B_{max} - B_{min}) + B_{min}$$

Equation 2. Min-Max Equation (Jain et al., 2005, p. 2276)

Within this equation, B' displays the scaled value, and A presents the original value. A_{max} and A_{min} are the maximum and minimum of the original score, whereby B_{max} and B_{min} are the maximum and minimum of the new scale.

As shown in figure 8, the top five countries according to the first stage of the preliminary screening are further represented within the leading eleven European Fairtrade markets. However, it is critical to mention, that the sequence does not fully align, as the United Kingdom exhibits the highest sales volume with 2.014 million euros of revenue, followed by the German and French markets. According to the country ranking, on the other hand, Germany ranked as the most lucrative market, followed by Netherlands, and the United Kingdom. Switzerland occupies fourth place in both rankings.

When combining the industry-specific pillar of fair trade volumes, the top fifteen countries of the first step will be taken into account. However, as the fair trade sales volume of Poland is not included due to the low volume of sales, this country will not be considered in further investigation. Moreover, the weight of importance of the different pillars must be readvised. Thus, the revenue of fair trade products within the country will be prioritized, followed by pillar 10 (market size). The high weight of pillar 10 is due to the increasing trend of the fair trade industry, as mentioned in chapter 5.3. Thus, the revenues of fair trade products are expected to rise in the upcoming years, leading to the significant importance of the overall market size of a market. The product market, macroeconomic stability as well as skills will all be weighted 1/12 within this step. The weight of importance for the specific variables is summarized in table 8.

The outcomes of the second segment of the preliminary screening phase are displayed in table 9. It can be seen that several countries have shifted their previous rank, which is based on the high weight of fair trade sales volumes within this market. The second and first place, Germany and the United Kingdom have shifted their places, caused by from the high sales volume of fair trade products within the United Kingdom. The third place, France, has remained the same, however, a clear drop in the overall weighted score (from 75.53 to 53.08) can be seen. France has generally a rather high market size (pillar 10), but the fair trade variable can be categorized in the middle.

Switzerland significantly increased its previous rank from 9th place to 4th place. Thus, the high relation between market size and fair trade sales volume in combination with the significant weight placed on the latter criteria increased the overall market attractiveness of Switzerland for pakilia GbR.

Additionally, it can be noticed that Sweden, Ireland, Austria, and further Finland scored higher in the second part of the country ranking, whereas countries such as Belgium and Spain moved further back in the country ranking. This shows that the consideration of the sales revenue for fair trade products within the respective countries notably changed previous results of the country ranking, while drastically adapting this stage of the IMS process for the specific case company. However, this step of the preliminary screening included all European countries, despite previous market entries of pakilia GbR. Thus, table 9 reveals that the small enterprise has already expanded in three international, and European B2B markets, which are all ranked within the first fifteen countries within this step. Thus, pakilia GbR has previously chosen lucrative markets, however, only Germany (as the domestic market) will be included in further steps in order to utilize the German market for comparison and overall orientation. Austria, Italy, as well as Belgium, will not be included in the further process. Based on the low weighted scores of Denmark, Norway, Spain and Poland, such countries will also not be considered in the next phase. Hence, the following countries will be taken into consideration in the in-depth screening stage: the United Kingdom, Germany, France, Switzerland, Netherlands, Sweden, Ireland, and Finland.

5.4. In-depth Screening

Concerning the stage of in-depth screening, chapter 3.2.3 has emphasized the key differences according to the different researchers (Cavusgil, Johannson and Root). It also became apparent that the different scholars focused on the industry potential within this phase. A key difference between their approaches is the variables applied to the screening process. Whereas Johannson (2009) focused on the current market demand, future growth and market size (p. 108), Cavusgil (1985) concentrated on market access, product prospective and local production and distribution (p. 30). Besides that, to be able to fully adapt the IMS process to small enterprises with limited resources in financial and manpower capacities, the following adaption has been made: The variables have been adjusted to the case firm, in regard to the overall aim of analysing the industry potential. The detailed steps will be examined in the following chapter.

5.4.1. Country Ranking

As explained in chapter 3.2.3, the fundamental objective of this step within the IMS process is to extract the remaining countries after the preliminary screening stage based on the prosperity of the respective company. As Cavusgil (1985, p. 30) and Johannson (2009, p. 108) mentioned, the indicators which will be applied in this phase highly depend on the enterprise as well as on the industry. However, as the literature revealed several indicators are recommended by a number of authors, and the following indicators will be used within this thesis: (1) market size, (2) market growth, (3) cultural distance, and (4), geographic distance. It is important to mention that the market size as well as market growth both refer to the fair trade industry and not the overall, countrywide market within this thesis.

In this phase, similar to the initial screening phase, a model of WSM is applied in order to rank the European, remaining markets. Nevertheless, the weights have not been assigned by the model within this stage, but rather by the CEO of pakilia GbR to expand the theoretical model by company-internal expertise within the process and increase the level of accuracy of the overall IMS process.

For the case of pakilia GbR and the purpose of this thesis, secondary sets of data sources were utilized in order to gather the relevant data for the specific indicators. However, such secondary data sources will further be expanded by primary data originating from the conducted interview.

Concerning the first indicator, market size, figure 10 reveals the overall market size of the remaining eight countries as well as the specific market share of the respective countries (Fairtrade International, 2018, pp. 2, 9, 15). It can be seen that the United Kingdom holds the largest market share with 35%. As seen in the preliminary screening phase, the United Kingdom has a large overall market size, as well as a leading position in yearly fair trade sales revenues. The second-largest fair trade market share is the German market with 23%, however, this market is only included in the analysis for reasons of comparison. It is then followed by Switzerland and

France in third and fourth place with 11% and 9%. Thus, a significant difference in the market share of the second (Germany) and third (Switzerland) highest-ranked countries can be detected. Between Sweden, Ireland, the Netherlands and Finland there is merely a minor difference, given that the country's market sizes range from seven to four percent.

Concerning the market growth, it must be taken into consideration that this indicator explicitly implies the fair trade industry in this paper, in order to be able to apply the model to a high extent for purpose of pakilia GbR. Moreover, the change in market size within a respective country in a specific timeframe displays the market growth. As illustrated in figure 11, the highest-ranked markets within the indicator of market growth do not align with previous findings. Ireland and Finland are the two remaining European fair trade markets with the greatest market growth. The German fair trade market, which is in third place, only grew by 15 % over the past years, whereas the Irish market grew by 26%. The fair trade markets of Switzerland, the Netherlands and the United Kingdom grew in the middle range within this indicator. Such markets, however, have scored above average in previous rankings. The Swedish and French markets grew by six and five percent, displaying the two slowest growing countries within this indicator.

Concerning the indicator of cultural distance, Hofstede's approach of cultural comparison was utilized, based on its fundamental applicability and availability. As described in Chapter 3.2.3, the different countries are subdivided into six different dimensions, and afterwards rated according to the respective scores. The smaller the differences between the domestic culture and the foreign culture are, the lower the cultural barrier when entering the new market. This means that the company must adapt less and can take over more factors from their domestic culture. However, if the company is in a mature state of the internationalization process, the cultural distance and its previously negative effects diminish. Hence, the remaining countries within this stage will be ranked according to the extent of cultural distance between the foreign market and domestic market in six different dimensions. In order to be capable to estimate the cultural distance by applying the dimensions according to Hofstede, the subsequent equation 3 will be utilized. I_{ij1} and I_{ij2} display the values of the respective cultural dimension i of the compared market, whereby CD_j presents the calculated cultural distance for the specific country.

$$CD_j = \sqrt{\sum_{i=1}^6 (I_{ij1} - I_{ij2})^2}$$

Equation 3. Cultural distance (Morosinin et al., 1998, p. 144)

The indicator of cultural distance provides fundamental information concerning potential prospective customers while analysing whether the domestic culture, the corporative culture and the foreign culture can be aligned. Thus, the cultural distance is calculated by analysing abbreviations from the domestic culture of pakilia GbR. However, as the company interacts with

the Mexican subsidiary on a daily basis, the corporate culture is not strictly German but rather open and flexible, as Ms Baumann mentioned: *“It’s obviously different from the German way of thinking of approaching things or situations.”* (Melanie Baumann, 00:00:27) in combination with the subsequent statement: *“Definitely open-minded and tolerant in respect of differences as well.”* (Melanie Baumann, 00:00:27). This aspect was further elaborated by Mrs Müller: *“think it’s quite open and flexible because we try to take the best from both cultures every day. So we combine the Mexican flexibility and strength to adapt to new circumstances with the German organization and I think we are very ambitious. And for us, it is very important to stay dynamic. I think it is one of the key points, that we, almost every day, adapt to new circumstances and if we decided something last week and now think it does not make much sense anymore, we change and adapt. That’s part of the culture for sure.”* (Miriam Müller, 00:17:55).

The results of the cultural indicator are exhibited in table 10, whereby it becomes apparent that the culturally closest country to Germany is Sweden. It is only a cultural distance of 33, whereas the cultural distance to France is 72. The most significant similarities between Germany and Sweden resulted in the dimensions of power distance as well as indulgence and long-term orientation. Thus, key aspects of the two cultures could be exhibited. However, the cultural gap between the United Kingdom, Switzerland and the Netherlands are approximately the same. Some dimensions, for instance, power distance, further illustrate a rather similar score between Germany and other countries such as Switzerland or the Netherlands. In the dimension of masculinity versus femininity, however, major cultural differences were revealed, whereby the biggest gap is between Germany and France.

Despite major differences, this indicator has furthermore revealed that all included countries have a clear tendency towards individualism. Only France has a high level of power distance, whereas the other countries are revealed to have significantly lower levels of power distance, as it is a common trait in western countries (Hofstede et al., 2010, pp. 281-286). Concerning the dimension of uncertainty avoidance, rather similar outcomes can be notified, whereby all results categorize in the middle range.

The last indicator of this stage is the geographic distance between the potential foreign market and the domestic home country of Germany. As the distance between the two markets grows, personal operations become increasingly more time- and cost-consuming. Thus, table 11 illustrates the distances. As for the specific location, the headquarter in Germany has been used as 88416 in order to be as precise as possible. As Mrs Müller mentioned, the geographical distance is important for the case company due to a personal acquisition strategy and personal customer service. She further points out the advantages of personal contact to B2B customers: *“It is always easier to have at least the first impression and some good conversation and meetings in the country or at least with people from the country in order to be able to understand local structures.”* (Miriam Müller, 00:13:43).

Thus, Switzerland is the closest market to the German headquarters, enabling pakilia GbR to pursue its previous strategy of acquiring new B2B customers. As Ms Baumann mentioned, this strategy heavily relies on personal visits and presentations of current as well as new products. Hence, the closer the potential new target market is, the fewer timely and financial resources are involved concerning the acquisition of new customers. As can be seen in table 11, France, the Netherlands and the United Kingdom are in the mid sector, ranging from 569 to 819 kilometres in distance. Hence, potential visits to such markets must be planned thoroughly in order to avoid unnecessary costs. Finland occupies the last place in the ranking with 7547 km, whereas Sweden and Ireland are in 6th and 7th place.

After investigating the five different indicators, the absolute value of all remaining markets has been detected, however, in order to sufficiently compare the countries, the Min-Max Equation will be applied. Given the outcomes of the country ranking at this point, the equation must be adapted, as can be seen in equation 4. The newly introduced scale will now rate the countries from 0-10, whereas 10 is the best score possible and 0 is the lowest score possible.

$$S = \left(\frac{(A - A_{min})}{(A_{max} - A_{min})} \right) \times 10$$

Equation 4: Min-Max Equation for In-Depth Screening

The five given indicators will be represented by S , whereas the other abbreviations remain the same as in the prior equation. Moreover, the geographic and cultural indicators will be inverted by a further form of the Min-Max Equation to be able to consider that lower values present the desirable values. The following equation illustrates the approach:

$$S = \left(1 - \left(\frac{(A - A_{min})}{(A_{max} - A_{min})} \right) \right) \times 10$$

Equation 5: Min-Max Equation for in-depth screening (Cultural & Geographical Indicator)

Table 12 reveals the normalized results of the current in-depth screening stage. Consequently, it can be seen that due to the standard value of Germany and its resulting calculations of the cultural and geographical distance, Germany scores highest in those two categories. However, the United Kingdom reveals the highest score in market size but does not perform as a leading market in any further indicators. The normalization of all scores further revealed that France has the lowest scores in the indicator of market growth as well as cultural distance. The fair trade industry of France has increased significantly less when compared to the other remaining markets and the culture varies the most when compared to the German culture.

Despite such results, it is crucial to adapt the weight of the four different indicators according to the specific case of pakilia GbR. Thus, the assignment of importance has been allocated by the management of the case firm, after selecting the indicators based on the literature review. Hereby,

the overall market share of the fair trade industry, as well as the market growth in recent years, has been weighted to be most important. This is then followed by the geographical distance, given the importance of personal visits for the fundamental acquisition, as Mrs Müller also highlighted in her interview (Miriam Müller, 00:10:22). The least importance was assigned to the cultural distance. Despite Morrais & Ferreira (2020, p. 73) mentioning the significant importance of the foreign market's culture, the interviews underlined the open and flexible corporate culture of pakilia. Mrs Müller and Ms Baumann both emphasized how the Mexican culture has influenced their daily operations, resulting in a highly flexible and quickly adapting environment. Moreover, given that pakilia GbR was born global and has never only focused on one European market, the company has learned to adapt to certain cultural differences in an early stage of business development. Thus, the assignment by the management of pakilia GbR was supported by the results of the interviews. The weight assigned to the indicators regarding their importance can be seen in table 13.

Table 14 reveals the findings of the country ranking according to the previously assigned weight of importance. The United Kingdom is the highest-rated foreign market, followed by Switzerland. As can be seen from the weighted index, the United Kingdom exceeds the ranking of the German market, whereas Switzerland ranked below the German market. However, both countries are clearly indicating a high potential market for pakilia GbR. Switzerland is then followed by France, despite its low score in the category of market growth and cultural distance. Ireland was placed in the 7th rank, regardless of the highest score in the market growth. Based on the considerably highest ranks of the United Kingdom within this stage and the high ranks of the preliminary screening stage, both countries will be included in the next stage. The selection has furthermore been limited to two markets based on the restricted resources of pakilia GbR and this thesis.

Ireland and the UK have been named by several experts (Ingo Schlotter and Jürgen Herold) to be expected to have a lucrative fair trade market. The interviews revealed that other companies have already expanded successfully into the Swiss market. However, the in-depth screening according to Johansson (2008, p. 108) has now focused on the country ranking, a rather broad analysis, in order to eliminate several markets. As highlighted in chapter 3.2.3, Cavulsgil (1985, p. 30) as well as Deaza et al (2020, pp. 195, 196), on the other hand, suggest including further indicators: (1) market access, (2) product potential, and (3) local production and distribution. Thus, as previously mentioned, such indicators concentrate on the acceptance of customers as well as on potential tariffs and regulations. As both selected markets are not part of the European Union and might require adaptations toward new regulatory requirements, the subsequent part of this paper will conduct an in-depth analysis of such indicators.

5.4.2. Analysis of Industry Market Potential

As Mrs Müller mentioned in her interview, the chosen mode of entry of the case company is export. This strategic approach has been proven to be successful and easily applicable due to the

characteristics of transporting jewellery, the small size of the respective product and the little required distribution efforts. Moreover, as the production of the jewellery is fixed in Mexico and a key aspect of the company's objective, no other option of production must be considered. Thus, the third aspect suggested by Cavusgil (1985, p. 30), local production and distribution, will be excluded from the analysis based on these reasons.

Hence, as Cavusgil suggests, the main focus will be on market access. Therefore, potential limitations on trade, import and documentation regulations as well as possible tariff levels will be investigated. This will subsequently be followed by an analysis of local customer desires and needs, in addition to the acceptance of the product itself and other competitive offerings. Based on the previous examination, which heavily focused on the fair trade industry, this step will further include the response of the Swiss and UK market towards jewellery itself, as well as in combination with fair trade jewellery.

5.4.2.1. Market Access

As explained in Chapter 5.1 and mentioned by Mrs Müller, several European fair trade markets obtain certain organizations, which ensure the consideration of several fair trade regulations, given that the fair trade label is not internationally protected. In Germany, for instance, the Weltladendachverband carefully selects its members based on the compliance of their regulations in regard to what fair trade indicates. Being a member of such organizations then enables unlimited access to their respective stores, the so-called "Weltläden". Hence, being part of the respective national organization of fair trade enabled fundamental business relations and access to B2B customers. Another example of such an organization is, as Mrs Müller mentioned, the Arge in Austria. The importance of such associations can also be illustrated in the example of the Austrian fair trade market. As Mrs Müller mentioned, pakilia has previously applied to the Arge but was not accepted due to restrictions of acceptance, given that in the respective year, the maximum number of newly accepted companies was already reached. Hence, pakilia GbR is currently not able to sell to Austrian Weltläden, given that such B2B clients are only allowed to make business with ARGE members (Miriam Müller, 00:05:05).

When considering the Swiss market, several aspects regarding trade jewellery in the Swiss market, several conditions must be met. Firstly, the company is legally required to be accredited by the Swiss state, in order to guarantee a certain quality standard and originality of the product to the Swiss customers (Bundesamt für Gesamtsicherheit BAZG). This process of certification has already been carried out successfully by pakilia GbR, given that the small enterprise has previously attended several B2C events in the Swiss market. Thus, no new certification process in this regard must be undergone.

The organization of fair trade in the Swiss fair trade market, the organization of fair trade is Claro Fair Trade AG. The company is part of the European Fair Trade Association (EFTA). The organization has been founded in 1997. The main objective to act according to universal fair trade

principles. There are approximately 260 Weltläden within Switzerland, whereby 135 exclusively belong to the umbrella organization of Claro AG. However, not every supplier of such stores must be a part of Claro AG. This enables the market access to all fair trade stores within Switzerland (Vladimir, 2022).

Concerning the UK market, the structure of the fair trade market indicates several similarities to the Swiss fair trade markets. There are several umbrella organizations, such as British Association for Fair Trade Shops (BAFTS), which pakilia GbR can apply for. This organization requires their members a clear commitment to the 10 principles of fair trade according to the WFTO and are willing to assess such responsibility on a yearly basis (as mentioned in chapter 5.3.1). In return, the organization offers access to a structured B2B network of approximately 50 companies as a sales platform in form of events, trade fairs or online markets. However, a distinct difference can be noticed in the monetary and financial sectors. Fairtrade organizations seeking to join BAFTS pay a yearly membership fee, which is calculated based on the respective companies' turnover and ranges from 50 to 250 pounds per year (BAFTS, 2022).

Another aspect mentioned by Cavusgil (1985, p. 30), is potential barriers in form of tariffs or required import documentation. Given that Switzerland and the United Kingdom are not part of the European Union, pakilia GbR will have to pay a toll. Thus, the small enterprise has different options on how to conquer that entry barrier. Firstly, the small enterprise already gathered crucial information concerning tariffs in relation to their current B2C customers in both markets.

Hence, the market access for both potential target markets displays rather similar characteristics and does not indicate clear advantages for one or the other national market.

5.4.2.2. Product Potential

As previously mentioned, the second indicator focuses on the product potential in the respective market. Regarding the case of pakilia GbR, two distinct factors are of significant importance. On the one hand, the customers' attitude towards fair trade must be analysed. On the other hand, the overall tendency towards jewellery in the Swiss market must be identified and included in the evaluation. Based on the prior country ranking based on the national fair trade industry in the respective countries, the following section will focus on the jewellery industry.

Figure 12 allows comparing the Swiss and British revenue streams of the jewellery segment. A forecast up to 2026 is furthermore provided (Statista, 2022). Thus, the British market revenue significantly exceeds the national Swiss market revenue, which might be due to the significantly larger populations in the United Kingdom. Besides the overall volume, the graph highlights a constant growth over the past 10 years, which is prognosed to continue for the following four years in both national markets. The jewellery market in the United Kingdom was subject to a significant drop in the year 2020, which might be related to the start of the worldwide pandemic this year. The

Swiss market, on the other hand, did not experience such a drop, indicating a certain steadiness in its growth and market potential for jewellery.

The overall change in the jewellery revenue in the market of Switzerland and the United Kingdom is illustrated in table 13 (Statista, 2022). The Swiss market has experienced substantially fewer disruptions over the past 10 years, compared to the UK market. The latter was subject to major fluctuations and decreasing revenues up to minus 13.2%, then followed by a revenue increase up to 14.4% in 2021. Hence, the UK jewellery market has recovered rather promptly and rapidly adapted to changing market environments. Moreover, both markets' revenues grew to a current maximum of 18.1% in 2015, then followed by significant drops. Based on such fluctuations, the Swiss market presents a market with not only fewer fluctuations but quicker recoveries, when compared to the UK jewellery market.

Nevertheless, it must also be considered that the Swiss market previously achieved significantly less revenue in the jewellery industry, hence, exhibiting crucial advantages as well as disadvantages. As for the forecast, both markets are prognosed to uphold a steady increase in revenue ranging from 2.6% to 3.1% for the upcoming four years. Consequently, it must be considered what is more important for pakilia GbR, when internationalizing. As Mrs Müller revealed during her interview (00:01:11), one of the key motives to internationalize is to grow and increase the overall sales volume. However, she also mentioned a lack of resources and manpower as one weakness. Thus, the case company does not supply unlimited resources when expanding into a new and foreign market, indicating that a steady market environment and customer demand are of extreme importance. The UK market requires rather quick reactions and adaptations from the side of pakilia GbR when fluctuating, whereas the small enterprise might not be able to analyze, strategize and implement such changes in time.

Therefore, both national markets offer different advantages and disadvantages, given that the product potential of jewellery is expected to increase in the UK as well as in Switzerland. Based on the previous elaboration, the market access and barriers do not vary to a great extent. Both markets are not in the European Union, thus, requiring tolls. Pakilia GbR already ships to both countries, thus, eliminating this barrier by prior experience. Regarding the umbrella organizations, both markets present the option of either approaching B2B customers individually and independently or by becoming a part of the umbrella organization and gaining quick and easy access to potential customers via the existing network and trade fairs.

5.4.3. SWOT

In order to be able to make an ideal selection of a potential target market, it is a crucial step to analyze the internal strengths and weaknesses of the enterprise as well as external threats and opportunities (Johansson, 2009, p. 108). Thus, the SWOT framework will be applied to pakilia GbR.

As figure 14 illustrates, there are several strengths of the small enterprise. Firstly, flexibility displays a crucial aspect. In this regard, the enterprise can quickly adapt to new situations or circumstances. This can, for instance, be seen in the example Ms Baumann (00:02:16) emphasized in her interview. The head of sales indicated that even though the broad construct of internal processes is fixed, several aspects within the process can be adapted according to a changing environment or new ideas. Another example is the flexible corporate culture of the firm, based on the daily interactions with their Mexican manufacturers. Mrs Müller (00:17:55), as well as Ms Baumann (00:00:27), highlighted the flexible, and open-minded culture, which can quickly adapt. Quick adaptability is of fundamental importance when internationalizing, given that the company is new to the market and might have to react in a timely manner. Moreover, pakilia GbR has a clear competitive advantage based on the official fair trade certification of the company. This allows them to acquire B2B customers, which exclusively sell fair trade products. Thus, this factor significantly distinguishes the small enterprise from the main competitors in the field of jewellery.

Concerning the weaknesses, it is crucial to mention the lack of manpower. This aspect was highlighted by both interview partners from pakilia GbR, whereby it was revealed that several ideas have not been realized in the past due to a lack of manpower. This can, for instance, be seen in previous internationalization strategies. As mentioned by Mrs Müller, the company has previously reacted to customer requests in order to internationalize and not attempted to strategize and actively select new potential target markets: *"I remember for the Italian market that somebody came to the German fair trade Trade Fair and Weltladenfachtag. And there was the first contact and that since then we are going once a year to Italy, to a small trade fair and same for Luxembourg."* (Miriam Müller, 00:01:54).

However, when considering the lack of resources, it is crucial to take the financial resources into account. As Ms Baumann (00:02:16) highlighted, there are certain limitations in regard to monetary goods. Nevertheless, she further mentioned that it is not a drastic lack and the company quickly learned to focus on what resources are available and not on what is not available. Through this approach, pakilia GbR managed to value and apply the previously mentioned skills of flexibility and adaptability.

Moreover, it must be considered that the competition for jewellery, in general, is rather high in Germany, and further in Europe in general, wherefore pakilia GbR must be capable of significantly distinguishing themselves from their competitors. As Ms Baumann (00:02:16) further underlined, there are not only competitors selling silver jewellery but further competitors offering mainstream jewellery made from other materials than silver, yet, mimicking the looks of real silver jewellery. However, the small enterprise achieved their customer base through the official certification of fair trade, which not only allows the firm to generate a fundamental competitive advantage but further enables access to a different target customer group in the fair trade industry.

The next step of the SWOT framework is to focus on potential opportunities for pakilia GbR. In this regard, the biggest opportunity is to gain more market share by entering new, European fair trade markets. The company's significant experience within this industry is a big advantage, given that there already are several connections to potential B2B markets or different European fair trade events and fairs. Therefore, by expanding into new markets, pakilia GbR has the opportunity to increase its sales and its brand awareness. Moreover, already entered markets present further opportunities, as Ms Baumann mentioned. She highlighted that the company could start to acquire B2B customers outside the fair trade industry and focus on the jewellery segment itself. Additionally, new product fields could be explored, such as cooperating with cities and producing typical souvenirs for tourists, for instance, a silver magnet of the main attraction within this city. However, besides expanding into foreign countries or new product fields, the fair trade industry is expected to maintain to grow in the upcoming years, as mentioned in chapter 5.1.3. Thus, another opportunity is presented.

Lastly, key threats of pakilia GbR are examined. Firstly, the significant number of competitors could become an increasing threat, when entering new foreign markets or novel product fields within existing markets. However, by focusing on the sustainable aspect of pakilia GbR's production, as well as the unique product line and by selling the company story, the firm can clearly differentiate itself. In addition, the current pandemic of COVID-19 could threaten the company in regard to its strategy of physical acquisition and networking through events and fairs. However, as the company has demonstrated in the past and as mentioned as a strength, the processes of pakilia GbR have been adapted quickly and the company responded to the exceptional circumstances. Thus, a focus on digital acquisition and digital events has been implemented, combined with a special emphasis on the section of e-commerce of pakilia GbR.

The following section will provide a recommendation for pakilia GbR for the final choice of market selection that will be made by the CEOs of the case company.

5.5. Market Selection – Recommendations

Based on the three stages of the process of IMS, specifically adapted to the case of pakilia GbR, a structured and methodical approach to selecting a new target country within Europe is provided. The stage of market selection was performed according to the model of Johansson (2009, p. 112). Cavusgil (1984, p. 31), on the other hand, suggests estimating company sales within this stage, however, based on the limited resources of SMEs, this thesis applies the stage according to Johansson (2009). However, given that the stage of final selection highly depends on top management decisions, vision and mission, the scope of the IMS process of this thesis are focused on the analytical part of the model, providing a sufficient examination and comparison of all potential target markets. The final selection was then made by the management of pakilia GbR.

Prior to the stage of preliminary screening, influencing aspects such as the mode of entry, internal restrictions as well as factors directly influencing the choice of the market have been considered. Hence, the first stage concentrated on European fair trade markets and assessed their potential according to several indicators suggested by the literature review and adapted to the specific case company of pakilia GbR. This analysis allowed to examine the overall market potential of target markets and decrease the number of potential foreign markets for the next stage: in-depth screening. This stage focuses on the respective industry, in which the case company operates. Therefore, five different indicators were selected according to literature suggestions and final weighting was performed according to the management of pakilia GbR.

By applying this stage of the IMS process, the selection pool of the potential target market could be decreased, and two final candidates were analyzed in more detail. By combining the approach of this stage in the IMS process according to Johansson (2009) and Cavusgil (1985), the general characteristics of the fair trade market could be considered. Further aspects such as market access and product potential within such potential markets could be included in the analysis as well. Hence, the final two candidates for a potential new target market were examined on a national and industry-wide level.

Given that the mode of entry, as well as the temporal internationalization, was set by pakilia GbR to be in form of export in a hierarchical matter, only one country will be selected as the new target market. Moreover, the internationalization strategy of pakilia GbR concentrates on personal acquisition, wherefore the geographical distance is of extreme importance. As for the stage of preliminary screening, the approach according to Johansson (2009) was chosen, wherefore 15 European markets were included in the country ranking. European markets with a GDP below 1% were not contemplated in the IMS process. Within this phase, four pillars are prioritized based on the importance of pakilia GbR. This categorization was then extended by the sales volume of the fair trade sector within the respective markets. Based on this weighting, the United Kingdom achieved the highest ranking, followed by France, Switzerland and the Netherlands. Germany was included in the examination process in order to be able to have a sufficient comparison of the current market of pakilia GbR.

Out of 15 countries, the seven highest achieving markets were taken to the phase of in-depth screening, in which four major variables were utilized to examine the market potential of the respective fair trade industries. This analysis revealed the United Kingdom as the highest weighted country as well, followed by Switzerland, France, Sweden and then Ireland, the Netherlands and finally Finland. Germany scored below the United Kingdom, in a matter of comparison. The highest-ranked markets were then analysed in detail, whereas the market access to potential B2B customers and the product potential were in focus.

This examination revealed only a few differences between the United Kingdom and Switzerland concerning market access, given that both countries are not members of the European Union, and

thus require specific toll adaptations. Both markets could be entered by joining a fair trade umbrella organization providing direct access to potential customers or by entering the market independently and acquiring potential consumers individually. Concerning the product potential, a major difference between the steadiness of revenue growth and reaction to changing market environments has been revealed. Whereas both countries indicated a clear growth in the jewellery section over the past 10 years, only Switzerland indicated a certain level of steadiness within this industry. This steadiness displays a major advantage, based on the limited amount of resources of pakilia GbR which makes it less quick to adapt to changing circumstances in terms of the revenue stream.

As figure 14 revealed, pakilia GbR has limited financial resources and manpower, whereas flexibility and adaptability are two strengths. Moreover, entering new markets has been identified as a key opportunity. Hence, after careful consideration of such arguments by the management of pakilia GbR, Switzerland was selected as the new target market.

However, as Miriam Müller (00:01:54) from the case company as well as Jürgen Herold (00:11:07) highlighted, small enterprises tend towards a practical approach and aspire to gather first market experiences at a rather early point concerning the market entry strategy. Hence, the existing IMS process will be complemented by a further stage, which will be examined in detail in the following chapter.

5.6. Use Case

Hence, once the IMS model has reached the stage of selection, the models provided by Root (1994), Cavusgil, (1985), and Johansson (2009), the IMS process has ended, and the choice of an adequate market entry mode will start. However, as realized in further parts of the analysis of this thesis, a practical approach toward market selection has been accredited with crucial importance. Hence, the stage of use cases can generate first practical and local experiences, in form of first acquisitions of potential new customers. The number of markets where use cases are conducted can vary based on the available resources of the respective small enterprise. The use cases can be started in order to acquire additional insight into the foreign country. This can be accomplished by means of assessing potential customers, whereby specific questions concerning a market entry of the respective firm and product are in focus. Within this matter, it is crucial to gain valuable details and insights concerning the potential customer's overall preferences and attitudes in relation to the respective company.

This step highly concentrates on using the previously gathered literature and results of the analysis and bringing it into relation with non-theoretical experiences. For this reason, two Swiss B2B customers have been selected, based on their representativeness. The first interview, the "Weltladen" in Schaffhausen is the biggest "Weltladen" in Switzerland and was chosen in order to generate insight into Swiss "WELTLADEN" structures. The other partner is a Boutique from a more

rural area in the Swiss mountains (47Grad Davos). Thus, the combination of both interview partners allows to not only assess the potential of Swiss Weltladen but further of a conventional store with a clear tendency toward fair trade.

Three different key aspects have been chosen in order to evaluate the use case in the Swiss fair trade market. Firstly, the pricing of pakilia GbR will be categorized, followed by an assessment of the overall potential of pakilia GbR in the Swiss market. As a third criterion, it will be evaluated whether the interview partners would commit to a long-term business relationship with pakilia GbR. The selection of the three factors was based on chapter 3.2 and the suggestion of Johansson (2009, pp. 106, 107) to gather local knowledge and insights into the foreign market. The researcher highlighted the importance of this step, in order to extend the previously theoretical analysis with practical insights and impressions. This can then lead to first connections in the B2B market in the respective country, which can be acquired at a later time.

Therefore, two personal acquisition meetings have been set up with the previously mentioned Swiss businesses. The process of acquisition in the German market has been utilized as the main framework, and several points have been adapted to the Swiss market. However, the broad structure was not changed, whereby the meetings start with an introduction of pakilia GbR itself, followed by fundamental backgrounds of the company history and the story of the products. This is then followed by a presentation of certain products, responding to the preferences and impressions of the Swiss businesses. This method has been utilized to extract whether the Swiss stores have serious potential and are fundamentally interested to collaborate with pakilia GbR, after learning about the products, the enterprise and the potential cooperation. During the meetings, both Swiss stores placed an order, which will be analysed in detail in the following chapter.

The first factor, the categorization of pricing will be examined based on the assessment of the two Swiss B2B businesses. Within this regard, the Swiss stores were asked to take into consideration the pricing of similar articles which are sold in their stores as well as based on a general evaluation based on their experience. Hereby, both stores categorized the pricing of pakilia GbR's products in a middle range, stating that similar products are sold at a lower price as well as other similar products at a higher price than the products sold by pakilia GbR (Rhoda Klann; Tina Stricker). Tina Stricker further mentioned the following: *"I think you are well priced. What I currently sell in silver-plated earrings is between 39.90€ and 119.00€. That suits you, even with VAT and customs. I think you are doing well in the Swiss comparison [...]"* (Translated by author) (Tina Stricker, para 1).

Concerning the potential of the product portfolio of pakilia GbR, the orders placed by the Swiss stores will be taken into account. By comparing the volume of the orders with similar new customers in the German B2B fair trade market, a first impression of the potential in the Swiss fair trade market will be generated. As previously mentioned, the same structure of acquisition has

been utilized, and the meetings have been held in the same week, in order to eliminate a distant timely gap and increase the comparability.

Hence, table 15 and table 16 reveal the orders of the 47 Grad Davos and the Claro Weltladen Schaffhausen. Both stores have placed an order above €1700, wherefore a high potential for pakilia GbR in the Swiss market is indicated. However, such a comparison does only imply a first glimpse of the Swiss fair trade market and its potential and not a full prognostication. To do so, the frequency of orders would have to be considered, however, given that both Swiss customers have just been acquired, no data concerning the frequency of orders is available at this point in time.

Despite previously mentioned arguments, the orders can further be analysed concerning the price range. As pakilia GbR offers jewellery in different price categories, it can be examined whether the Swiss stores indicated a preference toward a particular price range. The lowest price category of pakilia GbR ranges from €00.00 to €49.99, the middle price range starts at €50.00 and ends at €129.99, and the highest price range is products priced higher than €130.00. As table 16 highlights, only one product of the Claro Weltladen Schaffhausen order is in price range 2 and all other purchases are products from price range 1 and no products of the order are in the highest price range. As for the order of 47Grad Davos, 2 products are in the middle price range, whereas all other purchased products are in the lower price range and no products are in the higher price range.

Hence, the two Swiss stores preferred products in the lowest price range. However, this can be due to different reasons such as a clear preference for lower-priced products, previously set restrictions concerning the purchasing power, or a lower risk due to lower monetary commitments. Rhoda Klann further elaborated on the Swiss market potential with the following statement: *"I think Pakilia already has great potential in Switzerland. Especially because Pakilia already has a Swiss clientele. Also, because my impression is that customers are paying more attention to fair trade and sustainability, I think that is positive for Pakilia. Our customers who come to us always check that it is fair trade and recycled. They also ask where the product comes from, right down to the last detail. Even with the packaging, they always want to know where it comes from and whether it is environmentally friendly."* (Translated by author) (Rhoda Klann para 3). Hence, all aspects are part of the fundamental competitive advantages of pakilia GbR and are deeply embedded in the firms' objectives.

Regarding the last aspect, both Swiss stores have been asked whether they want to commit to a long-term business relationship with pakilia GbR. Both businesses have answered positively and empathized with their positive attitude toward pakilia GbR and their products (Tina Stricker, para 3; Rhoda Klann para 3). Therefore, a high valuation of the Swiss market can be extracted for pakilia GbR. Both stores have exceeded the average order volume of new German customers,

positively mentioned the pricing of the products and can imagine committing to a long-term relationship. However, it must further be mentioned that both stores indicate a clear tendency towards lower-priced products and medium-priced products.

The following section will discuss the application of the IMS process according to the literature, with the findings from the analysis, as well as from the expert interviews. In this regard, the interviews with Ingo Schlotter (DWP) and Jürgen Herold (Frida Feeling) will be used to gather and discuss insights into the current IMS process in two competitor companies.

5.7. Discussion

Small enterprises are a main pillar of the economy due to their potential to grow and the significantly high number of small enterprises worldwide. Thus, various industries are striving to provide a lucrative environment for such companies (Chalmers et al., 2016, pp. 376 – 381). However, in the process of growth, a crucial milestone is to internationalize and select an adequate international target market, where small enterprises reveal a clear tendency toward approaching this decision based on subjective experiences (Brouthers & Nakos, 2005, p. 363; Musso & Francioni, 2014, pp. 308, 309; Papadopolous & Martin, 2011, p. 135). Therefore, small enterprises must understand how international market selection processes work and what options are available for this elemental stage of internationalizing.

Based on the literature review and evaluation of theoretical approaches, a process emerged which is specifically adjusted to the limited availability of resources for small enterprises. The theoretical view point of this thesis was expanded by interviews with potential customers and with competitors. Therefore, the process has not only been created for the use of the case company pakilia GbR but further developed in regard to small enterprises in the fair trade industry. The purpose of subjecting the established theoretical process to a reality check in order to examine its relevancy was effective. Consequently, the results of the literature review can now be integrated into the findings of the qualitative research to complement the practical component of the general topic matter of international market selection processes.

Based on the course of this master thesis, the previously obtained accumulated knowledge based on the examined literature was reviewed in a framework, as can be seen in table 17. However, this process and its specific stages must be incorporated with new findings originating from the assessment of the case company as well as the competitor interviews. The primary factors of developed adaptation from the evaluation are further elaborated on in the subsequent chapters.

5.7.1. Preliminary Screening

The second adaption to the IMS process for small enterprises affects the preliminary screening phase. In this regard, the literature review revealed that the IMS process based on Cavusgil (1984) and Johannson (2009) emphasizes the most realistic approach for small enterprises with limited

resources available. Given that the analysis of country ranking takes scientific secondary data into account, the company does not conduct extensive and costly surveys on its own but can rather rely on economic reports. However, the analysis can still be adapted to the respective enterprise based on the chosen criteria, which the analysis takes into account. Hence, the enterprise can either choose from suggestions based on current literature or even adapt it to its own ideas and priorities.

As mentioned by Cavusgil (1984) several variables are suggested in the literature, for instance, the macroeconomic stability, industry share, market access, product market and market size in regard to the country's GDP (pp. 30, 31). However, the literature does not consider the weighing of the chosen variables. Thus, this thesis applied a weighing scale assigned by pakilia GbR itself. This approach allowed the analysis to adapt to the case company.

However, as the results of the interviews clearly indicate, this stage highly differs among the small fair trade enterprises. As Ingo Schlotter highlighted, DWP does not consider all available markets in the EU but rather focuses on geographically close countries with a high level of market acceptance for fair trade products in general. Jürgen Herold revealed a rather similar approach, given that Frida Feeling focuses on expanding into markets where the company has internal, local market knowledge. He highlighted this by the example of Poland, where a market entry was considered based on the local insights from a Polish employee of him (Jürgen Herold, 00:11:07). He further exemplified this approach on the French fairtrade market: *„For us, it would be quite classic, if I find someone who knows French and lives in Saarland, then we would probably try it. So, we would also go a bit into markets, a bit of trial and error. I would also say we don't have any great expectations, and I think it's often the case with small enterprises that it's also a bit of a coincidence with who's working.“* (Translated by author) (Jürgen Herold, 00:26:32)

Even though he considers this market to be highly profitable in the fair trade industry, a market entry has not been considered based on a lack of French-speaking employees. Herold further empathized that some market entries are not actively planned but rather evolve due to favouring circumstances, such as a request to cooperate with local partners. However, Musso and Francioni as well as Papadopolous and Martin also mentioned that companies that do not apply a systematic IMS process but rather subjective decisions concerning a market selection process indicate a significantly lower rate of success (Musso & Francioni, 2014, pp. 308, 309; Papadopolous & Martin, 2011, p. 135).

The approach of Johansson (2009) in the stage of preliminary screening displays significant advantages for small enterprises, such as manageable required resources and operating expenses due to available economic reports with comparable pillars. The method of country ranking further allows to narrow down the list of potential target markets quickly and effectively, based on specifically adapted factors for the respective company. However, as the interviews

revealed, this stage of the IMS process is not widely used among small fair trade enterprises, despite its significant advantages.

5.7.2. In-Depth Screening

The third stage, in-depth screening, displays one of the most important steps. Not only does this phase focus on a more detailed analysis of potential target markets, but it takes a company's weaknesses and strengths into consideration (Johansson, 2009, p. 108). Jürgen Herold raised the following questions: *"What capacities do we have there? Does it even make sense to go somewhere else? That is the prerequisite."* (Translated by author) (Jürgen Herold, 00:11:07). He further highlighted: *"That is actually the biggest challenge with small enterprises, that we reach capacity limits for various reasons. In part, this is also monetary, i.e. cash flow."* (Translated by author) (Jürgen Herold, 00:16:20).

Hence, a small enterprise can only select an adequate target market by considering internal weaknesses, for instance, limited monetary and manpower resources. Such potential restrictions are of fundamental importance when analysing potential target markets in more detail. As Cavusgil (1984, pp. 30, 31) highlighted, there are several factors according to which the analysis can be performed. He suggests applying variables such as the overall market share, the industry share, and cultural or geographical differences. For the in-depth screening, Jürgen Herold mentioned logistics, and policies as well as tariffs as key difficulties when expanding (00:07:19), whereas Ingo Schlotter highlighted differences in languages and socio-economic factors as key factors. The geographical distance was mentioned by both participants, as both companies place significant importance on personal acquisition (Ingo Schlotter, 00:14:14; Jürgen Herold, 00:26:32).

Concerning the importance of cultural distance, the interviews revealed significant differences among the participants. Whereas Miriam Müller (00:01:54) and Ingo Schlotter (00:14:14) categorized this variable as a key determinant, Jürgen Herold related only little importance to cultural distance (00:16:10). Therefore, it becomes apparent that this determinant varies with the respective company and product.

However, all interview partners named the same factors as key determinants for the market selection process: geographical distance, industry share, as well as cultural distance. The only factor, which was not mentioned in particular by the participants was market growth.

Moreover, Jürgen Herold highlighted that a theoretical, detailed analysis of the market structures was significant to the overall market selection process: *"But just the choice of market, then it is already up to them to look at the bigger target market. So in our case actually sustainable Fairtrade, as you say, is there Fairtrade at all? There is a chance. What are the general price structures? [...] We looked at what is actually available on the Fairtrade market"*. (Translated by author) (Jürgen Herold, 00:11:07). Subsequently, local market structures, potential customer structures and a general overview of the respective industry should be added in this step.

Considering all these factors, the stage of in-depth screening has been extended to include an analysis of the industry structure with two sub-categories: local market and customer structures, as well as the overall market access and potential. This detailed examination of potential target markets does not need to be conducted for all considered markets within this stage, but rather for the highest-ranked countries after conducting the country ranking according to previously discussed factors.

5.7.3. Selection

The original IMS process according to Cavusgil (1984), Johansson (2009), and Root (1994) ends with the stage of selection. The final decision is up to the company after recommendations of potential target markets have been provided. No adjustments to this stage are suggested by the authors. However, it is crucial to not decide subjectively, but rather trust the previous analysis and selected factors as well as the selected weighing.

As the UK and Switzerland were ranked as the most lucrative European target markets for pakilia GbR, the company selected the Swiss market for a new, strategic expansion. Despite this decision, Jürgen Herold named Switzerland the number one "In Switzerland, Fairtrade is relatively well established due to internal activities. And Switzerland is always one of those that are in first place in our company of what's going on in the market." (00:00:24). He further mentioned that the UK is not attractive for small, German fair trade enterprises, based on local industry structures and despite the lucrative size of the overall fair trade segment within the country. (00:16:10) This underlines the importance of the added, theoretical in-depth examination of potential new target markets.

Further markets which are assessed as attractive fair trade markets according to Herold and Schlotter are the Netherlands and France, which are in the eighth and fifth place in the analysis for pakilia GbR. The interviews revealed that it is a major advantage for small enterprises to be present in different markets, as the example of Jürgen Herold displays: *"I think the big advantage of having different brands is actually that you can meet the different requirements of the customer. I also notice that certain products are in different demand in certain markets and that this helps, of course. This diversification of the markets"* (Translated by author) (00:20:39).

5.7.4. Use Cases

A significant modification to the IMS process is this additional stage. The previously analysed models suggest conducting case studies in the potential new target market. However, the SWOT analysis of the case company revealed that required resources for such use cases are not available due to restrictions concerning financial and manpower capacities. With the information from Miriam Müller and Melanie Baumann, that the case company displayed a significant lack of financial and manpower resources, it becomes apparent that conducting the first stage on a big scale was not feasible. Thus, a small enterprise might be able to perform use cases in a

significantly smaller quantity, however, the overall amount of potential new target markets must be reduced prior to such use cases.

This finding can further be supported by the statement made by Jürgen Herold. The CEO of another fair trade company revealed that Frida Feeling utilizes local research as part of their IMS process (00:25:19). Nevertheless, the first stage of the IMS process can provide significant insights into a new target market, given that not only theoretical implications are considered but also first practical experiences. As highlighted by Johansson (2009, pp. 106, 107), it is suggested to firstly test a potential market, rather than entering the market without a prior testing phase. This can save crucial financial resources and reduce required costs and manpower. As previously mentioned, both of these factors are scarce resources in small enterprises.

However, due to the significance of this stage, the IMS process for small enterprises should contain the stage of use cases, but at a late stage of the overall process, for instance, as the last stage. The additional stage allows small enterprises to expand the overall process, but with a significantly minimized number of target markets to test. Hence, the IMS process would be expanded by this additional last stage, placed either between the stage of in-depth screening and selection or even after the stage of selection. The specific placement highly depends on the available resources of the small enterprise, in regard to how many country-specific use-cases can be realized.

6. Conclusion

The objective of this thesis was to investigate the process of international market selection models for small enterprises to define the most relevant and adequate approach. Both qualitative research and literature review unveiled that the entire system of the IMS process is a complex phenomenon. Additional complexity evolved when determining the particular variables for the different stages. In the course of examining the complexity of an ideal IMS process for small enterprises, a system was developed to summarize all findings. Therefore, it is now possible to respond and answer the previously stated research questions: What process can the small enterprise apply in order to make a sufficient market selection and which European fairtrade market is the most lucrative choice for pakilia GbR when internationalizing?

Despite the fact that each small enterprise is an individual entity with its own challenges and needs, it is possible to narrow down key variables and determinants which apply for the majority of small enterprises. The most significant adjustment to current IMS processes is the extension of existing models by an additional stage, including the approach of uses cases in the process. This enables small enterprises to gather first-hand and local insights, which allow them to judge potential long term market entry decisions more adequately. Moreover, a further influential and crucial adjustment is the elimination of the first stage, stage zero. This stage is not necessary due to the limited resources of small enterprises in regard to financial and manpower availabilities. The

final IMS process has further been adjusted by combining different stages from diverse models to a final IMS process for small enterprises, based on efficiency and priority.

6.1. Theoretical and Practical Implications

The overall research question has been answered in the subsequent chapters, leaving findings concerning practical and theoretical implications to be discussed here. To be able to consider detailed implications, the subsequent section is separated into the different subquestions of the research question.

Investigating the reasons why pakilia GbR should enter international markets and analyzing market potentials. The IMS process comprises the input from qualitative findings, literature review and prevalent international market selection models. This framework aimed to not only visualize relevant stages of the model but further eventually evaluate the importance of current stages while offsetting such findings with potential new stages. However, prior to the IMS process, each enterprise must decide whether they want to internationalize or not. Thus, different motives and reasons can lead to the final decision of the internationalization of a small enterprise, as discussed previously. The findings of the literature review as well as of the qualitative investigation congruently revealed that a company can grow, diversify business and expand by entering into new markets.

As the IMS model was applied for pakilia GbR, European fairtrade markets were analyzed and narrowed down as the stages of the IMS process were realized. A recommendation of two different fairtrade markets (Switzerland and the UK) was formulated, whereby the CEO of pakilia GbR placed the first decision. After pursuing Switzerland as the potential new market for the case company, the last stage was conducted and pakilia GbR is now entering the Swiss fairtrade market.

Understanding the main challenges of selecting an international target market. Furthermore, as previously discussed, the market potential of respective national markets can vary to a great extent. Hence, an adequate process concerning market selection must be undertaken. As several scholars highlighted, the success rate of internationalizing small enterprises is significantly higher when applying a systematic approach to the market selection than by deciding intuitively (Musso & Francioni, 2014, pp. 308, 309; Papadopolous & Martin, 2011, p. 135).

In terms of a market, it is crucial to align on a common definition of a market. For this thesis, the term has been defined to be specific for a country, whereby the national borders also define the market borders. The focus is not on specific product markets, but rather on national markets within a certain industry. Realizing the severe differences among European fair trade markets, the application of a systematic IMS process becomes apparent. In this regard, the findings revealed that the applied model must be adapted to the company size, given that small enterprises greatly

vary when compared to big corporations. Certain limitations concerning financial resources as well as manpower must be considered as crucial constraints, whereby flexibility and a quick adaptation can be employed as sufficient strengths. As for the overall IMS process, the literature review revealed that there are several approaches, however, the models are not fully adapted to small enterprises. Hence, this thesis adjusted previous set models and expanded them with an additional stage, to be capable to generate a sufficient outcome for the case company and small firms in general, while focusing on an economical and effective approach.

Exploring key criteria when deciding which market to enter. As for the variables and criteria that are applied in the course of the different stages of the IMS process, a certain adaptation to the respective small enterprise must be made. However, as the analysis of the case company revealed, a variety of determinants have been named in the course of the literature review and further variables have been analyzed as a result of the qualitative investigation.

Despite the fact that various IMS process models, see chapter 3, are prevalent in the academic literature, a fundamental lack of realistic adaptability for small enterprises can be seen. Findings suggest that small enterprises orientate themselves on a rather practical and time-efficient approach by taking secondary data into account while conducting profound first-hand experience in a form of first-handed market experience.

6.2. Limitations of the Study and Further Research

Some elements are not included in the scope of this thesis. The most important aspect in this regard is the estimation of the market entry costs, as well as the precise analysis of future-oriented market developments. A sufficient forecast and cost comparison of potential target markets would have been rather beneficial for the overall applicability of this thesis for pakilia GbR. Moreover, the limitation of this thesis to one case company can further hinder the general applicability of this study. Hence, the weight of the different variables in the stage of preliminary screening as well as in in-depth screening highly depends on the respective companies' priorities.

Moreover, the extent of the qualitative data displays another limitation. Despite having a well-selected variety of interview participants, ranging from well-experienced sales managers to CEOs and potential customers, the sample size only consists of six different interview partners. For the scale of this thesis, the sample size was sufficient, however, a greater and further diversified sample size would beneficially impact the validity of IMS processes for small enterprises. Additionally, a greater quantity of case studies in different areas would be valuable for the entire outcome and legitimacy.

Another limitation of this study is the use of secondary data sets. A report published in 2019 has been applied as a base for several comparable variables of preliminary screening and in-depth screening phase within this IMS process. However, no more recent report containing such

variables has been published due to the Covid-19 pandemic but will rather be published after the pandemic has been decreased in its economic impact. However, the case company did not have any resources in order to conduct such an extensive amount of primary research in several European countries, wherefore the data set published in 2019 was utilized. Nevertheless, the fairtrade industry was not detected to be a highly disruptive industry, wherefore the implication of the data set should be considered.

Additionally, the generalization of this IMS model for different industries displays a limitation. This thesis has solely focused on the fairtrade industry, as this is the sector of the case company. Besides the fact that differentiation and diversity have been mentioned in several aspects throughout this thesis, one could take specific use cases and examine small enterprises in various industries in more detail. This diversification across different industries could yield deviating results concerning the most pertinent impacting aspects and variables for the IMS process for small enterprises.

Besides the potential for further research highlighted in the limitations of this thesis, the IMS process for small enterprises presents a significant initial point for additional research, for instance towards a wider spectrum of small enterprises. In the scope of this research, the entry mode strategy is limited based on the case firm's business model. In further research, however, the mode of entry could be expanded in the different screening phases. The limited insights of this research revealed that adjusting existing IMS models to small enterprises in respective industries is a promising concept.

Further research in this area unveiled that the subject matter around small enterprises and respective IMS models is a complex undertaking. Nevertheless, by examining the topic phase by phase, it is conceivable to describe a snapshot of the first step of the internationalization process of small enterprises, including important impacting success factors in a comprehensible and structured approach.

6.3. Outlook

The fair trade industry has been prognosed to increase its sales revenue in several European markets. This is, among other reasons due to the increasing awareness of sustainable and fair consumption among consumer groups (Koos, 2021, pp. 168, 169). This has further been highlighted by Ingo Schlotter during his interview: *"For many young people, the idea of fair trade is self-evident. [...] The politicians are interested that the will be re-sharpened in combination with the environmental issue, in combination with the social issues that are also pressing us."* (Translated by Author) (Ingo Schlotter, 00:22:32). The prognosis of Jürgen Herold further expands this statement by considering a fundamental market position of fair trade products in conventional markets: *"I very much believe that the products also have a justification outside the narrow fair trade market, more so than many others, and our goal is to become significantly more active and*

also significantly more present and thus also achieve the corresponding growth.” (Translated by Author) (Jürgen Herold, 00:30:38).

Hence, the potential for pakilia GbR to grow its market share and successfully internationalize is impacted positively. Such findings have further been confirmed by the conducted analysis of this thesis, mentioning a significant growth of the fair trade industry in the upcoming years in European markets. The first step of pakilia GbR has been made by the internationalization into the Swiss fair trade market and might continue in the future.

7. References

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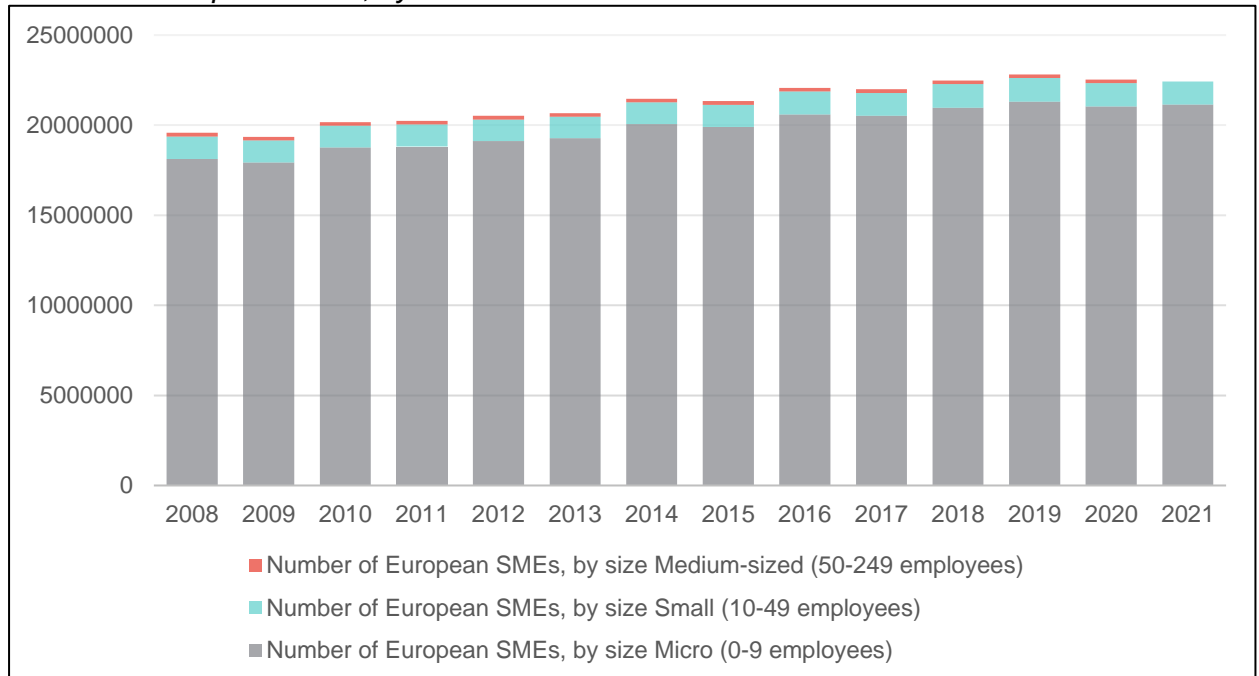
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8. Appendix

Appendix A

Figure 1

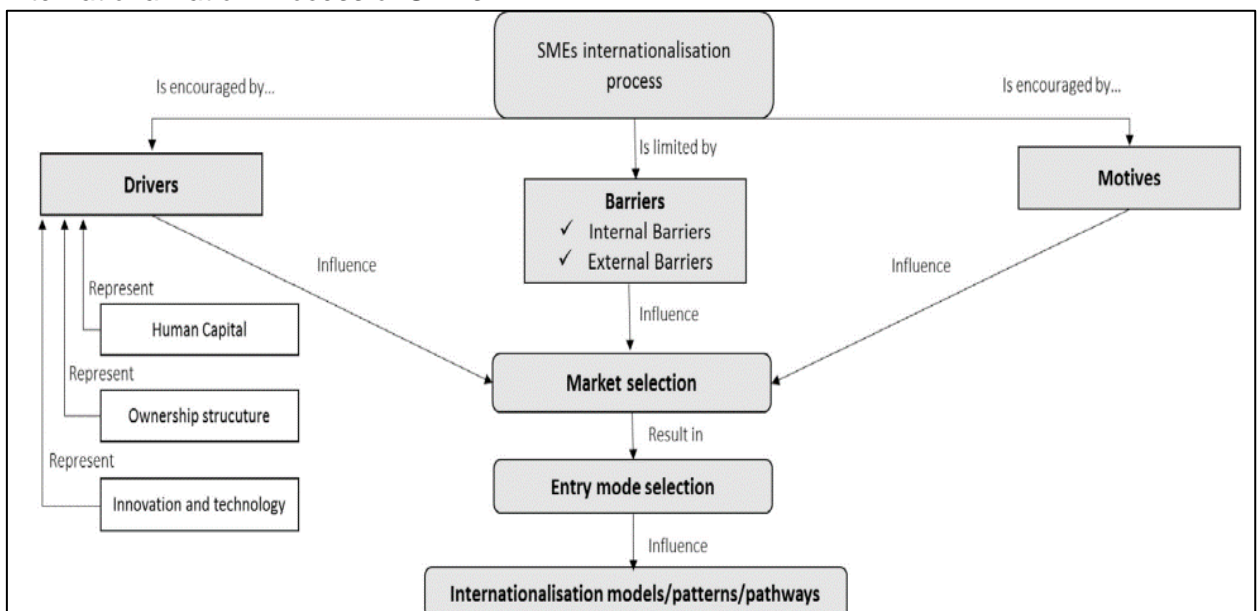
Number of European SMEs, by size



Note. Adapted from European Commission, 2021, p. 2.

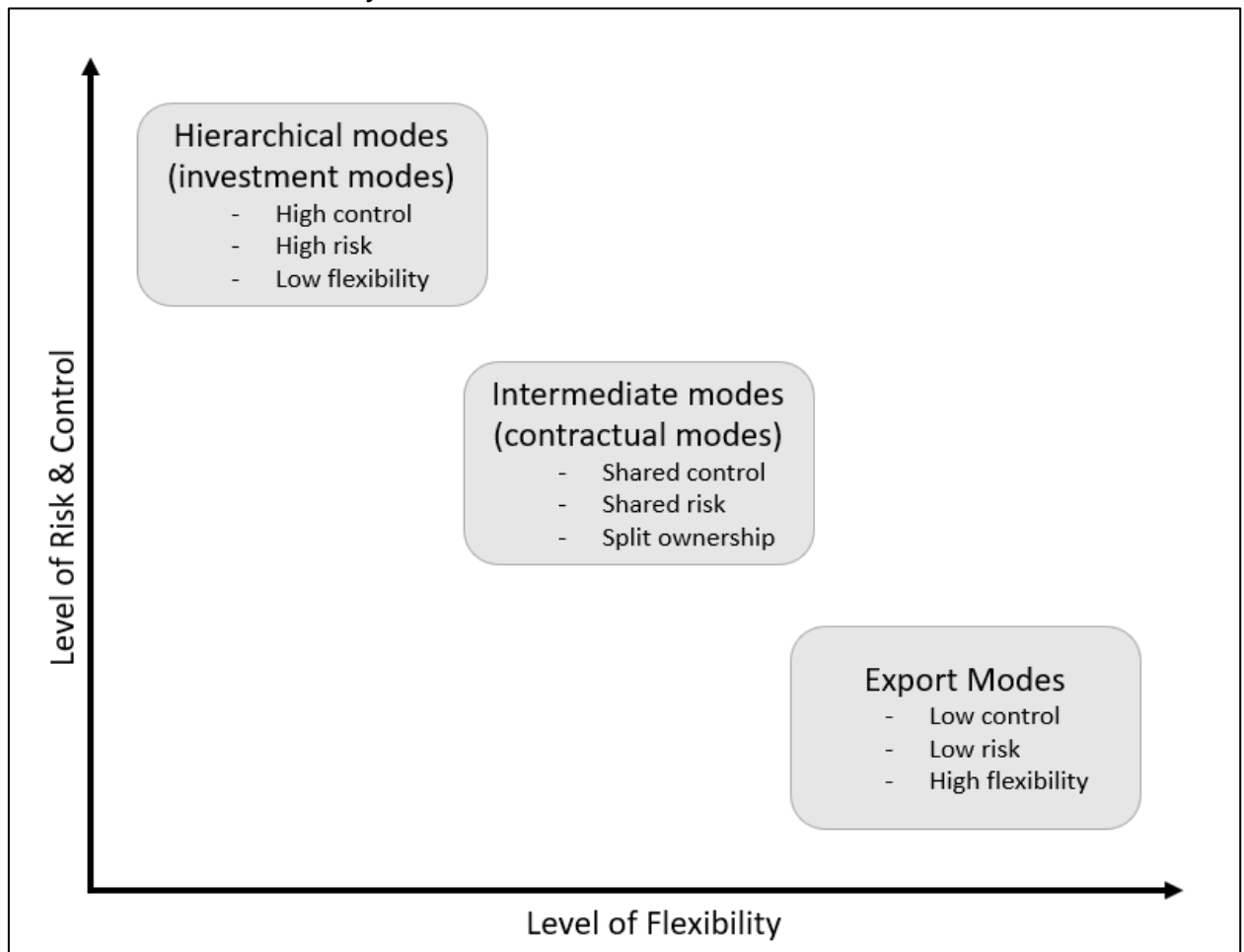
Figure 2

Internationalization Process of SMEs



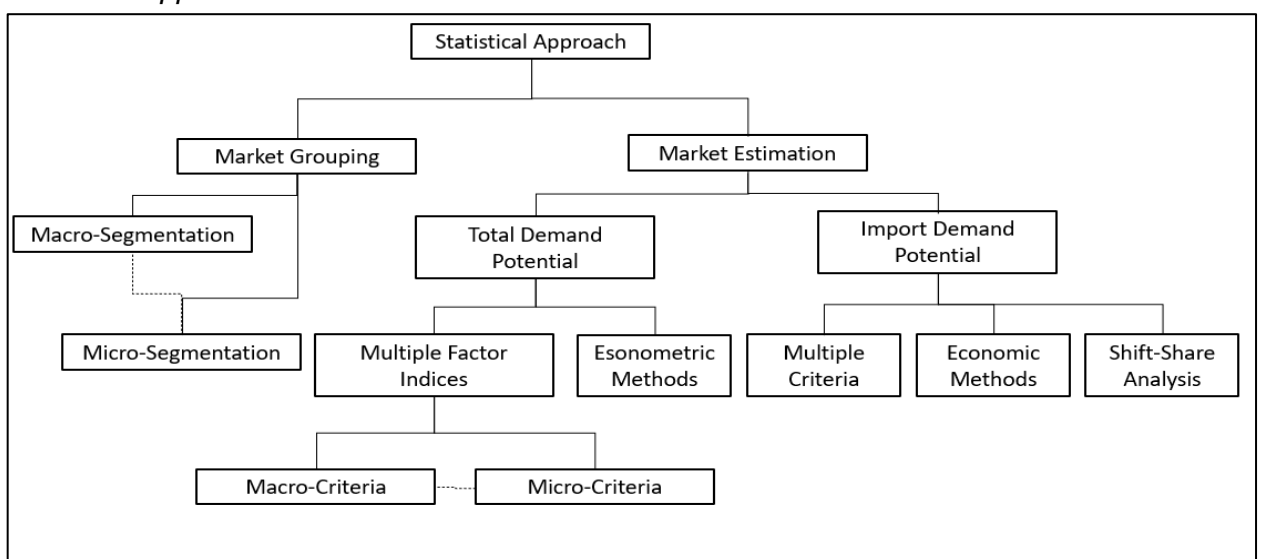
Note. Adapted from Morais & Ferreira, 2020, p. 71

Figure 3
Classification of Market Entry Modes



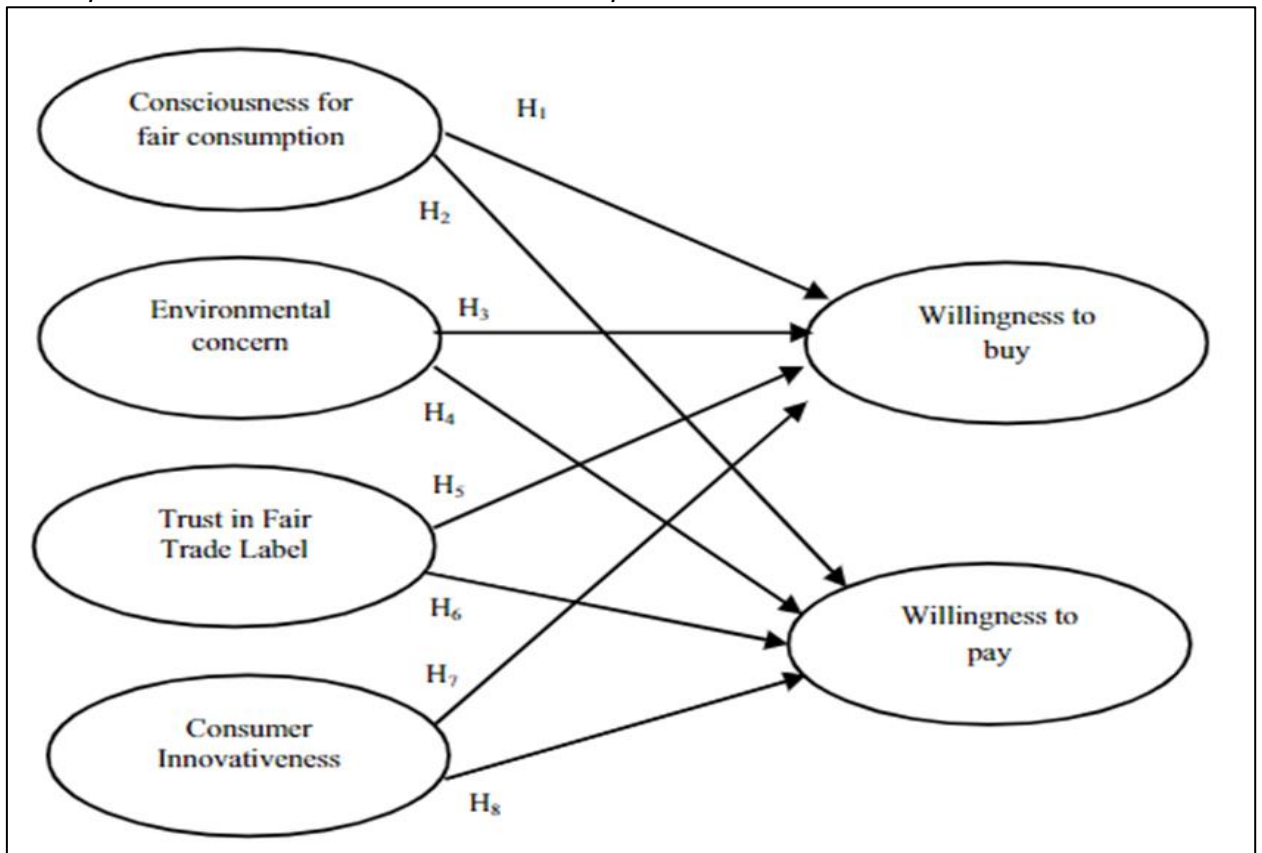
Note. Adapted from Hollensen, 2020, p. 345.

Figure 4
Statistical Approaches to the IMS Process



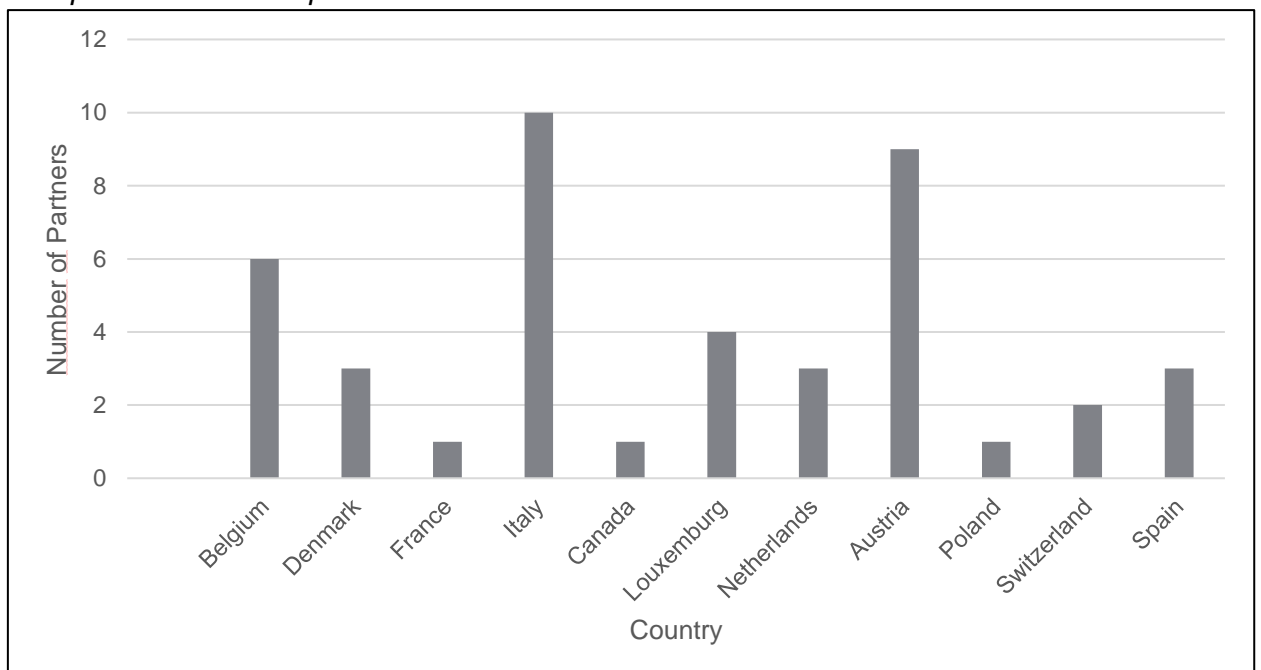
Note. Adapted from Papadopoulos & Denis, 1988, p. 40.

Figure 5
Conceptual Framework for Fair Trade Consumption



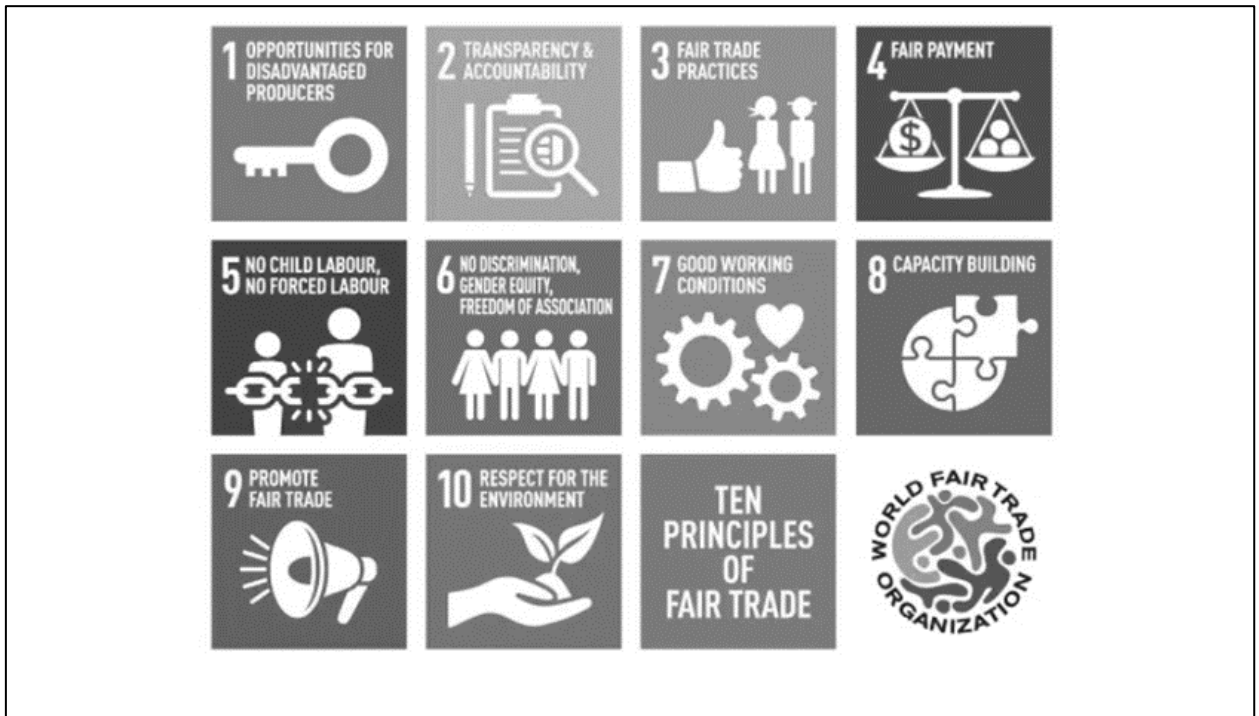
Note. Adapted from Konuk, 2019, p. 142.

Figure 6
European Branches of pakilia GbR



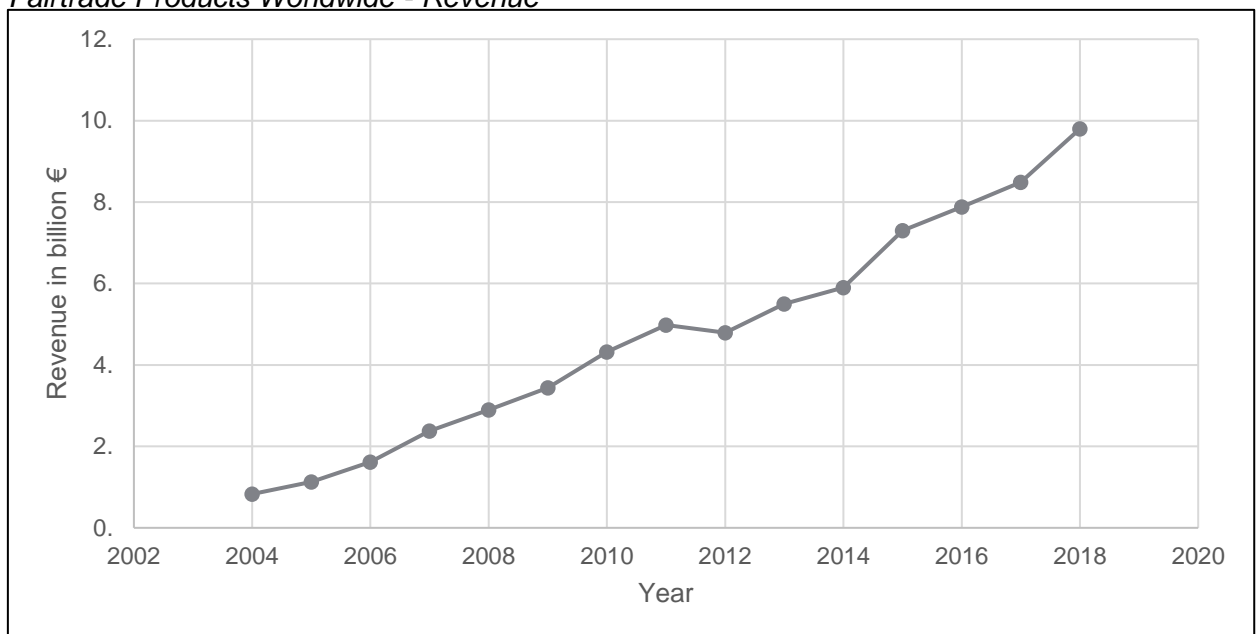
Note. Adapted from pakilia GbR, 2021.

Figure 7
Principles of Fair Trade



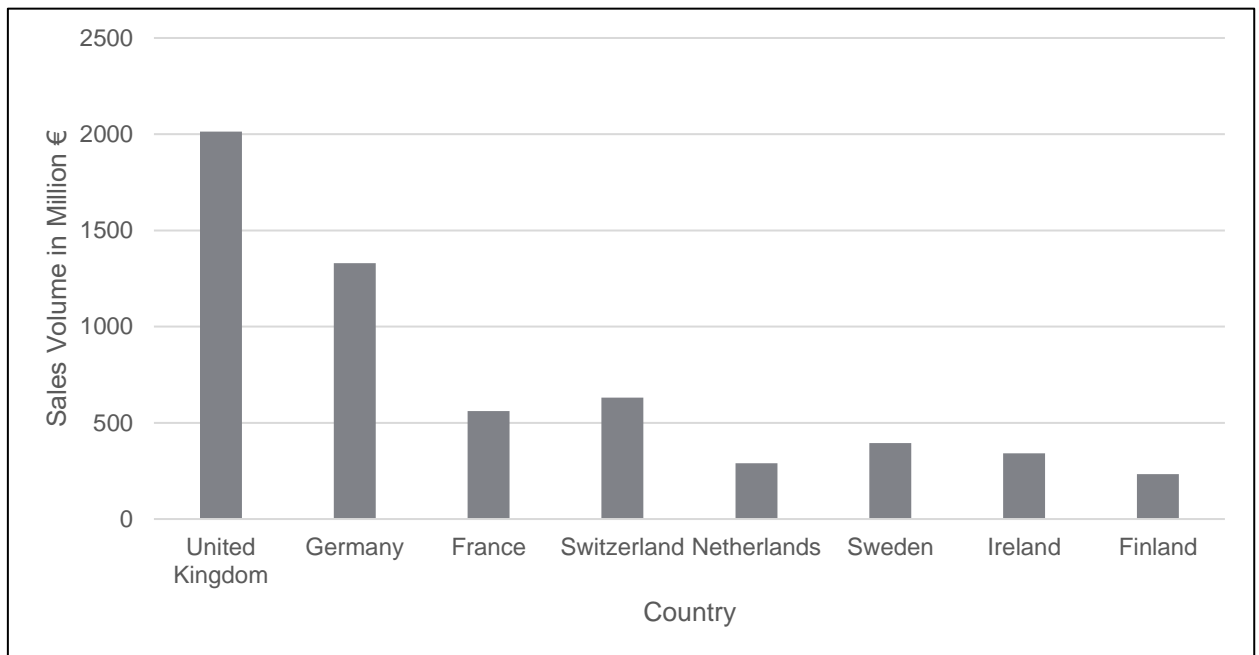
Note. WFTO Europe, 2016, p. 1.

Figure 8
Fairtrade Products Worldwide - Revenue



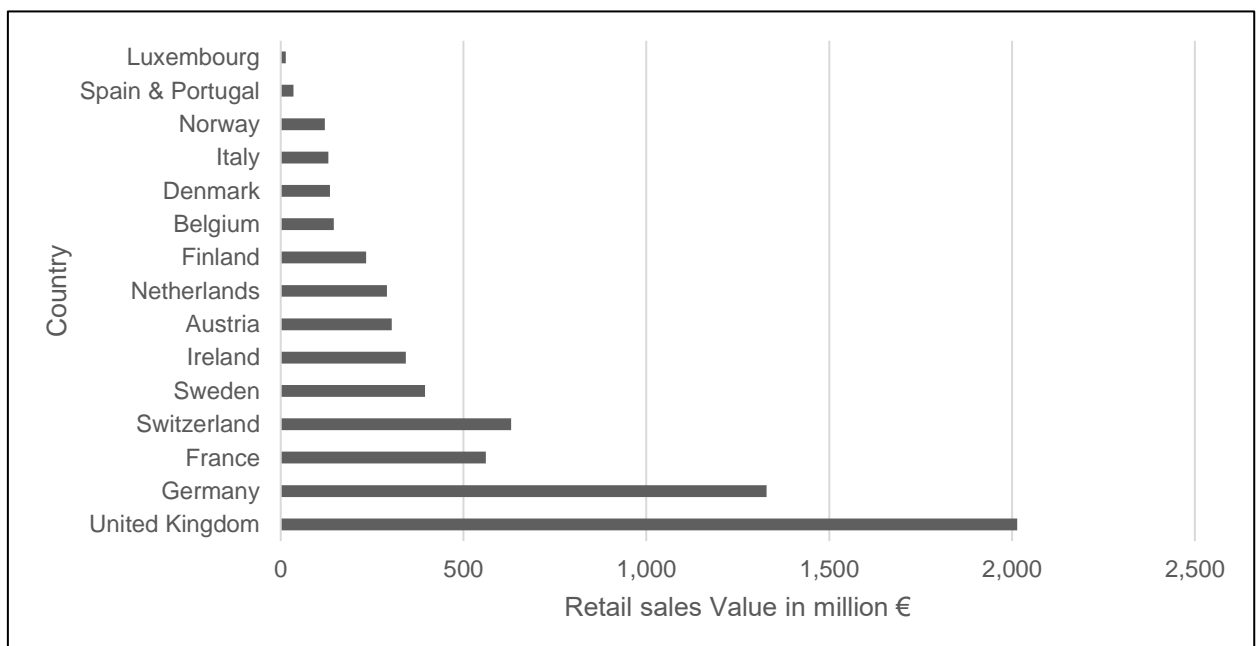
Note. Adapted from Fairtrade International, 2018, pp. 2, 9, 15.

Figure 10
Market Size of Fair Trade Products



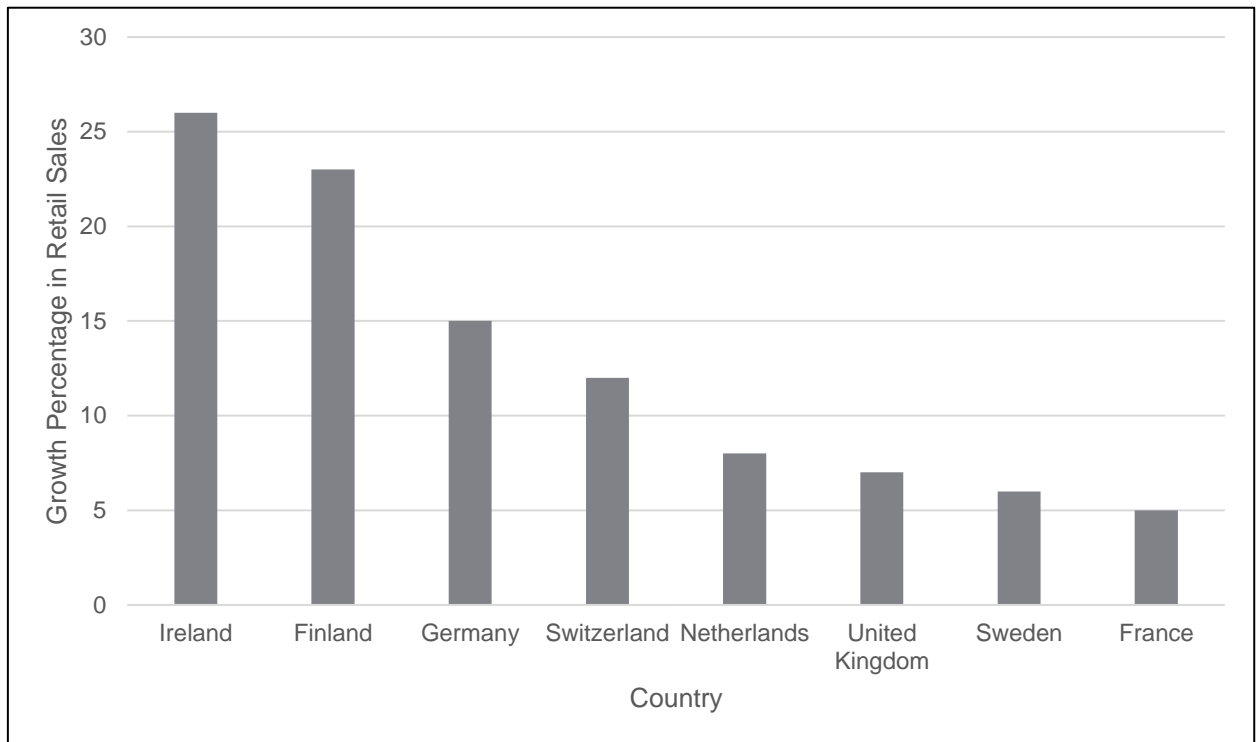
Note. Adapted from Fairtrade International, 2018, pp. 2, 9, 15.

Figure 9
Retail Sales Volume of Fairtrade Products in European Markets



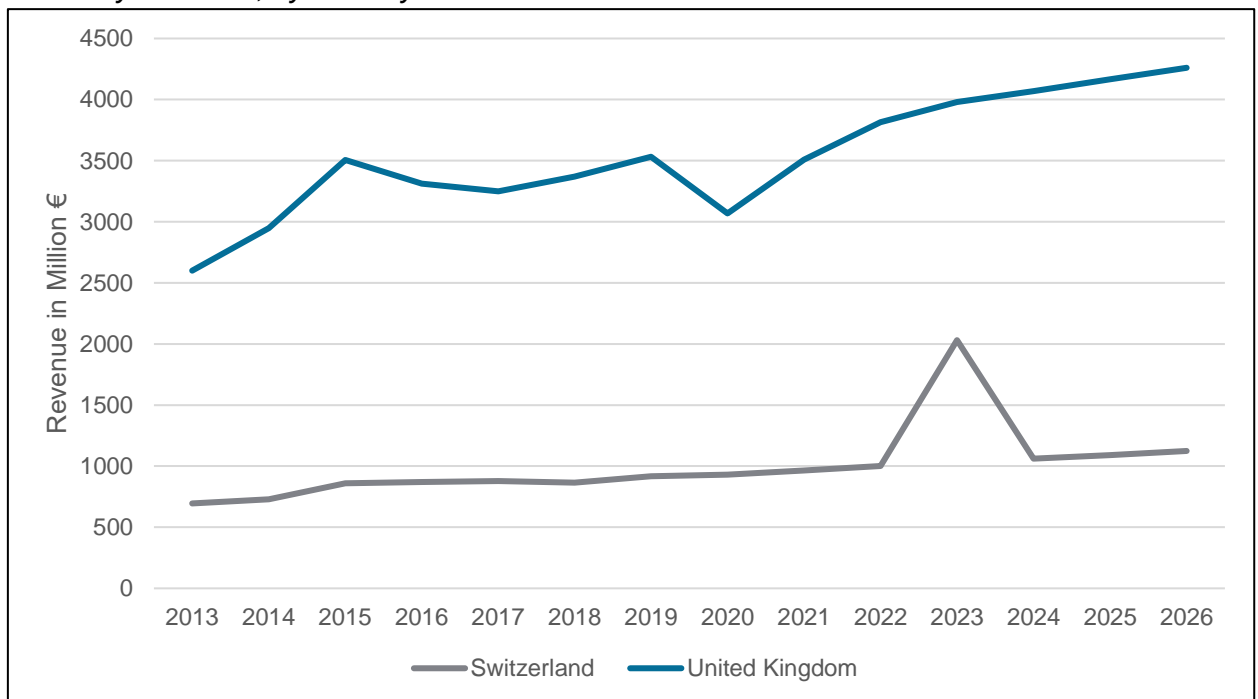
Note. Adapted from Fairtrade International, 2018, pp. 2, 9, 15.

Figure 11
Fair Trade Market Growth



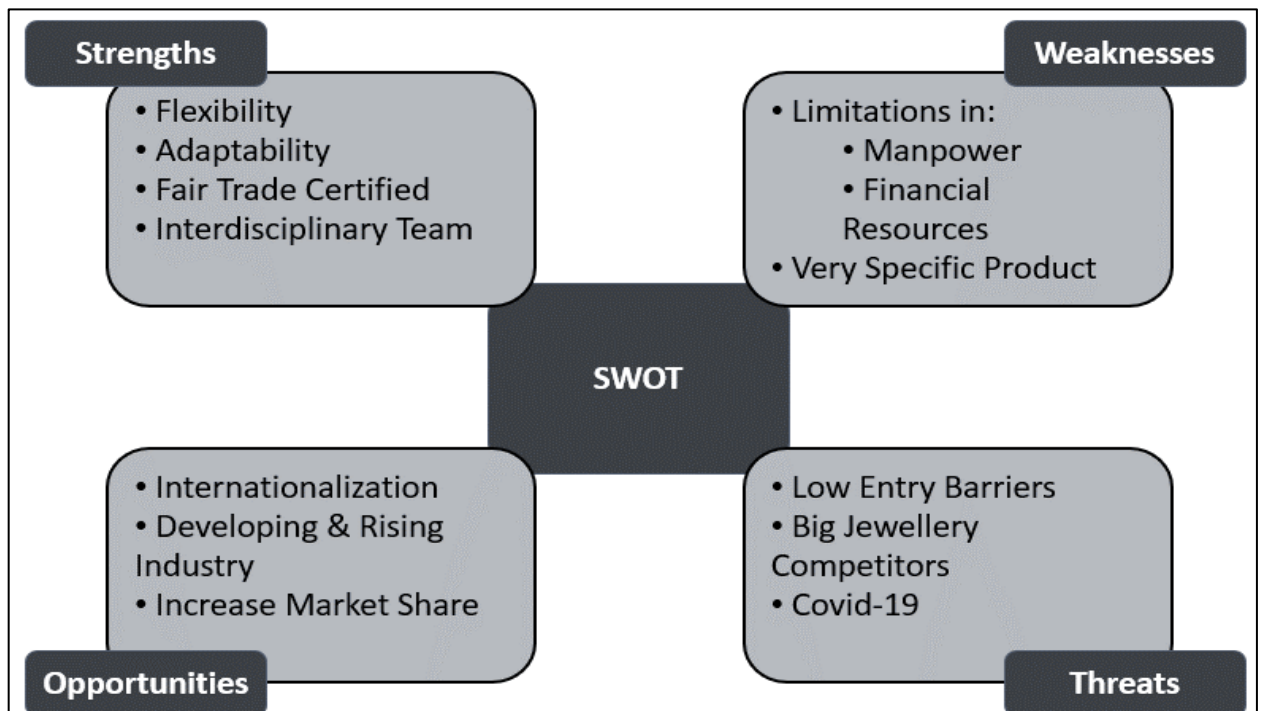
Note. Adapted from Fairtrade International, 2018, pp. 2, 9, 15.

Figure 12
Jewellery Revenue, by Country



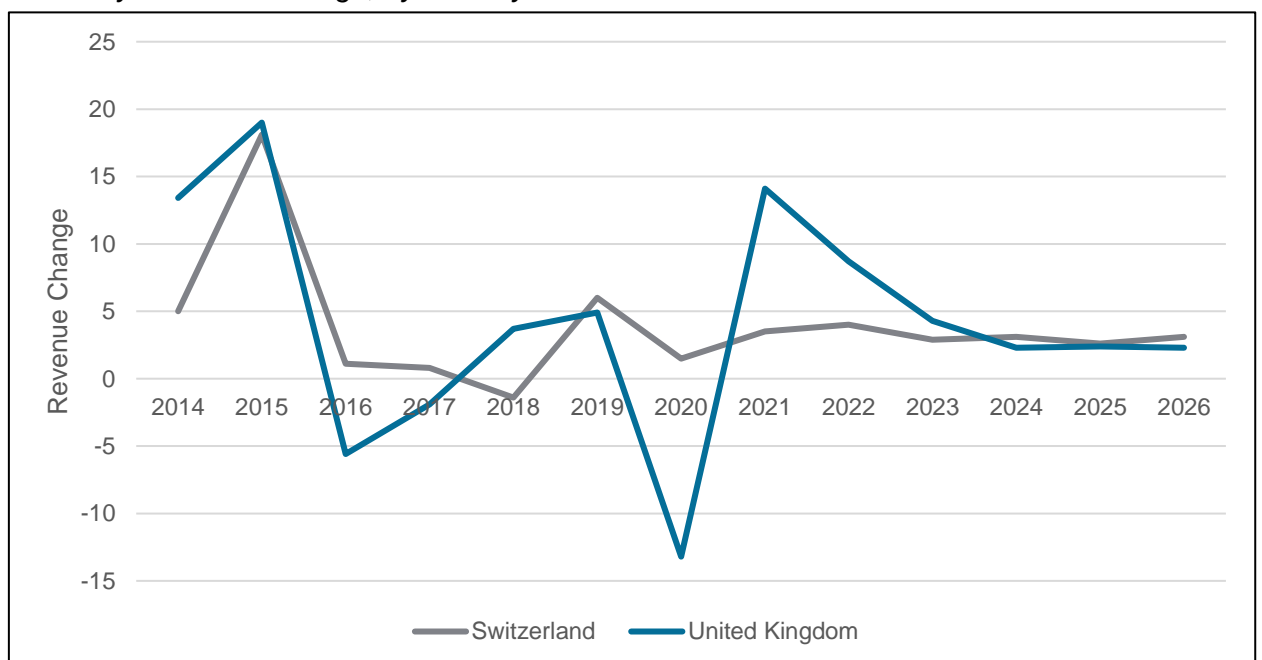
Note. Adapted from Statista, 2022.

Figure 14
SWOT-Framework for pakilia GbR



Note. Own Depiction.

Figure 13
Jewellery Revenue Change, by Country



Note. Adapted from Statista, 2022.

Appendix B

Table 1

Definition of SMEs

Company Category	Turnover	Employees	Balance Sheet Total
Micro SME	< €2 million	0 < 10	< €2 million
Small SME	< €10 million	10 < 50	< €10 million
Medium-sized SME	< €50 million	50 < 250	< €50 million

Note. Adapted from European Commission, 2021, p.8.

Table 2

Level Determinants of Market/Industry

Category	Factors	Theory
Attractiveness	Growth Potential	Real Options Theory; TCE
	Demand/Market Size	Real Options Theory, OLI Framework; Bargaining Power Theory
	Labor Costs	Bargaining Power Theory
	Market Uncertainty/Demand Fluctuation	Real Options Theory
Entry Barriers	Reputation, Distribution, Advertising/Technology, Access to Resources, Operation Scale	Real Options Theory
	Competition	Real Options Theory; Internationalization Theory; Bargaining Power Theory
Exist Barriers	Exit Cost	Real Options Theory
Industry Assets Specificity	Technology (R&D) Intensity	TCE
	Market (Advertising) Intensity	TCE

Note. Adapted from Shen et al., 2017 p. 7.

Table 3

Approaches to a Systematic IMS Process

Author, Year	Stage Zero	Stage One	Stage Two	Stage Three
Cavusgil, 1985		Screening	Identification	Selection
Root, 1994	Choosing Product	Preliminary Screening	Identification	Estimating Company Sales
Johansson, 2009	Country Identification	Preliminary Screening	In-depth Screening	Final Selection

Note. Adapted from Koch, 2001, p. 67.

Table 4
Country Cluster, Worldwide

Cluster 1	Bangladesh, Kenya, Mozambique, Nepal, Senegal, Yemen
Cluster 2	Algeria, Egypt, Ghana, Honduras, Indonesia, Morocco, Nigeria, Pakistan, South Africa
Cluster 3	Dominican Republic, Malaysia, Slovak Republic, Syria, Tunisia, Vietnam
Cluster 4	Albania, Armenia, Azerbaijan, Belarus, Georgia, Jordan, Mexico, Moldavia, Mongolia, Peru, Philippines, Sri Lanka, Thailand, Turkey, Ukraine
Cluster 5	Argentina, Bolivia, Brazil, Bulgaria, Colombia, Croatia, Ecuador, El Salvador, Guatemala, Kuwait, Paraguay, Romania, Russia, Saudi Arabia, Uruguay, Venezuela
Cluster 6	Chile, Costa Rica, Czech Republic, Estonia, Greece, Hungary, Ireland, Korea (South), Latvia, Lithuania, Panama, Poland, Portugal, Singapore, Slovenia, Spain, UAE
Cluster 7	Austria, Belgium, Denmark, France, Germany, Hong Kong, Israel, Italy, Japan, Netherlands, Switzerland, United Kingdom
Cluster 8	Australia, Canada, Finland, New Zealand, Norway, Sweden
Cluster 9	China, India
Cluster 10	USA

Note. Adapted from Cavusgil et al., 2004, p. 612.

Table 5
Primary Data Collection Methods

	Advantages	Disadvantages
Observation (Over/Covert Role)	<ul style="list-style-type: none"> - High level of flexibility - Can generate fruitful insights - Applicable on group or individual level 	<ul style="list-style-type: none"> - Personal bias of observer might influence results - Time-intensive - Might raise ethical issues
Semi-Structured Interviews	<ul style="list-style-type: none"> - Fairly sensitive and flexible - Can generate reliable, comparable qualitative data - Question guideline can be prepared in advance 	<ul style="list-style-type: none"> - Access might be denied - Resources intensive and time-consuming - Might raise ethical issues (e.g. confidentially)
Structured Interviews	<ul style="list-style-type: none"> - Standardised questions - Suitable for pre-code answers - High response rate 	<ul style="list-style-type: none"> - Time-consuming and costly - Personal bias might influence answers - Not ideally applicable in high quantity

Note. Adapted from Bryman, 2016, pp. 68, 69; Ravitch & Carl, 2020, pp. 151, 152, 167, 168

Table 6
Preliminary Screening (1) - Pillar Weighting

Pillar	Variable	Weight
4	Macroeconomic Stability	1/8
6	Skills	1/8
7	Product Market	1/4
8	Market Size	1/2

Note. Own Depiction.

Table 7
Preliminary Screening (1)

Rank	Country	GDP (PPP)	Pillar 4	Pillar 6	Pillar 7	Pillar 10
1	United Kingdom	2.25	100	81.9	64.6	81.8
2	Germany	3.22	100	84.2	68.2	86
3	Switzerland	0.41	100	86.7	63.8	66.2
4	France	2.19	99.8	71.9	62.2	81.6
5	Netherlands	0.72	100	84.6	69.9	74.3
6	Sweden	0.4	100	83.7	66.3	65.4
7	Austria	0.34	100	79.4	66.1	64.6
8	Finland	0.19	100	85.7	66.3	57.8
9	Denmark	0.22	100	85.7	66.9	59.9
10	Belgium	0.41	100	79.3	62.6	69.3
11	Norway	0.29	100	83.8	60.9	61.4
12	Poland	0.9	100	72.1	58.1	74.1
13	Ireland	0.29	100	77.2	60.9	64.6
14	Spain	1.38	90	71.6	61	77
15	Italy	1.77	84.7	70.4	61.9	79.3
16	Czech Republic	0.29	100	72.9	57.3	64.8
17	Slovak Republic	0.14	100	69.9	52.7	58.2
18	Portugal	0.24	85	70	59.7	60.5
19	Hungary	0.23	90	69	52.4	62.7
20	Romania	0.38	89.7	62.5	55.4	65.2
21	Bulgaria	0.12	90	67.9	55.7	54.9
22	Greece	0.23	75	70.5	53.8	59.6
23	Ukraine	0.29	57.9	69.9	56.5	63

Note. Own Depiction.

Table 8
Preliminary Screening (2) - Pillar Weighting

Pillar	Variable	Weight
4	Macroeconomic Stability	1/12
6	Skills	1/12
7	Product Market	1/12
8	Market Size	1/4
	Fair Trade Market	1/2

Note. Own Depiction.

Table 9
Preliminary Screening (2)

New Rank	Previous Rank	Country	Pillar 4	Pillar 6	Pillar 7	Pillar 10	FT-Index	Weighted Score
1	2	United Kingdom	100	82	65	82	100	91
2	1	Germany	100	84	68	86	66	76
3	3	France	100	72	62	82	28	54
4	9	Switzerland	100	87	64	66	31	53
5	4	Netherlands	100	85	70	74	14	47
6	10	Sweden	100	84	66	65	20	47
7	13	Ireland	100	77	61	65	17	44
8	11	Austria	100	79	66	65	15	44
9	15	Finland	100	86	66	58	12	41
10	5	Italy	85	70	62	79	6	41
11	8	Belgium	100	79	63	69	7	41
12	12	Denmark	100	86	67	60	7	39
13	14	Norway	100	84	61	61	6	39
14	6	Spain	90	72	61	77	2	39

Note. Own Depiction.

Table 10
Cultural Index

New Rank	Country	Power-Distance	Individualism	Masculinity	Uncertainty Avoidance	Long Term Orientation	Indulgence	Cultural Distance
1	Sweden	31	71	5	29	53	78	33
2	Finland	33	63	26	59	38	57	52
3	Switzerland	34	68	70	58	74	66	56
4	United Kingdom	35	89	66	35	51	69	57
5	Netherlands	38	80	14	53	67	68	58
6	Ireland	28	70	68	35	24	65	71
7	France	68	71	43	86	63	48	72
	Germany	35	67	66	65	83	40	0

Note. Adapted from Hofstede, 2021.

Table 11
Geographical Index

Rank	Country	Distance in km
1	Switzerland	226
2	France	568
3	Netherlands	603
4	United Kingdom	819
5	Ireland	1283
6	Sweden	1365
7	Finland	7547

Note. Adapted from Google, 2022.

Table 12
In-Depth Screening - Normalized Results

Country	Market Size	Market Growth	Cultural Distance	Geographical Distance
United Kingdom	10	0.7	4.3	8.9
Switzerland	3.13	1.2	4.4	9.7
France	2.78	0.5	2.8	9.2
Sweden	1.96	0.6	6.7	8.2
Ireland	1.69	2.6	2.9	8.3
Netherlands	1.44	0.8	4.2	9.2
Finland	1.159	2.3	4.8	0
Germany	6.59	1.5	0	10

Note. Own Depiction.

Table 13
In-depth Screening - Final Weighting

Index	Weight
Market Size	1/2
Market Growth	1/4
Cultural Distance	1/8
Geographical Distance	1/8

Note. Own Depiction.

Table 14
In-Depth Screening - Weighted Results

Country	Market Size	Market Growth	Cultural Distance	Geographical Distance	Weighted Index	Rank
United Kingdom	10	0.7	4.3	8.9	6.825	1
Switzerland	3.13	1.2	4.4	9.7	3.6275	2
France	2.78	0.5	2.8	9.2	3.015	3
Sweden	1.96	0.6	6.7	8.2	2.9925	4
Ireland	1.69	2.6	2.9	8.3	2.895	5
Netherlands	1.44	0.8	4.2	9.2	2.595	6
Finland	1.159	2.3	4.8	0	1.7545	7

Germany	6.59	1.5	0	10	4.92
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Note. Own Depiction.

Table 15
Order Summary 47Grad Davos

Quantity	Art.Nr.	Description	Price (Net)	Price Range
15 Stk.	000-123	Zubehör Silberkette	7,50 EUR	1
1 Stk.	002-003	Kettenanhänger "Rosita" dunkel	14,95 EUR	1
1 Stk.	002-004	Kettenanhänger "Rosita" hell	14,95 EUR	1
1 Stk.	002-011	Ohrhänger "Rosita" hell	19,95 EUR	1
1 Stk.	002-012	Ohrhänger "Rosita" dunkel	19,95 EUR	1
1 Stk.	002-036	Ring "Dos Rositas mini" dunkel	19,95 EUR	1
1 Stk.	002-038	Ring "Dos Rositas mini" hell	19,95 EUR	1
1 Stk.	003-026	Kettenanhänger "Corazón liso"	17,45 EUR	1
1 Stk.	003-039	Ohrhänger "Árbol de la vida"	24,95 EUR	1
1 Stk.	003-044	Ohrstecker "Florentine"	17,45 EUR	1
1 Stk.	005-002	Ohrhänger "Alita"	24,95 EUR	1
1 Stk.	005-008	Ohrhänger "Cruce niña"	22,45 EUR	1
1 Stk.	005-011	Ohrhänger "Triangulo fino" klein	19,95 EUR	1
1 Stk.	005-013	Ohrstecker "Adriana"	22,45 EUR	1
1 Stk.	011-006	Ohrstecker "Florcita puntada"	14,95 EUR	1
1 Stk.	011-009	Ohrstecker "Mariposita"	14,95 EUR	1
1 Stk.	011-024	Ohrstecker "Loto" apricot	17,45 EUR	1
1 Stk.	011-031	Ohrstecker "Loto" rot	17,45 EUR	1
1 Stk.	011-033	Ohrstecker "Flor de pétalos"	19,95 EUR	1
1 Stk.	011-050	Kettenanhänger "Círculo"	14,95 EUR	1
1 Stk.	011-073	Kettenanhänger "Exagonal"	14,95 EUR	1
1 Stk.	011-086	Ohrklemme 'Tres Rayitas'	14,95 EUR	1
1 Stk.	012-024	Ohrstecker "Espiral" matt	17,45 EUR	1
1 Stk.	012-025	Kettenanhänger "Espiral" matt	17,45 EUR	1
1 Stk.	014-019	Kettenanhänger "Bicicleta"	19,95 EUR	1
1 Stk.	014-024	Amulett "Corazón especial" mini	42,45 EUR	1
1 Stk.	015-005	Armreif "Alegría"	69,95 EUR	2
1 Stk.	015-009	Kettenanhänger "Disco personal"	17,45 EUR	1
1 Stk.	016-001	Ohrstecker "Perla"	17,45 EUR	1
1 Stk.	016-002	Ohrstecker "Perla"	19,95 EUR	1
1 Stk.	016-020	Ohrstecker "Perla"	14,95 EUR	1
1 Stk.	016-074	Ohrstecker "Druzy" schwarz	42,45 EUR	1
1 Stk.	016-082	Armkette "Perlitas Corazón"	27,45 EUR	1
1 Stk.	016-083	Armkette "Perlitas Hoja"	27,45 EUR	1
1 Stk.	016-084	Kette "Perlitas"	34,95 EUR	1
3 Stk.	016-107	Creole "Perlita Mini"	32,45 EUR	1
1 Stk.	016-109	Armkette "Perla Arroz"	34,95 EUR	1
1 Stk.	016-110	Kette "Perla Arroz"	44,95 EUR	1
1 Stk.	016-112	Kette "Perla Arroz Bailando"	39,95 EUR	1

3 Stk.	016-116	Ring "Perlita infinito"	19,95 EUR	1
3 Stk.	016-119	Ring "Perlita Bolita" #7	17,45 EUR	1
1 Stk.	018-036	Armkette "Chicharritos de plata"	29,95 EUR	1
1 Stk.	018-048	Kette "Chicharritos de plata"	54,95 EUR	1
1 Stk.	019-009	Creole "Corrugado" mini	29,95 EUR	1
1 Stk.	019-024	Ring "Corrugado" oval	42,45 EUR	1
1 Stk.	019-030	Ohrstecker "Corrugado" rund mini	24,95 EUR	1
1 Stk.	020-003	Ohrstecker "Disco mate" klein	19,95 EUR	1
1 Stk.	020-005	Kettenanhänger "Disco mate"	19,95 EUR	1
1 Stk.	020-007	Ohrhänger "Parábola"	19,95 EUR	1
1 Stk.	020-012	Ohrhänger "Agilidad"	24,95 EUR	1
1 Stk.	020-013	Ohrstecker "Paisaje lunar" rund	19,95 EUR	1
1 Stk.	021-017	Kettenanhänger "Laberinto cuadrado"	54,95 EUR	2
1 Stk.	023-054	Ohrklemme "Hojitas"	14,95 EUR	1
1 Stk.	024-004	Ohrstecker "Lluvia"	19,95 EUR	1
1 Stk.	024-005	Kettenanhänger "Lluvia"	17,45 EUR	1
1 Stk.	024-012	Ring "Diadema"	19,95 EUR	1
1 Stk.	024-016	Ring "Churumbela"	17,45 EUR	1
1 Stk.	024-017	Ohrstecker "Circulitos"	22,45 EUR	1
1 Stk.	024-020	Ring "Churumbela" #8	17,45 EUR	1
1 Stk.	024-021	Ring "Churumbela" #9	17,45 EUR	1
10 Stk.	999-038	Silberputztuch mit pakilia Logo	3,36 EUR	1
1 Stk.	999-039	Ringgrößen-Messer	6,64 EUR	1
3 Stk.	999-040	Kettenaufsteller zur Schmuckpräsentation	4,12 EUR	1
1 Stk.	999-263	Plakat Armreif "Guirnalda"	0,01 EUR	1
		Artikel netto:	1.741,86 EUR	
		Artikel brutto:	1.741,86 EUR	

Note. Pakilia, 2021.

Table 16
 Order Summary Claro Weltladen Schaffhausen

Quantity	Art.Nr.	Description	Price (net)	Price Range
2 Stk.	000-006	Silver Necklace	15,00 EUR	1
2 Stk.	000-012	Zubehör Silberkette	15,00 EUR	1
8 Stk.	000-123	Zubehör Silberkette	7,50 EUR	1
1 Stk.	000-124	Zubehör Kautschuk-Kette	5,00 EUR	1
1 Stk.	002-003	Kettenanhänger "Rosita" dunkel	14,95 EUR	1
1 Stk.	002-004	Kettenanhänger "Rosita" hell	14,95 EUR	1
1 Stk.	002-011	Ohrhänger "Rosita" hell	19,95 EUR	1
1 Stk.	002-032	Ohrhänger "Rosita mini" dunkel	17,45 EUR	1
1 Stk.	002-036	Ring "Dos Rositas mini" dunkel	19,95 EUR	1
1 Stk.	002-037	Ohrstecker "Rosita mini" hell	17,45 EUR	1
1 Stk.	002-038	Ring "Dos Rositas mini" hell	19,95 EUR	1
1 Stk.	003-029	Ohrstecker "Semilla" hellblau	14,95 EUR	1

1 Stk.	003-031	Ohrstecker "Semilla" blau	14,95 EUR	1
1 Stk.	003-044	Ohrstecker "Florentine"	17,45 EUR	1
1 Stk.	003-047	Ohrhänger "Árbol de la Abundancia"	29,95 EUR	1
1 Stk.	003-048	Kettenanhänger "Árbol de la Abundancia"	24,95 EUR	1
1 Stk.	011-004	Ohrstecker "Nudito"	19,95 EUR	1
1 Stk.	011-009	Ohrstecker "Mariposita"	14,95 EUR	1
1 Stk.	011-011	Kettenanhänger "Nudito"	17,45 EUR	1
1 Stk.	011-020	Ohrstecker "Flor oxidada" grün	17,45 EUR	1
1 Stk.	011-024	Ohrstecker "Loto" apricot	17,45 EUR	1
1 Stk.	011-027	Ring "Etéreo" #7	17,45 EUR	1
1 Stk.	011-028	Ring "Etéreo" #8	17,45 EUR	1
1 Stk.	011-031	Ohrstecker "Loto" rot	17,45 EUR	1
1 Stk.	011-033	Ohrstecker "Flor de pétalos"	19,95 EUR	1
1 Stk.	011-044	Ring "Etéreo Triple", #8	22,45 EUR	1
1 Stk.	011-074	Creole "Etéreo"	19,95 EUR	1
1 Stk.	011-079	Ring "V"	19,95 EUR	1
1 Stk.	011-084	Ring "Resorte" #9	24,95 EUR	1
3 Stk.	011-086	Ohrklemme 'Tres Rayitas'	14,95 EUR	1
1 Stk.	011-090	Ring "Etéreo acompañado" #7	22,45 EUR	1
1 Stk.	011-103	Ring "Maroma" #7	19,95 EUR	1
1 Stk.	011-118	Ring "Celestún" #7	17,45 EUR	1
1 Stk.	015-010	Armreif "Guirnalda"	79,95 EUR	2
1 Stk.	015-015	Ring "Guirnalda" rund	42,45 EUR	1
1 Stk.	015-016	Ohrstecker "Guirnalda"	27,45 EUR	1
1 Stk.	015-018	Kettenanhänger "Guirnalda" rund	29,95 EUR	1
1 Stk.	015-022	Ring "Brio" #9	34,95 EUR	1
1 Stk.	016-092	Ring "Redondo Obsidiana" #7	24,95 EUR	1
1 Stk.	016-093	Ring "Ovalado Obsidiana" #6	24,95 EUR	1
1 Stk.	016-094	Ring "Redondo Lapizlazul" #7	24,95 EUR	1
1 Stk.	016-095	Ring "Ovalado Lapizlazul" #6	24,95 EUR	1
1 Stk.	016-096	Ring "Redondo Madre Perla" #7	24,95 EUR	1
1 Stk.	016-097	Ring "Ovalado Madre Perla Rosa" #6	24,95 EUR	1
1 Stk.	016-098	Ring "Redondo Verde Venturina" #7	24,95 EUR	1
1 Stk.	016-100	Ring "Ovalado Verde Venturina" #6	24,95 EUR	1
1 Stk.	018-027	Ring "X"	24,95 EUR	1
1 Stk.	018-030	Armkette "Viviana"	19,95 EUR	1
1 Stk.	018-031	Kette "Viviana"	24,95 EUR	1
1 Stk.	019-003	Kettenanhänger "Corrugado" rund	49,95 EUR	1
1 Stk.	019-005	Ring "Corrugado" breit	44,95 EUR	1
1 Stk.	019-006	Ring "Corrugado" breit	44,95 EUR	1
1 Stk.	019-009	Creole "Corrugado" mini	29,95 EUR	1
1 Stk.	019-015	Ring "Corrugado" schmal	34,95 EUR	1
1 Stk.	019-016	Ring "Corrugado" schmal	34,95 EUR	1
1 Stk.	023-053	Ring "Helecho" #8	32,45 EUR	1
1 Stk.	023-054	Ohrklemme "Hojitas"	14,95 EUR	1

1 Stk.	023-114	Ohrstecker "Tortuguita"	17,45 EUR	1
1 Stk.	023-115	Ohrstecker "Timon"	17,45 EUR	1
1 Stk.	023-125	Ohrstecker "Conchita"	17,45 EUR	1
1 Stk.	023-126	Kettenanhänger "Conchita"	14,95 EUR	1
1 Stk.	023-130	Kettenanhänger "Tortuguita"	14,95 EUR	1
1 Stk.	023-131	Kettenanhänger "Timon"	14,95 EUR	1
1 Stk.	024-015	Ring "Huipil"	37,45 EUR	1
1 Stk.	024-016	Ring "Churumbela"	17,45 EUR	1
1 Stk.	024-017	Ohrstecker "Circulitos"	22,45 EUR	1
1 Stk.	999-038	Silberputztuch mit pakilia Logo	3,36 EUR	1
15 Stk.	999-038	Silberputztuch mit pakilia Logo	3,36 EUR	1
2 Stk.	999-039	Ringgrößen-Messer	6,64 EUR	1
3 Stk.	999-040	Kettenaufsteller zur Schmuckpräsentation	4,12 EUR	1
1 Stk.	999-040	Kettenaufsteller zur Schmuckpräsentation	4,12 EUR	1
1 Stk.	999-040	Kettenaufsteller zur Schmuckpräsentation	4,12 EUR	1
1 Stk.	999-040	Kettenaufsteller zur Schmuckpräsentation	4,12 EUR	1
1 Stk.	999-040	Kettenaufsteller zur Schmuckpräsentation	4,12 EUR	1
		Article net:	1.745,18 EUR	
		Artikel gross:	1.745,18 EUR	

Note. Pakilia, 2021.

Table 17
Adapted IMS Process

Stage	Name	Model
Stage 0	-	-
Stage 1	Preliminary Screening	Country Ranking (Cavusgil, 1984)
Stage 2	In-Depth Screening	<ul style="list-style-type: none"> - Country Ranking (Cavusgil, 1984) - Analysis of Industry Market Potential - SWOT-Analysis of case company (Johansson, 2009)
Stage 3	First Selection	Formulated Recommendations
Stage 4	Use Case	First local & practical experiences

Note. Own Depiction.

Appendix C

Interview 1 - Miriam Müller

Date: 14.01.2022 10:45 AM

Speaker 1: Ellen Wittig

Speaker 2: Miriam Müller

00:00:03

Speaker 1: OK, so just to make sure, you are OK with me recording the session?

00:00:12

Speaker 2: Yes.

00:00:14

Speaker 1: Thank you for being here. Thank you for being one of my interview partners and the first question is: What are the key motives for pakilia to internationalize?

00:00:27

Speaker 2: Well, the key motives to internationalize are, of course, to extend the customer base, so to acquire new customers in other countries in order to increase the impact, pakilia has like the positive impact also for the Mexican families. Of course. And yeah, to grow. And increased it.

00:00:55

Speaker 1: And what do you think are the most important factors for pakilia when you think about internationalizing? And do you think it's important that the country is close or that it has a big fair trade market?

00:01:11

Speaker 2: Well, from our experience. Well, we settled very well in the German fair trade market, so it makes sense to stick to this specific market. So, I think the fair trade market and awareness of the customers for fair trade products and the importance of fair trade is like the most important fact for us.

00:01:40

Speaker 1: OK. And you already internationalized to different European markets. How did you start and how did you plan and execute the internationalization in the B2B market?

00:01:54

Speaker 2: Yeah, well. We have the idea of doing business in a very practical way. So, we just started with the example of Luxembourg, for example, we just went and visited the shops and talked to them and started. And to be honest, it's not so far away like that. It's not a German-language market, but they speak German, so we did not have to adapt our materials and we could just work with them. The same case, for example, for Italy, like South Tyrol also. But I think in both cases, the first contact was on a like a trade fair. I remember for the Italian market that somebody came to the German trade fair for Fair Trade, and Weltladenfachtag. And there was the first contact and that since then we are going once a year to Italy, to a small trade fair and

same for Luxembourg. There's not a trade fair, but Melly is once a year or twice a year visiting the shops and getting the orders. And let me think what else? Well, in the Netherlands there was a partnerships that ended after like two years because it wasn't so successful and not really satisfying for both sides. And what else? Well, we met a couple of shops at other trade fairs, but that is like single customers in other markets.

00:03:55

Speaker 1: Mm-Hmm. Okay. And you always choose export as for the mode of entry, right?

00:04:04

Speaker 2: Yes. Like in the Netherlands, we had a fair trade center, which was presenting our products and selling them directly to their customers. But the experience wasn't that well because we couldn't control how they present our products, for example. And so, they haven't had very good sales and we couldn't take any influence. So it wasn't that good for us, I think that direct contact with customers is one of our big strengths, and it makes sense to keep this also going to other markets.

00:04:52

Speaker 1: Mm-Hmm. And when you decided in your company and to enter the new market or to pursue any contacts. How are the decisions made, and by whom?

00:05:05

Speaker 2: It's usually Julia and me, but also, as I said, like in some cases, there was the request of the other of the client of the customer from abroad. And then, of course, we are not saying: "no, we won't sell our product to you". I mean, we were just doing it and seeing how it worked out. And yeah, like the decision. I mean, that was kind of we are reacting to requests or also we are in the process of going to Austria. But there we made the experience that it's not that easy because there's also the ARGE. Yeah, like the Weltladendachverband in Germany. And they haven't accepted us yet. And so, we stopped our activities in Austria because it doesn't make much sense without this acceptance from the ARGE. But in other countries like Italy, and it's not, I mean, somebody is asking, and they want our products, and we have a good partnership. So, you know, just doing it.

00:06:30

Speaker 1: And now it's a bit more of a general question. What do you think are the most important key strengths and weaknesses of pakilia?

00:06:43

Speaker 2: Yes, I think the personal contact and the very close partnership to both, suppliers as well as to the artisans in Mexico and also the authentic and personal warm contact and relationship we have to our customers. When we speak about the fair trade market, a very professional setup, clear rules for everything, clear responsibilities for pakilia and that makes our clients happy, given that it is not the rule for the fair trade market in Germany. And the wide range of products and the very good quality of the product itself. Lots of material, I mean that

goes hand in hand with professionalism, we can provide a lot of material to the customers, social media, for example, photos, text material, a lot of things that makes selling easier. I think that's a very good thing. Weaknesses? Well sometimes we are limited in terms of personal capacities. We have a lot of ideas that we would like to do, but sometimes we do not have the manpower to do everything at the same time. And in terms of internationalization, it is the thing the focus is sometimes to really do it as a project and with concentration and manpower to focus on a market and to really. Yes, as I said, until now it was a lot of reaction from our side, also due to a lack of capacity. Because of course, it would be good to focus on one country and to acquire all the clients, see how the market works. What you are doing right now. To enter the country more organized. There is so much potential we are not using right now.

00:09:13

Speaker 1: So, the strategy is kind of changing right now, towards a more planned approach?

00:09:20

Speaker 2: Am, yes. You could say so. I mean due to not having the capacity to do it more organized but just seeing, ok, what opportunities are occurring and just taking them. And following the contacts and requests we got but of course we know that there is so much potential if we do it in a profound, and strategic way. Just like we do it in Germany, having a good customer base, being in touch with the customers and clients and understanding the market, the markets structures and then really being proactive and contacting the customers.

00:10:11

Speaker 1: Oh interesting. And what do you think, are the biggest barriers when entering the new market? You already mentioned in Austria there are different organizations. Are there any further barriers?

00:10:22

Speaker 2: Yeah. I think the first thing is to really understand the Fair trade market. At least in Germany, it is a very heterogeny market. So, the customers are very, very different in terms of professionalism, organization, of the size of clients. So, it is not so easy to understand the customer because they are so different that you really have to see what to offer to whom. And I think to know the structures and then, of course, to know some organizations to be part of and to see how and where they are shopping. Where are they getting their products? And well, of course, it could be like shipping costs and stuff. To have a good structure there, to make it easy and good for the clients. From our experience from Luxembourg, and Italy, with DHL you can easily send the products there. So, there is not a real problem in those markets. And of course, depending on the market the language. Because we also have basic material in English, but the majority is in German, and this could be a barrier.

00:12:14

Speaker 1: When you think about all European fair trade markets, not EU markets, but European

markets, do you have any specific ones in mind, where you think they could be very profitable in the future?

00:12:27

Speaker 2: Yes, of course, Switzerland, and we have heard and seen that Great Britain could be interesting, from what we know, they have a good fair trade market. Also at least in the case of Switzerland, they have the purchasing power, and we have had already good experience with selling to Swiss B2C clients. So, we have been on events and met the B2C clients. Of course, their price level and everything is very attractive. Switzerland, Great Britain. And I could also imagine the Scandinavian market because I think they are very open-minded and could also be very interesting.

00:13:31

Speaker 1: So, when you think about internationalizing to the UK, would you still approach it with the personal acquisition and send your employees over there?

00:13:43

Speaker 2: To be honest, I do not know a lot about the UK fair trade market. So, we would have to see, how it works, I mean of course, if it is like in Germany, where there are, for example, two important trade fairs where we have met our clients for the first contact. So of course, something like this would be very attractive, where you can go and meet your clients. In Switzerland, we could go there and see what happens, since it's so close. I mean we have to find out about the structure and decide what we do but I think it's always a good idea to go there and to meet the people and see what the next steps are. It is always easier to have at least the first impression and some good conversation and meetings in the country or at least with people from the country in order to be able to understand local structures.

00:14:56

Speaker 1: Ok, and how do you think the current competition is for you right now and how do you think it will change when you entered more European markets?

00:15:03

Speaker 2: Are you referring to the competition in Germany or in general?

00:15:10

Speaker 1: In general. Right now, how is it in Germany? Are there any main competitors and do you think they already are in more European countries and could become stronger competitors?

00:15:24

Speaker 2: I mean, when we talk about the German fair trade market, there are other competitors in jewellery but right now we are at least the biggest jewellery which only provides jewellery. Like there are big companies, like GEPA, El Puente, and some of them do have jewellery products as well, but not exclusive for jewellery. There are smaller jewellery companies like Filigrana, SüdSinn. But we are well established in the German fair trade market. So, several companies only have pakilia jewellery because we have so many different designs and styles,

but I am sure that there are new competitors also coming because when you look at the fair trade jewellery market, not within the Weltladen-Bubble, there are for sure more and more companies. I think that I am not quite sure. I think the big players are at least also in Switzerland, Austria and the German neighbours but I do not know much about their structure. So, I think it could be that the countries also have their brands and companies.

00:17:35

Speaker 1: Ok, and then I have a specific question for pakilia. How would you describe the company culture? Given that you are working with Mexico on a daily basis?

00:17:55

Speaker 2: Well, I think it's quite open and flexible because we try every day to take the best from both cultures. So, we combine the Mexican flexibility and strength to adapt to new circumstances with the German organization and I think we are very ambitious. And for us, it is very important to stay dynamic. I think it is one of the key points, that we, almost every day, adapt to new circumstances and if we decided something last week and now think it does not make much sense anymore, we change and adapt. That's part of the culture for sure. And it thinks the fair trade market is growing and it's an advantage for us. It should be an increasing market and increasing awareness. But just to give an example, with COVID, we quickly adapted our distribution system, we made a lot of digital appointments, which worked out very, very well and is something that we will keep also when the pandemic is over. Yes, but we try to adapt quickly to any new circumstance.

00:20:12

Speaker 1: Ok. Thank you so much. Do you have any points you would like to mention or that just came to mind?

00:20:24

Speaker 2: Um, no. Thank you.

Interview 2 - Melanie Baumann

Date: 12.01.2022 12:00 PM

Speaker 1: Ellen Wittig

Speaker 2: Melanie Baumann

00:00:00

Speaker 1: Do you agree with me recording?

00:00:04

Speaker 2: Yes, I do.

00:00:05

Speaker 1: OK. Then the first few questions are basically about pakilia, to know a bit more about the company. So how would you describe the corporate culture of pakilia? What do you think are

important values given that you are working with Mexico and the Mexican culture on a daily basis?

00:00:27

Speaker 2: I think the main values of pakilia are: we are all focused on fair trade principles and all the culture around that. So, it's mainly the trade like the working on the eye to eye level with the artisans, like really respecting everyone, every person equally. And, with all their, you know, with all their situations, their workers. Yeah. You know, I'm not sure this is the kind of thing, um. Respecting also they're their culture like this really made in some parts. It's obviously different from the German way of thinking of approaching things or situations like really that.

00:01:50

Speaker 1: So, we're flexible culture and not traditionally German and more open-minded.

00:01:56

Speaker 2: Yeah. Yeah, definitely. Definitely open-minded and tolerant in respect of differences as well.

00:02:07

Speaker 1: OK, interesting. And what aspects do you think are the most important strengths and weaknesses of pakilia and why?

00:02:16

Speaker 2: The most important strength is, I think, being flexible and adapting to different situations also like thinking about out of the box when approaching problems, not just and also change, like being flexible and in ways how to do things or think about things and processes and not just always following the way we did it last time. But always reflecting on what was that like, what did we do when we did something or when we had like, yeah, when we have processes, we are regularly reflecting about what didn't work well, what didn't go so well, and always being flexible about changing things and not trying to be perfect in doing it. But doing it and getting started with something is a lot more important than trying to be perfect the first time. And I think this is a strength because like this, we're always challenging ourselves as to always getting better. In the things we do. Mm-Hmm. Um, and yeah, weaknesses: We do have them, oh yeah, yeah. You were talking about our culture, right, or our culture as a company?

00:04:51

Speaker 1: Yes, and also on a daily basis, is there any, for example, any lack of resources so you can and succeed or some projects haven't been realized because there's not enough manpower?

00:05:07

Speaker 2: Yeah. I think the change, or we would even like to develop faster or sometimes better if we would have more manpower. Obviously, with more money, also sometimes things would be easier, but at the same point, I think we're always, it's also a strength of us to reach

things we want to really achieve also with less money so that we're not really lacking manpower, that money. I think it's more noticeable.

00:06:07

Speaker 1: And then let's move on to the selection of the market process and what factors do you think are most important when selecting a new and foreign market or European market you want to enter?

00:06:33

Speaker 2: Important Factors. Well.

00:06:38

Speaker 1: For example, some factors, like there could be some barriers like tariffs or you told us you have to work on a new pricing strategy, or do you think it's more important than the market has huge potential in the fair trade industry or that, um, then there's plenty of potential customer base?

00:06:59

Speaker 2: Well, I think it's our history at the beginning where the first language because. This would have to go two years with it, and we could not provide all the material. The willingness to spend it on the point of also providing evidence, for example, in English or something. So, this is so the language barrier. But they think we are now at the point where we want to go back and forth. Yeah.

00:09:06

Speaker 1: Mm-Hmm. And when you think about expanding, do you also take your mind the experience from some colleagues or competitors?

00:09:23

Speaker 2: Yeah, I think we're also analyzing before getting started. We do an analysis. We do kind of see what's the structure of the fair trade sector like in the country. Do they have Weltläden as we do in Germany, or they don't? And yeah, the competitors as well, if they have fair trade, if there are fair trades, jewellery suppliers, there are not that many. And also, we have a good network in our German community, with colleagues in the German fair trade business. So, we are also able to get in contact with them if they're already selling to other markets, to other countries. And so, I try to get some information from them. And then potentially about the barriers or what's special about the type?

00:10:49

Speaker 1: OK. And then when you've selected the new market, the target market, how do you acquire potential customers? Do you prioritize or do you see who is available?

00:11:05

Speaker 2: Yeah, I think both at first, we just yeah, we select some, according to their potential. But also kind of randomly is like not really random, but also part of our strength I mentioned before, we are not trying to be perfect. We're just trying to get started and do it. So basically,

we're just contacting some clients that could be good, maybe because they have a good potential or seem to have the potential. Or maybe because we want to visit them and because we're going there in the region where they're based. And so that's why we tried to contact them and see them personally. Yeah. So, there are different factors in how we select them. Yeah, but we just get started and like this. It's also part of the analysis of getting to know the market right. So, getting in contact, try and see their reaction as well on our product and the pricing. But yeah, just to get to know the clients and also the specific demands.

00:12:43

Speaker 1: So, and the first step to you always personally acquire the potential customers or do you also offer some kind of online forums or just the cold acquiring?

00:12:59

Speaker 2: I think it depends. We try to do it personally, actually, because I think it is better for both sides, like for us, we get to get to know them, the markets there, we get to know the people, we can actually talk better and see the places and also for them if they don't know us yet. And so, then it's both of them personally also. So that is that they can see the product. But yeah, for getting an appointment at first try to reach them and contact them by just kind of like a cold acquiring. But I would say when entering a new market, we're not just trying to do a completely cold.

00:14:06

Speaker 1: Okay. And based on your previous experience, and you had a lot of contact with customers and competitors, what European markets do you think are lucrative and why?

00:14:27

Speaker 2: Well, I would say is good potential to have maybe the Netherlands. Because the Netherlands, well, they're the fair trade culture or the fair trade idea kind of started in Europe. And so, they also have a network of world shops. So that there could be a market with the potential. Also, Austria. For the same reason that they have a number of world shops and also the organization of it. Well, I think they are, obviously an advantage is that they are German-speaking, so this would be also easier with our material at the shop. But the Netherlands would go with English fine. So that's also good to not have to translate. If there's another language, I think we would start with English and the first for the print of all the materials and everything in English as a second language after German. And then I would also say Switzerland, because they are also German or mainly or in part, German-speaking. And I think they would also go well with English materials in the other regions. Well, they also have a network of world shops and in general, they have a good income level. So, I think it's also a good target market for our silver jewellery. Yeah, France, I'm not sure about it. I think France would go after these three countries I mentioned. And I think they also have world shops, but not as big as the countries I mentioned. And with the language, the language barrier, it's bigger because France people do not speak as much or as good or are not just used to using the English language as much as they do it, for

example, in the Netherlands. So, there it might be necessary to translate all the material and everything also in French. So, I think this would come afterwards, but it's not with the priority.

00:18:02

Speaker 1: And when you think about internationalizing with pakilia, do you think it's better to do it simultaneously and enter several new markets? Or do you think it's better to do it one step after the other and then focus on one country and further acquire new customers and then move on to the next country?

00:18:34

Speaker 2: Maybe it also depends on our um yeah, and manpower as well and on how different the countries are in the markets. I think it's fine to do it simultaneously if we have the manpower to do it. So, they're not that different, for example, I think Switzerland and Austria could also be combined very well with their neighbouring countries. So, when I've been visiting them, when physically visiting the clients or potential clients, it could also be good to combine it. So, I think we can do it simultaneously.

00:19:37

Speaker 1: And what do you think are current opportunities for pakilia? So, one opportunity would probably be to increase the market share by expanding. Do you think the fair trade industry has any trends pakilia could pick up or given that it's a significantly growing industry? Do you think any opportunities are coming by?

00:20:04

Speaker 2: Any opportunities to sorry for a?

00:20:07

Speaker 1: For pakilia in general to grow or to expand?

00:20:10

Speaker 2: Uh-Huh. Yeah, there are several, I think all of us. One is obvious. Expanding to other countries and expanding this. And but also with income within the country, like in Germany or within the other country, the entered the market. It's also a big potential to still grow in the different sectors of back and. Well, with you. And within the country, like within Germany, for example, we can also expand by acquiring different types of clients. For now, we're finally selling to world shops, but for example, like boutiques which sell other accessories. I think like different parts are throwing for different ways for pakilia, apart from expanding to other countries. It also brings the good potential to life within a country as well. Within Germany, for example, it would be a possibility, to expand and to grow, like to just sell to different types of clients. And right now, we're mainly selling to world shops. But there are also different, other other kinds of clients that would also be good to sell to like shops that sell kind of home decoration articles as accessories and gift shops like this. And I think, we already do have some clients to this in this part of this kind of shops. So, I think there is a good potential to acquire more of those kinds of shops. Another great area of expansion would be offering special customized jewellery to companies,

for example, or to cities or some other organizations, because we also do personalized jewellery or with special designs. So maybe a company could realize their name, or just like the logo. Yeah, their logo is in silver as a merchandise product, for example. Also, cities there's a big market for that as well, like best products for cities, for example, with their, um, their best-known tower of the city or the church or whatever. Yeah. Just to mention to me that there is a lot there are lots of potentials up just within one country to just reach other groups of clients. Yeah.

00:25:18

Speaker 1: Mm-hmm. That's very interesting. And do you think that there are any competitors which could display a big threat to pakilia and entering the new markets?

00:25:41

Speaker 2: Competitors? There are back in the world shops in general, we do have some which also offer jewellery made by fair trade. It's not that different from Germany. So, these are not new competitors to us, but we're already competing with them in the German market. So, I think it will not change that much to have them also as competitors in the other countries. Not a bigger barrier than they are here. And where the other possibilities to grow will be of the kinds of stops. I think we are also competing not just with silver jewellery, but also with cheaper jewellery like that fake silver jewellery. Cheaper jewellery and such. So there are different competitors in this area. Then we have our unique selling point would be that the jewellery is just made out of silver and the fair trade background. So, I think this is also an advantage.

00:28:04

Speaker 1: OK. And now it's the last question, but it's a very open question. Where do you see pakilia in five to 10 years?

00:28:20

Speaker 2: In, five to 10 years. Well, I think we will be present in a couple of European countries or lots of European countries. In the countries we were talking about just now, but also maybe in Spain and Portugal or France then as well. So, all around Europe. In various countries around Europe, at least. And I also think that we will have a lot more silversmiths we're working with. Because in the last ten years, we also expanded the work with our partners in Mexico. We started with nine services in the year 2012. And now we're working with 20 families. So, I guess also have more partners there. And yeah, maybe we will also have some different products. Yeah, as we were working with those and also one painter, so maybe. Might be that they have some of the other products as well, but I think our main business will always be silver jewellery.

00:30:18

Speaker 1: So, thank you so very much for taking part in my interview. And I'll stop recording now.

Interview 3 - Ingo Schlotter

Date: 24.01.2022 7:30 PM

Speaker 1: Ellen Wittig

Speaker 2: Ingo Schlotter

00:00:07

Speaker 1: Ist es in Ordnung, dass ich das Interview aufzeichnen?

00:00:09

Speaker 2: Das ist in Ordnung.

00:00:11

Speaker 1: Und dann als erste Frage, um ein bisschen reinzukommen, in welchen europäischen Ländern seid ihr denn jetzt gerade vertreten?

00:00:20

Speaker 2: von Welt Partner?

00:00:21

Speaker 1: Ja genau.

00:00:22

Speaker 2: Im Wesentlichen in Deutschland und in Österreich. Wir sind aber auch über Handelsvertreterinnen und Vertreter in Finnland, in Schweden, Tschechien, Polen, Frankreich. Da weiß ich relativ sicher.

00:00:44

Speaker 1: Das heißt dann über Handelsvertreter. Also ihr seid persönlich nicht bei den Kunden vor Ort, sondern es läuft alles über die Handelsvertreter?

00:00:51

Speaker 2: So es ist.

00:00:53

Speaker 1: Und was war die größte Hürde in die neuen Märkte einzutreten? Zum Beispiel in Österreich?

00:01:03

Speaker 2: Gut, muss ich ein bisschen ausholen. Ich bin zwar seit 19 Jahren bei Welt Partner, aber seit ich dabei bin oder als ich dabei war, waren wir schon in Österreich aktiv. Ich bin selbst im Vertrieb tätig, habe zwar österreichische Läden auch besucht, aber von daher kann ich nicht sicher detailliert sagen. Es ist so, dass deine Arbeit wahrscheinlich auch schon recherchiert und herausgefunden hat, dass ja viele Länder Dachverbände haben. Wie den Dachverband die ARGE Österreich. Die, die ihre eigenen Lieferantenkataloge haben und sich in aller Regel gegenseitig die Zugänge von Importeuren anerkennen. Also von daher ist es so, dass da für uns nichts im Wege stand. Was bei uns positiv einfach hinzukommt, ist, dass wir aufgrund der geografischen Nähe sehr nah an Vorarlberg sind mit der Welt Partner oder damals hieß wir noch Dritte Welt Partner in Ravensburg, eine Autostunde von der deutsch österreichischen Grenze entfernt, sodass da die Wege immer sehr kurz waren. Es waren, so wie ich das mitgekriegt habe, eher pragmatische, eigenständige Gründe, warum wir hier und da Widerstände hatten, die

sich jetzt nicht abbilden, in Lieferanten, Katalogen oder in Anerkennungsgeschichten. Das eine ist so, dass die Österreicher, glaube ich, ein bisschen eigen sind. Wahrscheinlich ist, dass jeder mehr oder weniger, was wir bei eigenen Lieferanten abdecken können, bei Importeuren aus dem eigenen Land vor allem die EZA, aber auch ein Welthandel, das kaufen wir schon mal nicht bei einem anderen Importeur primär ein. Das ist sowas, was ich auch im Laden so relativ stark auch immer wieder gespürt habe. Ach, das hat die EZB ja, das ist schön, dass ihr das habt, aber das kaufen wir eher nicht ein. Das zweite sind dann doch, EU Details, die sich in der Besteuerung unterscheiden. Also Kaffee Steuer ist da so ein Punkt. Also es sind eher, wie gesagt, pragmatische Dinge. Es ist auch so, dass Kollegen und ich nach Österreich gefahren sind, um Glasware auszuliefern. Also wir haben ein sehr buntes Sortiment und da unter anderem auf Basis von Mango Püree von den Philippinen, verschiedene Getränke oder Fruchtsäfte, Essig und Ähnliches. Und der Versand von Artikeln mit Glas oder Glasverpackungen nach Österreich, zumindest damals, war es überdurchschnittlich teuer, sodass es günstiger war, quasi fast alles auszuliefern und bei der Gelegenheit Neuheiten zu zeigen. Das war so wie so ein kleines Event, das Eine mit dem Anderen zu verbinden. Es sind manchmal sehr spezifische Dinge, die da eine Rolle spielen.

00:04:04

Speaker 1: Ok. Und kamen die anderen Länder, wie Frankreich, dann später dazu?

00:04:11

Speaker 2: Ja, es ist so wie angedeutet. Zum einen mit Handelsvertreter. Italien sind wir auch punktuell. Das hat aber verschiedene Gründe. Zum einen manche der Handelsvertreter sind selbst im Handel, Importeure, also so, dass wir quasi ein Netzwerk betreiben. Nur so können wir unsere Arbeit überhaupt wirkungsvoll gestalten. Also am Beispiel Italien. Wir arbeiten mit Libera Mondo zusammen. Libera Mondo ist eine sozial Kooperative, die aber auch Importeur sind, die sehr viel Kunsthandwerk, aber auch Ernte Erzeugnisse, hauptsächlich in Afrika einkaufen. Die haben aber eine eigene Konditorei und da machen sie verschiedene Leckereien, die nach italienischen Rezepten wie Pralinen, salzige Snacks wie Sini, Stangen etc.. Und die kaufen wir bei Libera Mondo ein. Und im Gegenzug kauft Libera Mondo bei uns zum einen Zutaten ein, die sie für ihre eigenen Produkte verwenden, aber auch ausgesuchte Produkte wie getrocknete Mangos zum Beispiel, die sie selber weiterverkaufen. Bei den Handelsvertretern ist es so, oder bei allen Partnern im Ausland, das es uns eine große Hilfe ist. Zum einen, dass sie natürlich die Übersetzungen machen können für die Deklaration, die wir in den Verkehr bringen. Dass das alles passt, dass das seine Richtigkeit hat, dass die Hintergründe zu den Produzentinnen entsprechend übersetzt sind. Und sie haben natürlich detaillierte Kenntnisse bei den potenziellen Kundinnen und Kunden, wenn es so was soll, die Strukturen vergleichbar gibt oder aber eben andere Kunden, da würden wir uns natürlich viel schwerer tun, wenn wir da ans europäische Ausland gehen würden.

00:06:06

Speaker 1: Und in Österreich, als ihr da reinkamt, dann auch mit der ARGE. Hattet ihr eher das Gefühl, dass die Kunden trotzdem zurückhaltend sind, also die Weltläden, wenn ihr eben nicht aus Österreich seid? Oder wurdet ihr da eigentlich gut aufgenommen?

00:06:21

Speaker 2: Also sag mal so: allgemein wird man natürlich gut aufgenommen. Die Kontakte sind schon sehr offen, sehr herzlich. Aber natürlich, jeder Laden hat ja nur eine begrenzte Fläche. Wie gesagt, aufgrund dessen, dass es punktuell auch infrastrukturelle Besonderheiten gab. Und natürlich habe ich schon das Gefühl, jetzt so wie ich die österreichischen Kolleginnen und Kollegen kennengelernt habe, dass man natürlich so ein bisschen auch schaut und seine eigenen Leute erst mal unterstützt, bevor man andere unterstützt. Das ist, glaube ich, gar nicht immer so bewusst drin, sondern es ist einfach so und ich weiß, dass einige Welthandel vor einigen Jahren auch wirtschaftliche Probleme hatten. Und da wurde von Seiten des Welthandels auch aufgerufen, also bei Produkten, die wir doppelt hatten. Also zum Beispiel wir arbeiten mit Kaffee Fair Trade Palästina zusammen, von dem wir Olivenöl bekommen, hatte eine Welthandel auch im Programm. Und da hat eine Welt halt schon gesagt, es gibt so viel Schönes, was ihr bei den Kollegen in Deutschland kaufen könnt. Aber kauft doch, wenn ihr könnt, das Olivenöl bei uns. Wir brauchen gerade jeden Umsatz. Also da ich sag mal, ein freundschaftlicher und nachvollziehbarer Appell auch vonseiten des Importeurs ist da, und das ist ja auch in Ordnung.

00:07:41

Speaker 1: Und wenn Ihr Neukunden akquiriert, im Ausland oder auch in Deutschland, gibt es da einen bestimmten Prozess, den ihr befolgt? Oder priorisiert ihr die die Gruppen?

00:07:52

Speaker 2: Also es ist so: Ich kann sehr, oder ich kann am ausführlichsten für Deutschland sprechen. Da fühle ich mich am wohlsten, weil das mein Tagesgeschäft ist. Es ist so, dass wir als Welt Partner oder früher Dritte Welt Partner aus der Weltladen Bewegung heraus entstanden sind. Deswegen sind wir sehr eng mit den Weltladen in Deutschland verbunden und die Weltladen sind für uns unsere Hauptkunden-Gruppe. Macht auch Sinn, weil unser komplettes Sortiment einfach attraktiv ist für Weltläden. Auch wenn sie vielleicht nicht alles nehmen können aus verschiedenen Gründen. Aber ich sage mal so, wenn ich in einen Weltladen komme und er sagt: "ich nehme keinen Kaffee von euch, weil ich da von der GEPA sehr gut aufgestellt bin", dann habe ich trotzdem sehr viele andere Produkte. Und irgendwann wird der Weltladen sagen: "Das ist aber toll, das gefällt mir, das nehme ich". Von daher sind wir zunächst einmal der Weltladen-Bewegung sehr offen gegenüber. Es gibt aber sehr viele Produkte, die wir im Programm haben, die potenziell für andere Kundinnen und Kunden interessant sind. Und da ist für uns natürlich zunächst mal der Bio-Handel sehr interessant, weil viele unserer Produkte Bio zertifiziert sind, jetzt im Lebensmittelbereich, weil gerade inhabergeführte Bioläden diejenigen, die den Laden betreiben, ja von ihrem Grundansatz her ähnlich sind. Weil ähnliche Kundinnen

und Kunden in den Laden kommen, sodass wir natürlich sagen, wo es im Bioladen Bereich sinnvoll ist, versuchen wir unterzukommen. Deswegen waren wir ziemlich lange auf der Bio-Fachmesse. Das heißt, wir schauen schon immer, weil du im Speziellen gefragt hat es nach Prozessen. Wir schauen natürlich schon, wenn wir glauben, dass eine Kundengruppe interessant ist, wie sind die organisiert? Zum einen: was gibt es dafür Verbände oder wie treten die auf? Wo kaufen die ein, wo gibt es Berührungspunkte? Das sind ja in aller Regel Messen. Das heißt also, von daher ist die Bio-Fachmesse daran ein Beispiel. Wir schauen, jetzt ist natürlich gerade Corona Zeit, wo Messen schwierig sind, wir wollten auf die Innatex Messe gehen. Im Bereich Naturtextilien, ähnliches Feld wie Bio auch, wo wir denken, da gibt es einfach nennenswerte und interessante Schnittmengen. Ansonsten sind für uns zum einen Kunden in der Bio-Richtung, da wir viele Produkte auf Basis der Ernten, die wir importieren, verarbeiten lassen oder herstellen lassen. Beispiel Mango. Wir kaufen getrocknete Mangos bei Preda auf den Philippinen ein, kaufen Mango Püree auf den Philippinen ein und Preda sagt: "Mensch, je mehr Mango wir euch verkaufen können, desto mehr kleine Bauernfamilien können ihre Ernte an uns verkaufen.". Deswegen spüren wir da schon einen gewissen Grunddruck aber auch ein Grundinteresse, einfach interessante Mango Produkte zu kreieren. Und da wir primär Händler sind, suchen wir natürlich nach potenziellen Mitstreitern, sprich nach Facharbeitern, die jetzt zum Beispiel aus Mango Püree, Fruchtgummis herstellen oder Essig, Liköre oder aber eben die Frucht verwenden können etc. Und diese Verarbeiter, die sind natürlich für uns potenzielle Kunden, denn die haben ja auch ihren Vertrieb, die haben ihre eigenen Produkte. Und wenn die bei uns eben zum Beispiel Mango, Püree, Zucker, Nüsse etc. auf einkaufen können, dann hat das für unsere Produzentinnen großen Mehrwert. Das heißt also ist zwar auch jetzt in dem Sinne kein Prozess, aber ein Augenmerk für uns sind natürlich Weiterverarbeiter und Verarbeiter, die wir an die wir dann ernten, als Rohware weiterverkaufen. Das ist so ein bisschen das Spektrum. Und da guck mal, wenn du im Bereich Prozesse natürlich dahingehend rein, als dass die natürlich zwingend technische Vorgaben brauchen, also die brauchen Säure, Werte etc. Also die brauchen Spezifikationen zu der Ernte. Die haben natürlich da Vorstellungen, denen wir genügen müssen, dass sie mit dem Produkt weiterarbeiten können.

00:12:04

Speaker 1: Und in den Läden, in denen er dann ausstellt, schaut er auch immer wieder folgende Punkte an: Wie sind die so ausgelegt? Also geht ihr auf die persönliche Akquise. Auch wenn's möglich ist mit Corona oder ist es dann quasi ein Selbstläufer?

00:12:19

Speaker 2: Sowohl als auch. Also die Partnerschaft zu vielen Läden ist schon seit vielen Jahren oder manchmal sogar Jahrzehnten. Es gibt ja auch immer Läden, die 25 bis 40. Jubiläum feiern. Das heißt, die kennen einen seit vielen Jahren und wir sie auch. Das ist natürlich, hat sich automatisch so entwickelt, dass das ein Stück weit auch sehr persönlich ist, weil man sich über viele Jahre kennt. Trotzdem informieren wir über Kataloge, über Onlineshop, über Homepage,

über Newsletter natürlich erst mal in die Fläche hinein. Und da gibt es auch Aussendungen, wo wir jetzt nicht unterscheiden zwischen Läden oder Bioläden oder potenziell anderen. So was haben wir. Wir streuen einfach. Gerade im elektronischen Bereich kostet das ja nicht viel mehr. Und jede und jeder, den das interessiert, kann potenziell natürlich mehr über uns erfahren und potenziell auch bei uns weitere Artikel einkaufen. Das heißt, eine Basis geschieht natürlich erstmal durch eine Grundausstattung und dann je nachdem, wer Läden, die sich neu gründen, Läden, die umziehen, Läden, die eine wichtige Rolle auch im Umsatzvolumen für uns spielen, Läden, die bei uns Genossenschaftsmitglieder sind und einfach sich für mehr interessieren. Die in aller Regel besuchen wir öfter bzw. da läuft man sich auch auf Messen öfter mal über den Weg, da ist man schneller im Austausch, auch mal per E-Mail, Telefon etc. Also da ist einfach eine höhere Kommunikation automatisch auch da.

00:13:53

Speaker 1: Und abgesehen von Österreich und den Ländern, in denen ihr schon seid, gibt es so aufgrund von vorherigen Erfahrungen oder auch, was man immer auf Messen hört, irgendwelche Länder, die dir sofort in den Kopf springen, wenn du, an fair trade denkst oder jetzt auch an einen wachsenden fair trade Markt?

00:14:14

Speaker 2: Also natürlich, die Niederlande sind ein spannendes Land. Also das ist sicherlich ein Land, was auch eine fair trade Tradition hat, die sehr ausgeprägt ist. Für uns grundsätzlich ist potenziell jede Kundin und Kunden interessant und im Ausland idealerweise natürlich mit jemandem vor Ort, der die Strukturen kennt, wie vorhin schon kurz angedeutet oder beschrieben. Einfach so ein bisschen seine Kundinnen und Kunden kennt, der da einfach für uns die Arbeit macht und uns auch gut sagen kann, welche Produkte ihn interessieren, weil eben überall dann nochmal entsprechende Anhänger dran mit der jeweiligen Landessprache etc. Das ist natürlich relativ aufwendig, das heißt, da findet natürlich schon auch von Seiten des potenziellen Interessenten oder dann Partnerin auch eine Vorauswahl statt, die wir dann beliefern.

00:15:23

Speaker 1: Das heißt hauptsächlich, aber auch dann mit Partnern vor Ort?

00:15:33

Speaker 2: Idealerweise so, dass die Partnerin das auch weiter verteilt. Genau, weil unter Umständen da eben dann die Kundinnen dort direkt einkaufen. Ja, genau dann eine Kommunikation auch vorhanden ist, die wir ja nicht kennen und in die wir auch nicht eingreifen. Und wir hatten zum einen gar nicht die Zeit, die Möglichkeiten, aber auf der anderen Seite macht es auch keinen Sinn.

00:15:56

Speaker 1: Gibt es da jetzt irgendwelche spezielle Produkte, Produktlinien, die besser laufen oder die mehr gefragt sind im Ausland oder allgemeine Trends in der Fair Trade Industrie?

00:16:11

Speaker 2: Also bei uns jetzt, WeltPartner, kann ich jetzt nur sehr oder aus meinem Gedächtnis und aus meiner Erfahrung sagen. Es ist aber gesamtgesehen bei uns spielt es oder ausländische Fairhandels Organisationen oder, ich sag mal Vertriebskanäle, so möchte ich sagen, spielen eine sehr nachrangige Rolle vom Gesamtumsatz. Also die Zahl kann ich dir gerne nachreichen, aber das ist eben im geringen einstelligen Prozentbereich, wenn überhaupt in Summe für dann Italien plus Niederlande. Ja, Österreich ist ausgenommen. Bei uns Österreichs zählen wir schon extra Österreich aber auch plus Tschechien, Polen, Schweden etc. Produkte sind nahezu ausschließlich Lebensmittel. Naja, also das ist mir gar nicht nennenswert bekannt, dass wir Handwerk verkaufen. Wenn dann vielleicht mal ein einzelnes Produkt da mal Grußkarte oder so oder ein Karton, weil er einfach gut dazu passte. Schmuckkarton, aber jetzt eigentlich fast gar nichts an anderes.

00:17:29

Speaker 1: Gibt es bei euch im Inland und auch im Ausland bestimmte Wettbewerber bei denen Ihnen das Gefühl habt, dass ihr da besonders mit denen immer so ein bisschen ein Kopf an Kopf Rennen habt oder habt ihr das Gefühl, dass die Fair Trade Industrie sich von anderen Industrien unterscheidet?

00:17:57

Speaker 2: Okay, also es ist so der faire Handel wächst und das ist gut so. Und er sollte auch weiterwachsen und idealerweise den unfairen Handel ersetzen. Wir sind als Fairhandelsbewegung glaube ich so klein, dass es oftmals Sinn macht, partnerschaftlich zusammenzuarbeiten, das machen auch GPL, Puente Globo, wir zum Beispiel und andere im Forum Fairer Handel als Vertretung, als Lobby Vertretung des fairen Handels in Berlin. Es gibt auch eigene Programme, wo man zusammenarbeitet. Also gerade als Initiative, um Weltläden zu professionalisieren, zu unterstützen, sind es vor allem GPL, Puente Globo und wir, die da zusammenarbeiten. Und man kennt sich natürlich, man schätzt sich. Aber Fakt sind wir im Weltladen vor Ort erstmal zunächst auch ein Stück weit Konkurrenten. Das ist natürlich bei Produkten sehr deutlich oder mehr spürbar, wie Kaffee also so die klassischen Fairhandels-Produkte, das ist in den Sparten Bereichen ist das nicht so ausgeprägt. Wir schauen schon allesamt ein Stück weit, vielleicht auch instinktiv ein bisschen, dass jeder so seine eigenen Stärken hat, auch im Produktportfolio, so dass wir uns da schon schön ergänzen. Aber wie gesagt, streng genommen sind wir da natürlich erstmal Wettbewerber. Und in dem Augenblick, wo wir die Weltladen-Bewegung verlassen, ist der Wettbewerb natürlich noch viel stärker ausgeprägt. Und da sind es dann nicht die bekannten Player, die auch Fairhandels-Importeure sind, sondern dann hat man auch gleich andere Größenordnungen, mit denen man da zu tun hat. Also kleines Beispiel: Wir von WeltPartner hatten vor zehn Jahren mal mit einer kleinen Kooperation oder mit der Kooperation, klein will ich sie gar nicht nennen, von inhabergeführten Hotels zusammengearbeitet. Die Idee kam dadurch, dass ich selbst auch viel, natürlich immer

mal in Hotels übernachtete und findet das natürlich spannender in einem inhabergeführten Haus, was vielleicht schon über viele Generationen gibt, irgendwo in einer Kleinstadt unterwegs zu sein und habe mitgekriegt, dass die sich gemeinsam organisieren. Einfach auch gemeinsam vermarkten, um dann auch Anreiz zu geben, wenn man zum Beispiel in fünf verschiedenen Häusern übernachtet hat, dass man dann einen Gutschein für eine Gratisbernachtung bekommt. Und das hat mich interessiert. Deswegen hatte ich mit dieser Zentrale Kontakt aufgenommen und die haben ja auch erzählt, dass sie sich zweimal im Jahr treffen und waren sehr rührselig und gesagt: "Mensch, fairer Handel, das finden wir doch auch spannend". Da gibt es doch vielleicht ein Produkt. Und herauskam, dass wir ein kleines Bettupferl aus Mango Püree herausgebracht haben, was Partnerbetriebe bei uns einkaufen konnten, um das dann auf das Bett zu legen. Und deswegen habe ich WeltPartner da auch bei so einem Treffen vorgestellt. Natürlich im speziellen das Mango Projekt, aber auch wer wir generell sind. Und da waren natürlich auch andere Lieferanten, die damit zugehört haben. Und als dann ein halbes Jahr später das nächste Treffen war, da war dann der Kaffeelieferant dabei, die hatten dann ein riesengroßes fair trade Siegel bei sich am Stand hängen. Die hatten gesagt, dass sie natürlich auch fair gehandelten Kaffee im Programm haben, haben dann gleich den Partnern gesagt, wer bei ihnen fair gehandelten Kaffee kauft, der kriegt natürlich auch die Kaffeemaschine gestellt und und und. Also die haben dann auch gleich mal gezeigt, was sie da alles auffahren können, weswegen dann für uns klar war, dass wir im Kaffeebereich mit dieser Kooperation erstmal weniger zusammenarbeiten. Also das ist als kleines Beispiel, das zeigt, dass das auch ein sehr ungleiches Rennen oftmals sein kann und die anderen schon sehr feinen Antennen haben und merken: "Oh, da kommt der faire Handel ein Verhandeln Importeur, das ist auch ok, das ist angesagt. Und da müssen wir gleich mal auch zeigen, dass wir das auch können, dass wir das auch wollen und versuchen, dass wir unsere Kunden da bei der Stange halten".

00:22:17

Speaker 1: Ok, vielen Dank. Und dann habe ich noch zum Abschluss eine recht offene Frage Wo siehst du die fair trade Industrie und aber auch den Platz von DWP in fünf bis zehn Jahren?

00:22:32

Speaker 2: Ich denke, dass wir weiterwachsen werden. Unser Platz ist in der Mitte der Gesellschaft. Ich glaube, für viele junge Menschen ist der Gedanke des Fairen Handels selbstverständlich. Es gibt sicherlich, wenn man vielleicht über die komplette Bevölkerung betrachtet, Bevölkerungsanteile, die wir eher weniger erreichen, zumindest noch. Aber ich glaube, der faire Handel wird wachsen, der faire Handel wird auch noch bekannter und seine Stimme wird auch noch mehr gehört werden in der Mitte der Bevölkerung und das heißt dementsprechend auch bei politischen Entscheidungsträgern dementsprechend auch, werden fair gehandelte Produkte noch fast noch stärker in Einkauf oder in den Einkaufswagen landen. Egal wo Leute fair gehandelte Produkte einkaufen und Lieferkettengesetz. Wie gesagt, sobald die Politik interessiert ist, dass die nachschärfen, wird in Kombination mit dem Umweltthema, in

Kombination mit den sozialen Fragen, die auch uns drängen. Also kleinbäuerliche Wirtschaft. Kleinbäuerliche Strukturen sind zum einen ein wichtiger Garant dafür, dass Menschen von ihrer Arbeit leben können, es ist ein funktionierendes Werkzeug gegen Hunger. Es ist, da kann man jetzt bei uns vielleicht noch sagen, wenn man kaltherzig ist, was hat das mit uns zu tun? Aber man sieht ja, wie Migrationsströme sind. Das kann so auf Dauer nicht gut gehen. Das erhöht den Druck auch bei uns, dann ist es umso wichtiger. Aber natürlich, wenn man sich auch den Umweltbereich anschaut, wo kleinbäuerliche Strukturen sind, da herrscht in aller Regel auch eine Vielfalt auf der Parzelle. Da ist eine Subsistenzwirtschaft in aller Regel. Wenn es nicht sowieso Bio zertifiziert ist, dann sind die Parzellen, so dass das, da die Kreisläufe größtenteils funktionieren. Dass Abholzung entgegengearbeitet wird. Also von daher ist fairer Handel global gesehen, einfach egal in welche Richtung man zieht, wichtig. Und ich glaube das erkennt auch die Politik umso mehr. Die spannende Frage ist, wie die großen Händler damit umgehen. Beispiel gerade eben Daroben war das konkret bei dieser Hotelkooperation, die sind ja schon größer, aber es gibt ja noch viel, viel, viel größere Konzernstrukturen. Gerade die, die eigentlich auf dem Aufbauen, weswegen es einen fairen Handel braucht, nämlich auf neokolonialistischen Strukturen, auf Strukturen, die vor 150, 200 Jahren und noch mehr geschaffen worden sind, wo diese Firmen zum Teil ihren Ursprung haben und heute natürlich ganz andere Möglichkeiten haben, Greenwashing zu betreiben. Vielleicht auch hier und da wirkungsvoll fairen Handel zu betreiben, aber auch durch ihre Marktmacht einfach aufstrebende Importeure, aufstrebende Akteure einfach auch klein machen können, vielleicht auch wenn sie unliebsam sind, auch mal aufkaufen können. Also das ist sicherlich ein Fallstrick. Ansonsten würde ich sagen, wenn man das mal außen vorsieht, wird der faire Handel definitiv weiterwachsen, und bekannter werden und in der Gesellschaft ankommen.

00:25:59

Speaker 1: Also auch nicht nur in Deutschland, sondern auch europaweit, global.

00:26:04

Speaker 2: Würde ich sagen, in der Welt traue ich mich schon gar nicht zu sagen, auch in Europa. Auch was Handelsstrukturen anbetrifft, dann wirklich so da einzutauchen so außenvor, dass ich sehr weit gefasst glaube, dass es so sein wird. Wir sind als Deutschland ja doch immer noch in vielen Dingen, auch wenn manches bei uns klemmt, gewisser Vorreiter oder aber ein Land auf das andere schauen. Und wenn wir es schaffen das fair gehandelte Produkte einfach auch ein Stückweit ein Statussymbol werden, dass es einfach zum guten Ton gehört, sich für Fairness zu interessieren, dann wird es auch in anderen Ländern. Wird auch dann eine Sogwirkung geben, unabhängig von den jungen engagierten Menschen, die es in allen Ländern gibt, die einfach sagen: "das ist sinnvoll, das ist wichtig". Die vielleicht ihre Eltern fragen: "Warum steht die Welt da, wo sie steht? Was habt ihr dagegen getan? Wir wollen uns engagieren!", aber dann ist es sicherlich auch so ein Punkt, wie das ist. Dass es einfach zum guten Ton gehört, fair gehandelt einzukaufen. Dass das vielleicht auch mit Ausschlag ist.

00:27:22

Speaker 1: Dann vielen, vielen lieben Dank. Gibt es noch irgendwelche Punkte, wo du das Gefühl hast, dass die noch mit rein sollten?

00:27:28

Speaker 2: Nein, vielen Dank.

Interview 4 - Jürgen Herold

Date: 02.02.2022 6:00 PM

Speaker 1: Ellen Wittig

Speaker 2: Jürgen Herold

00:00:06

Speaker 1: Für dich ist es in Ordnung, dass ich jetzt aufnehme?

00:00:09

Speaker 2: Ja, kannst du gerne aufnehmen.

00:00:14

Speaker 1: Magst du mit ein paar Worten noch Frida Feeling vorstellen zum Anfang?

00:00:24

Speaker 2: Also Frida Feeling ist ein Fair Handelsunternehmen, gibt es seit 2014. Wir sind ein Groß und Einzelhandel Importeur von fairen Produkten aus dem Kunsthandwerk. Das heißt, alles handwerklich hergestellt. Wir importieren hauptsächlich aus Nepal, dann aus Kambodscha und aus Indien verschiedenste Schals, Decken, selbstgewählte viel Filz. Also alles was um Deko geht. Richtig viele schöne Sachen für Home, und viele schöne Sachen, hauptsächlich für Frauen, Taschen, Täschen und Ähnliches. Das ist das, was wir machen. Wir arbeiten sehr viel mit Weltläden zusammen. Das ist also das Hauptkundenklientel, in Deutschland, Österreich, der Schweiz und betreuen da oder haben da etwa eine Klientel von 800 verschiedenen Einzelhändlern mit Anforderungen. Und daneben verkaufen wir auch noch an Endkunden. Das ist aber so ein kleiner Bereich, den wir über nachhaltige Shops wie Avocadostore machen oder auch direkt und machen so etwa 10 Prozent unseres Umsatzes mit Endkunden. Was Länder angeht, lässt man England meistens außen vor. Interessanterweise tatsächlich, wenn man sich insgesamt in der fair trade-Szene, in der ich ja auch recht aktiv bin, über den Vorstand vom Verband oder so ganz gut vernetzt bin, da eben entsprechend tatsächlich eher die Schweiz als das Land ist, wo man sagt im Verhältnis zu fair trade, weil da ja auch einige interessante Aktivitäten stattgefunden haben. In der Schweiz ist fair trade relativ stark etabliert aufgrund von Aktivitäten. Und da ist tatsächlich immer die Schweiz derjenigen, die bei uns auf Platz eins stehen von dem, was sich im Markt anbietet. Wir fragen uns oftmals wie viel gibt halt der Bürger für Fair Trade Produkte aus? Das ist ja eigentlich so ein klassischer KPI. Wenn wir fair trade als alleiniges Produkt betrachten. Wenn man natürlich das reine Produkt betrachtet, sieht es wieder anders aus. Es gibt nur zwei Länder, wo der fair trade Markt eher abgeschottet ist. Soweit mir

bekannt, in Belgien und in UK, dass eben wirklich selbst importiert wird. Dass der fair trade Markt dort auch in gewisser Weise zusammengebrochen ist, weil gewisse Importeure als Organisation aufgehört haben überhaupt zu pushen.

00:06:22

Speaker 1: Also man sieht ganz klar einen Rückgang der Wachstumsrate in 2019 und 20, was dann Covid wahrscheinlich 2020 noch mal verstärkt wurde. Und die Prognosen für die UK sind auch nicht so gut wie für die andere Märkte tatsächlich.

00:06:43

Speaker 2: Das war tatsächlich so, dass Importeure aus dem Markt ausgeschieden sind, ohne dass es einen Ersatz gab. Dadurch gibt es natürlich sofort einen wahrscheinlichen Rückgang.

00:06:53

Speaker 1: Ja, ja, seit wann ist Frida Feeling denn schon in der Schweiz?

00:06:58

Speaker 2: Seit etwa fünf Jahren.

00:07:01

Speaker 1: Und was würdest du sagen, sind die größten Hürden im Schweizer Markt?

00:07:06

Speaker 2: Ja gut, wir haben natürlich einmal Hürden, sind der Export, also das klassische Eintritt, weil es eben nicht in der Eurozone ist. Das heißt, der Export ist ab einer gewissen Summe aufwendig. Das ist also das eine, was wir feststellen. Wir haben den Vorteil, dass wir dort mit einem großen Partner arbeiten und es dann schon gebündelt machen. Wir sind im Vertrieb nicht direkt aktiv, sondern indirekt aktiv. Das ist ein Commitment mit unseren Partnern. Und das zweite ist natürlich, dass dann auch spezielle Requirements gibt. Also sprachlich natürlich ein Thema. Wir haben drei Sprachen und es gibt tatsächlich Regionen, da muss man diese Sprache können. Also mit Deutsch kommt man sehr gut weit, also sehr weit. Englisch wird dann schon schwierig, aber es gibt tatsächlich Regionen, die italienische, also die richtige italienische Schweiz und französische. Da ist es schon ein Sprachthema. Und dann gibt es natürlich tatsächlich, wenn ich gerade dann an Schmuck denke, gibt es natürlich auch besondere Voraussetzungen, also Anforderung, rechtliche Anforderungen, die du dahast. Aber dieses Thema mit Abwicklung, also diese tatsächliche Zollbehörde, das ist meines Erachtens das Schwierigste in dem Land. Idealerweise hat man dann tatsächlich einen Partner vor Ort, der auch quasi entweder ein eigenes Lager vor Ort mit einer Niederlassung hat, um das Ganze zu verarbeiten oder eben einen Partner, der das für einen macht.

00:08:35

Speaker 1: Habt ihr denn einen Partner vor Ort, der ein Lager hat oder jemand, der den Export quasi für euch übernimmt?

00:08:40

Speaker 2: Wir haben tatsächlich jemanden, mit dem wir, der unsere Produkte in sein Sortiment

mitnimmt, unter unserem Namen und die dort für uns in die Weltläden vertreibt. Wenn du dich mit dem Schweizer Markt im fairen Handel beschäftigt hast, kennst du vermutlich die Firma Claro.

00:08:55

Speaker 1: Ja, ja.

00:08:57

Speaker 2: Und das ist unser Hauptpartner in der Schweiz. Wir haben auch noch ein paar Andere. Vielleicht vom Produktportfolio ist es bei uns so: Wir haben ein Sortiment aus Kambodscha, das wir exklusiv vertreiben für ein Sozialunternehmen, das heißt Materia und Materia vertreibt die Produkte immer, gibt in Asien und ethisch soziales Unternehmen nach den fair trade-Standards arbeitend. Und die geben in jedem Land immer nur einem Distributor die Rechte, dieses Produkt zu verkaufen. Und das gibt es, gab es auch in der Schweiz und die haben aufgehört. Wir haben das übernommen und dadurch haben wir noch einige Kunden in der Schweiz außerhalb von Claro. Ansonsten sind wir da quasi indirekt aktiv. Wir haben Commitment mit claro, dass wir gesagt haben, wenn ihr von uns die Sachen kauft, gehen wir quasi nicht aktiv in den fair trade-Markt. Also der Markt ist nicht abgeschottet, sondern das hilft uns natürlich, dass wir sagen, wir haben nicht alle unsere Produkte drin, aber wir sind, glaube ich in den Claro-Läden ganz gut vertreten.

00:10:04

Speaker 1: Und auch bei den Läden, da gibt es ja auch viele Läden, die eher klein sind im Vergleich zu deutschen Läden. Merkt man das stark bei den Umsätzen?

00:10:15

Speaker 2: Also was wir machen, ist relativ simpel von dem, was wir uns auch angeschaut haben, als wir den Markt betrachtet haben, einfach von den Zielgrößen, kann man sagen. Ich habe ja vorhin erzählt, wir sind in Deutschland, Österreich, Schweiz tätig und ich sage mal, Österreich und Schweiz ist etwa von der Größe so ein Zehntel von Deutschland. Ja, was das Umsatzvolumen für uns betrachtet von pro Kopf wird mehr ausgegeben, deutlich mehr ausgegeben für fair trade Produkte. Dass die Schweizer wirklich spüren. Aber natürlich ist der Umsatz etwa ein Zehntel von dem, was in Deutschland machen. Das deckt sich auch ziemlich mit unseren Erfahrungen.

00:10:53

Speaker 1: Und wenn Frieda Feeling in ein neues Land eintritt, wie schaut da der Prozess aus? Also wird er eher nach Erfahrungswerten gegangen oder auch von anderen Herstellern, dass man irgendwie gehört hat, welches Land ist produktiv?

00:11:07

Speaker 2: Na gut, wir schauen uns also, wenn ich ein Land habe, es ist, wie du vorhin gesagt hast, ja oftmals zufallsbedingt. Dass man entweder angesprochen wird, Kontakte bekommt oder ähnliches. Oder eben gezielt, wie wir es in Österreich gemacht haben, hier in Österreich aktiv

ist. Da haben wir uns bei dem Weltladen Dachverband, dann adäquat bei der ARGE entsprechend beworben und sind dann aufgenommen worden und vertreiben auch dann wieder gezielt in unseren spezifischen Kernmarkt, nämlich Weltladen. Und da schauen wir schon einmal, welche Kapazitäten haben wir da? Macht es überhaupt Sinn, woanders hinzugehen? Das ist die Voraussetzung. Aber eben die der Marktwahl, ist dann schon, den Zielmarkt zu betrachten. Also in unserem Fall tatsächlich nachhaltige fair trade, wie du sagst, Analyse gibt es überhaupt fair trade? Da gibt es eine Chance. Wie sind die generell Preisstrukturen? Als Beispiel für uns ist Polen, wo wir auch überlegt haben, ob wir hingehen, weil wir eine Mitarbeiterin auch hatten, die aus dem Land kam. Also Sprachbarrieren sind immer ein Thema. Man kann nicht nach Polen gehen, wenn ich kein Wort Polnisch spreche. Das ist dann schwierig und da haben wir uns tatsächlich angeschaut, was gibt es da eigentlich am Fair trademarkt? Und haben relativ schnell festgestellt, die sind auch ganz, ganz weit hinten was diese Entwicklung angeht, da haben wir dass sie wirklich komplett kompetitiv zum konventionellen Markt, was wir ja in den Ländern Deutschland, Österreich, Schweiz schon eher sind. Luxemburg oder Niederlande wären Länder, die wir machen könnten, aber da ist es so wie bei Österreich war es dann eben genau dieses Thema, als ich gesagt habe machen wir, da machen wir es nicht zu sagen, wie groß ist das Ziel Segment, was wir haben und wie transparent ist natürlich auch. Österreich, Schweiz, Deutschland sind da schon sehr transparent im Verhältnis zu anderen Ländern. Wie ist die Entwicklung aus dem fair trade Markt? Dadurch, dass wir international arbeiten und ich auch mit vielen von der WF Kontakt habe, gibt es natürlich auch Informationen. Der holländische Markt ist zusammengebrochen, ziemlich, weil es da Querelen gab. Die Fairtrade-Industrie, des belgischen Markts ist ziemlich klein und abgeschottet. Auch wieder ein Sprachthema was auch immer dieses Segment spezifisch Schauen, wo passen unsere Produkte eigentlich, so wie wir eine Marktauswahl dann auch machen und haben uns dann eben entschieden auf diese drei Länder uns auch zu konzentrieren. Wir haben auch Kunden aus anderen Ländern, wie pakilia ja auch. Das haben dann tatsächlich. Wir gehen ja auf internationale Messen. Dadurch passiert es ja auch, wenn wir natürlich, ich sage mal notgedrungen von irgendeiner großen schwedischen Kette gesagt bekommen: "wir würden von euch die Produkte kaufen.", würden jetzt sagen wir, wir bedienen den Markt nicht, aber es wäre kein Markteintritt, keine Marktstrategie, sondern dann wäre es tatsächlich good Luck oder was auch immer, wie das dann im Vertrieb ja auch der Fall ist, wenn man fleißig ist.

00:13:57

Speaker 1: Ja, ja, okay. Und in Österreich seid ihr da auch mit Handelspartnern drin oder quasi nur in der ARGE und hier dann über den Weltläden selbst?

00:14:08

Speaker 2: Genau. Also da ist es tatsächlich so, dass wir in erster Linie mit der ARGE arbeiten, weil das eben unser Zielklientel ist, wenn man so verschiedene Säulen hat, das Erste sind eben die Weltläden. Und da arbeiten wir dann direkt mit den Läden zusammen, also akquirieren die

auf verschiedenste Art und Weise. Auf Messen, oder Aktivitäten mit der ARGE zusammen oder dann eben auch von den Läden, die noch keine Kunden sind. Dann auch Direktakquise. Also klassische Kaltakquise in dem Sinne. Aber in Österreich ist es natürlich auch so, dass wir auch andere Kunden haben. Da ist natürlich die Marktlage zu Deutschland relativ stark und da sind die Hürden auch sehr gering, was die Lieferprozesse angeht. Insofern haben wir da auch den einen oder anderen Einzelhändler, der dann in der Regel über Messen zu uns kommt. Es ist tatsächlich so, dass wir dann, wenn man auf verschiedenen Messen ist und dann auch sagen kann, dass man in dem Land aktiv ist. Dann entwickelt sich der ein oder andere zusätzliche Kunde.

00:15:06

Speaker 1: Und dann auch persönlicher Direktvertrieb?

00:15:11

Speaker 2: Also dann auch mit dem Außendienst. Wir haben einen Außendienst für die Länder entsprechend, die dann die Kunden betreuen und dann auch vor Ort akquirieren und physisch besuchen.

00:15:22

Speaker 1: Und würdest du sagen, es ist eine große Barriere, dass gerade in Österreich und der Schweiz ist ja oft so, dass nationale Marken eher gefördert werden oder dass auch von den Kunden selbst?

00:15:40

Speaker 2: Aber haben wir dadurch, dass es wieder dieses spezielle Segment ist, Weltladen, sehen wir die tatsächlich weniger. Also meine Wahrnehmung ist, dass weniger darauf geschaut wird, wer ist, sei jetzt mal der Importeur, sondern welche Projekte, welche Produzenten stehen dahinter? Dem passt das zu unserem Weltbild, zu unserem als zu unserer Ausrichtung, als Ladengeschäft.

00:16:06

Speaker 1: Die kulturelle Hürde ist also eher klein?

00:16:09

Speaker 2: Die ist eher klein.

00:16:11

Speaker 1: Und was sind die Hauptgründe für Frida Feeling zu expandieren bzw. werden auch noch in der Zukunft Expansionen geplant?

00:16:20

Speaker 2: Also wir planen weiter zu wachsen und zu expandieren, weil wir der Meinung sind, dass der Markt immer noch viel zu klein ist und es noch viel zu wenig schöne Produkte gibt und wir viele schöne Produkte haben. Also ich glaube, dass wir haben, so eine Philosophie ähnlich wie bei pakilia, eine hohe Qualität zu liefern, die dann auch schöne Produkte zu machen. Insofern kennen wir das ja auch die Produkte ja auch recht gut von Frida Feeling. Und dann

eben entsprechend, die auch versuchen weiter zu streuen, weil sie einfach der Meinung genauso wie pakilia, dass unsere Produkte wertig sind und eher sogar im Verhältnis zum konventionellen Markt manchmal günstig sind. Ja, wenn man es vergleicht und wir uns dadurch einfach auch weiterverbreiten wollen. Unsere größte Herausforderung ist tatsächlich, das Wachstum dann auch skalierbar zu machen. Und es fällt uns noch relativ leicht, als wir da Ideen haben, wir eine sehr, sehr breite Produktpalette haben über 2000 Produkte mittlerweile. Uns aber dann zu sagen, wenn ich einen Markt ausgewählt habe, wie bearbeite ich den tatsächlich, dass er erfolgreich ist? Ja, also wir können ganz viel Messen machen und sind weniger erfolgreich, wenn man nichts nicht mit vernünftigen Maßnahmen begleitet. Also nachdem man, wenn man eine Marktauswahl getroffen hat, den dann zu bearbeiten, systematisch. Ich glaube, das ist so bei Small Enterprises tatsächlich die größte Herausforderung, dass wir da auch an Kapazitätsgrenzen aus verschiedenen Gründen kommen. Teilweise ist das auch monetär, also Cashflow. Das ist ja, wir finanzieren ja vor einen großen Teil. Wir wachsen tatsächlich auch während Corona noch relativ stark aufgrund der verschiedenen Länder. Und das ist der große Vorteil, wenn man in verschiedenen Ländern ist, dass doch die jetzt auch in dem Kontext tatsächlich jedes Land ein bisschen anders agiert hat. Also wenn Deutschland ganz schlecht war, ging es vielleicht in Österreich deutlich besser oder der Schweiz. Also das haben wir letztes Jahr gerade eine Schweizer Aktion gemacht, gemeinsam. Das hat uns sehr geholfen. Als in Deutschland quasi nichts ging, ging dann in der Schweiz relativ viel. Aber dann eben dieses, wenn wir wachsen, in so ein Land reingehen, sagen Okay, jetzt haben wir das gestartet. Also Schweiz ist ein schönes Beispiel. Wir haben eine Aktion gemacht und ich habe gesagt, die wird schon ganz gut laufen und dann lief die richtig gut. Und dann war ich im Stress, weil jetzt muss ich liefern, ja, ja, kriegen wir das Zeug. Also es ging um Ware aus Kambodscha. Und auf einmal hat Kambodscha das erste Mal seit Jahren Probleme gehabt, die Lieferzeiten einzuhalten. Diese Wünsche dann, wenn sie in Erfüllung gehen, dass man wächst und erfolgreich ist, dann als Small Enterprise umzusetzen. Das finde ich eine unglaublich hohe Hürde mit allem, was dazugehört, Manpower. Ihr habt es ja auch erlebt, dass die Leute dann auf einmal studieren oder sich verändern. Bei uns auch. Wir haben Kollegen, die dann sagen: „Okay, ich gehe wieder nach Polen nach zu Hause“, wir sind ein kleines Team, da reist halt eine Person auch eine Lücke. Also die Skalierbarkeit von kleinen Firmen ist gerade im Markteintritt glaube ich, eine große Herausforderung. Also bei uns ist Österreich auch ein schönes Beispiel. Wir haben entschieden, wir haben gewisse Ressourcen zur Verfügung und dann stellst du fest, du brauchst eigentlich mehr Ressourcen und die dann nachzuziehen, da bleibt dann bei uns, in dem Fall bei mir hängen. Das heißt, ich darf jetzt nach Österreich und darf meine Kunden besuchen. Und was ja nicht sein kann, wäre, jetzt sind wir hier und da passiert nichts mehr. Ja, das wäre ja tatsächlich fatal zu sagen ich probiere jeden Markt aus. Ich glaube mit den Prozessen und mit den Betrachtungen des Prozesses der Marktauswahl, das kann man noch recht theoretisch

machen, sie muss natürlich dann schon auch evaluieren, passt es dann dazu? Aber wie gesagt, dann der Markteintritt selber ist in unserer Größenordnung schon eine Riesenherausforderung.

00:20:28

Speaker 1: Und du hast jetzt ja gerade gesagt, in manchen Ländern ging es ihm besser, während andere ein bisschen abgefallen sind. Was glaubst du, sind da die Hauptfaktoren, dass es gut lief bzw. nicht so gut lief?

00:20:39

Speaker 2: Also das waren tatsächlich oftmals auch gesetzliche Maßnahmen. Insgesamt haben wir ja schon Glück, dass wir mit den Weltläden arbeiten, weil die doch relativ stabil durch die ganze Krise gekommen sind, weil ja auch dort die meisten offen haben durften, während Corona aufgrund des Sortiments und wir das nur in gewissen Regionen gemerkt haben. Bayern war teilweise sehr lange zu. Aber wie gesagt, was sehr spannend war: Südtirol war dann wirklich die Thematik als Südtirol die Läden auf waren, waren die in Deutschland tatsächlich zu. Das heißt, ich war dann in Südtirol. Ich glaube sogar damals mit der Melly und haben dann eine Messe gemacht und konnten da eben wieder Umsätze generieren. Dann bin ich von dort nach Österreich gefahren, da haben sie mir quasi Südtirol zugemacht. Dann war ich in Österreich zwei Tage, da haben sie Österreich zugemacht, da war wieder Deutschland. Ich glaube, der große Vorteil von verschiedenen Märkten ist tatsächlich, dass man durch die verschiedenen Länder sicherer ist. Merke auch, dass gewisse Produkte in gewissen Märkten anders nachgefragt werden und dass das natürlich dann hilft. Diese Diversifizierung der Märkte, hilft wahnsinnig. Wenn du dann nur für UK spezialisiert, hast du natürlich ein Thema, weil dir Märkte wegbrechen, was auch Produzenten gemerkt haben, die uns dann angesprochen haben. UK ist weggefallen. Vorher bei der Finanzkrise waren es sehr stark die südeuropäischen Länder. Spanien war mal ein sehr starker Markt, der ist dann komplett zusammengebrochen und solche Dinge. Das ist da natürlich ein Vorteil, wenn man breiter aufgestellt ist auf verschiedene Länder. Das hat dann schon einen Riesenvorteil.

00:22:38

Speaker 1: Und während Corona habt ihr dann auch angefangen, euch mehr auf E-Commerce im Allgemeinen zu spezialisieren oder weiter die Richtung?

00:22:45

Speaker 2: Wir sind schon der Meinung, dass eben auch wir im B2C zu wenig gesehen werden. Und dass es auch kein Widerspruch ist, zu den Läden. Ich glaube das ist einfach eine andere Klientel. Das heißt, wir haben da auch Einiges getan. Wir haben den Avocadostore zum Beispiel weiter ausgebaut. Sehr empfehlenswert und sind auch gerade dabei zu sagen: „Wir brauchen verschiedene Säulen, auf denen wir stehen“. Und da ist natürlich E-Commerce, auch wenn es für uns schwierig ist, dass das kein etablierter Markt für uns ist. Es ist sicherlich herausfordernd, aber es gibt ja keine Weltläden im E-Commerce im klassischen Sinne, sondern eben die großen Plattformen. Und da bin ich der Meinung, lieber ein Fair Trade Produkt auf Amazon als ein nicht

Fair Trade Produkte auf Amazon. Also da sind wir gerade dabei das auch etwas weiter auszubauen, was für uns dann ja im Prinzip auch eine Art Marktauswahl ist. Auch die Investitionskosten sind höher als viele vermuten. Ja, es ist nicht einfach damit getan, sondern wir haben jetzt einen Online-Shop. Mein habt ihr ja auch, sondern entsprechend der Promotion zu machen, den bekannt zu machen und dann entsprechend darüber zu verkaufen ist schon eine Herausforderung. Zumal jede Plattform auch anders agiert und man dann schon Spezialisten braucht. Auch da wiederum ist dann das Thema quasi, das machen wir auch gerade die im Vertrieb, sich darauf zu setzen und sagen ja dann was müssen wir denn tun? Das ist von der vom Aufwand her sicherlich genauso groß wie der stationäre Handel. Aber sehen wir auch in Riesenpotenzial

00:24:30

Speaker 1: Und dann wieder zurück zu den ausländischen Ländern. Seit wann seid ihr in Österreich im Markt?

00:24:36

Speaker 2: In Österreich sind wir seit zwei Jahren.

00:24:40

Speaker 1: Es werden eher die die Markteintritte hierarchisch gemacht und nicht, dass ihr simultan in mehrere Märkte geht?

00:24:56

Speaker 2: ja, weil wir auch zu klein sind, um alle abzudecken. Tatsächlich und gerade Österreich vor zwei Jahren. Die Entscheidung dann da reinzugehen, war schon strategisch. Wir kennen das auch. Was? Die kulturellen Hürden sind überschaubar. Die Distanz ist überschaubar. Man kann auch mal hinfahren. Es hat ja auch einen Vorteil gegenüber UK ist das schon aufwändige Sprachbarrieren und wir auch wissen, dass Österreich per se auch interessiert an dem Thema ist. Wie gesagt, wir haben uns auch mit Tschechien beschäftigt, also mit allen angrenzenden Märkten natürlich, wo wir sagen können, was kannst du ändern oder nicht? Unabhängig von der Sprachbarriere haben wir einfach festgestellt, da sind auch andere Parteistrukturen vorhin schon erwähnt und da gibt es ein kleines Plätzchen für fair trade. Aber wir haben dann tatsächlich da über die Kolleginnen dann auch vor Ort Recherche gemacht und da gibt es was, haben Kontakte aufgenommen und dann sind wir ganz schnell an Hürden, an Preisen und an Grenzen gestoßen. Das ist dann natürlich auch eine andere Währung, ist auch immer ein Thema. Und dadurch haben wir auch gesagt, wir begrenzen uns in Anführungsstrichen auf die drei Märkte und versuchen, die entsprechend weiter auszubauen.

00:26:12

Speaker 1: Das heißt, es sind jetzt auch in naher Zukunft keine weiteren Auslandsexpansionen geplant. Aber aufgrund von Erfahrungen und weil du aktiv in der Industrie bist. Welche Märkte würdest du noch als sehr profitabel einschätzen außerhalb von Schweiz, Österreich, Deutschland?

00:26:32

Speaker 2: Na gut, der Benelux Bereich ist schon ein interessanter Bereich. Das ist sicherlich ein ganz guter Markt. Ist halt relativ klein. Also der fair trade Markt in den Niederlanden ist ganz gut ausgeprägt. Also dahingehen kann ich mir gut vorstellen, dass es da gute Chancen gibt, auch wenn er momentan in sich ein bisschen unruhig ist und es Zwistigkeiten gab. Aber per se ist das Land glaube ich nach der Schweiz sogar das zweitgrößte direkt von Pro-Kopf Ausgaben für fair trade, also weil fair trade auch sehr aktiv war. Schon früher also ein sehr gutes Land, was das angeht. Luxemburg ist klein, aber fein und was ich denke, das seid ihr auch ganz gut vertreten. Das ist dann auch überschaubar. Das war auch für uns ein Thema. Wir sind auch in Luxemburg. Hat natürlich den Charme. Ziel, dass die Segmente überschaubar und Belgien ist auch natürlich dadurch, dass Oxfam da sehr stark ist. Frankreich ist per se ein sehr spannendes Land, da ist die Sprache halt tatsächlich ein Thema. Also das ist sicherlich einer der größten, natürlich eine der größten fair trade Märkten. Da gibt es ja auch ein paar namhafte, also einerseits die rechtliche Situation dort auch weiter als bei uns die Verpflichtung der Läden. Und dann ist ja auch im Lebensmittelbereich ein ziemlich großes Unternehmen in Frankreich aktiv. Bei uns wäre es ganz klassisch, wenn ich jemanden finde, der Französisch kann und im Saarland lebt, dann würden wir es vermutlich versuchen. Also auch dieses ein bisschen in Märkte gehen, auch so ein bisschen Trial and Error. Auch mal zu sagen: „Okay, wir müssen, wir haben jetzt keine Riesenerwartungen“, aber ist es tatsächlich glaube ich bei Small Enterprises oft so, dass es auch ein bisschen zufallsbedingt ist mit dem wer da arbeitet. Welche Sprachfähigkeiten sind vorhanden, weil das natürlich gerade in Frankreich eine große Rolle spielt. Da kannst du mit Englisch sehr wenig anfangen. Aber sicherlich wäre das ein interessanter Markt, wenn mal der Preis ich tatsächlich eher die Benelux-Staaten sehen, weil das auch eher zu handeln ist und da auch eine gewisse Affinität gerade in Niederlanden ist auch ein recht großer Markt und Niederlande ist nicht so sensitiv wie das in anderen Ländern ist.

00:29:05

Speaker 1: Und bevor oder nachdem ihr dann expandiert habt, wie war die Situation zu anderen Wettbewerbern? In der fair trade Industrie ist es ja allgemein oft eher so, dass man sich hilft und jetzt nicht nur das Wirtschaftliche sieht, das natürlich auch ein großer Punkt ist. Hat sich das dann verändert, nachdem ihr in andere Länder gegangen seid?

00:29:28

Speaker 2: Nicht wirklich. Wir sind nicht nur Wettbewerber, sondern wir helfen, unterstützen auch Andere. Irgendwann gibt es Grenzen, weil es dann auch teilweise Überschneidungen gibt, wo man das dann auch mal ausdiskutieren muss. Aber es gab jetzt keine spezifische Konkurrenz da, dass einer sagt: „Oh, jetzt bist du in Österreich tätig“, denn der Markt ist auch groß genug. Und ja, da Gott sei Dank ist das, gehen wir da ein bisschen anders miteinander um. Gefällt vielleicht nicht jedem. Also das ist schon klar. Ich glaube schon, dass nicht jeder dann

happy ist, wenn wir auch nach Österreich gehen oder in die Schweiz oder hier. Aber das ist der Lauf der Dinge,

00:30:11

Speaker 1: Aber auch in den anderen, also Österreich, Schweiz ist. Zählt der fair trade Gedanke mehr? Und dann hätte ich noch eine Frage, ist eine recht offene Frage: Wie siehst du den Platz von Frida Feeling in 5 bis 10 Jahren in der weltweiten fair trade Industrie und auch allgemein die Entwicklungen der fair trade Industrie?

00:30:38

Speaker 2: Die Frage stelle ich mir immer wieder selbst. Wo wollen wir hin? Wollen wir so bleiben, wie wir sind? Von dem Stellenwert? Wir haben eine ganz gute Substanz mittlerweile erreicht. Mein Ziel ist es, in spätestens fünf Jahren unseren Umsatz zumindest verdreifacht zu haben. Eine Substanz, eine gewisse Größe zu haben in zehn Jahren, ist mir zu lang zu denken. Aber fünf Jahre tatsächlich zu sagen, ich habe so ein Ziel von fünf Millionen Umsatz, das wird spätestens in fünf Jahren erreicht haben, damit wir so ein mittlerer Player auch werden. Also raus aus dem Small, also aus dieser Schiene rauszukommen, da eine gewisse Substanz zu haben. Und was für uns per se vom Markt her ist. Ich glaube sehr stark, dass die Produkte auch außerhalb des engen fair trade Marktes, dass die eine Berechtigung haben, mehr als viele andere und unser Ziel ist da auch deutlich aktiver zu werden und auch deutlich präsenter zu werden und damit auch entsprechend das Wachstum hinzubekommen. Da gibt es eher eine Verschiebung, wo pakilia dazu gehört, wo wir dazugehören. Die sogenannten Etablierten beschwerten sich dann immer, dass so viele kleine Unternehmen dazu kommen und die Preise kaputt machen, was per se überhaupt nicht stimmt. Wir kalkulieren deutlich sauberer, als dass der eine oder andere Etablierte macht und kann. Aber dieser Markt ist begrenzt. Insofern müssen wir tatsächlich unser Wachstum außerhalb, also auch dem Konventionellen, sehen. Und natürlich an der Marktsättigung auf uns. Sowohl auf Frieda Feeling als auch auf die anderen Kollegen wartet niemand. Alle Produkte, die wir haben, gibt es schon in einer ähnlichen Form irgendwo. Aber wir differenzieren uns schon durch unsere Art und Weise, wie wir arbeiten. Und das sollte auch sich durchsetzen. Und stellen wir auch immer mehr fest, dass auch außerhalb des engen fair trade Marktes sich durchsetzt. Und wir stellen fest, dass das Klassische verkaufbar ist. Insofern sehe ich für uns ein gutes Wachstumspotenzial mit den Restriktionen, die ich vorhin nannte, also Cash, Ressourcen und Skaling. Ich habe gerade gesagt, Wachsen wir vielleicht zu schnell für die kleine Truppe? Also hinterher ziehen und natürlich das zweite von unserer Seite herausfordern. Klar, momentan ist es sehr schwierig, wie die Gesamtsituation ist, aber ich glaube, dass der fair trade auf unserer Produktart und verkaufen sollte eigentlich tatsächlich fast STANDARD werden und wir dadurch auch eine Riesennachfrage per se am Markt haben. Aber wir müssen es nur schaffen die präsenter zu machen. Ich sehe ein Riesenwachstum von fair trade, und eigentlich ist das alles was die Menschen wollen ist das was wir tun. Wir diskutieren sehr viel. Also ich bin ja auch im Forum Fairer Handel aktiv und wir

vom Verband auch. Und da kriege ich ja sehr viel mit. Und dass wir aus dieser Nische rauskommen. Also wenn jetzt macht Aktivitäten und dann geht es immer wieder in Richtung fairer Handel und in die Weltläden. Die Weltläden kennen uns. Macht andere Aktivitäten, nehmt 5 Millionen in die Hand und macht eine Plakatwerbung für Leute, die das nicht kennen. Ja, ja und dann entweder im Internet kaufen oder sonst was. Insofern sehe ich schon ein Riesenpotenzial von Wachstum, nicht nur unter dem Label fair trade. Was da passiert, ist ja hauptsächlich Kaffee und Lebensmittel, sondern und wir stelle auch fest im Rahmen von tatsächlich COVID wird in den Diskussionen mit dem BMZ in Deutschland, also Entwicklungshilfeministerium, wird auch das Non Food wahrgenommen. Bisher gab es immer Fördertöpfe, immer nur Reden, immer nur von Lebensmitteln. Ja, und wir agieren dann immer als gerade aus dem Verband heraus und im Forum Fairer Handel. Hallo, es gibt eine Vielzahl Produzenten, die machen etwas anderes und die Sachen sind auch förderungswürdig. Es gab zum Beispiel vom BMZ recht gute Hilfen für Lebensmittel, Importeure und für Kunsthandwerk. Das gab es nicht. Das haben wir dann promotet. Und dann gab es zum Schluss auch einen Topf. Und dass dieses Bewusstsein stärker wird, dass wir da quasi auch eine Rolle spielen, macht mich auch positiv. Dass wir da auch ein höheres Wachstum haben. Und ich sage mal das konventionelle Verdrängen, das ist eigentlich unser Ziel, auch deswegen, weil dann muss die Welt wachsen. Das ist ja das generelle kritische Thema. Aber per se sollte der faire Handel zweistellig jedes Jahr wachsen und da arbeiten wir daran. Da bin ich auch positiv, dass wir das Schaffen mit eben solchen jungen Firmen, wie das pakilia ist, wie wir da sind, die gibt es ja einige andere auch, die sehr innovative oder schöne Sachen machen, die dann auch Nachfrage bringen.

00:36:02

Speaker 1: Sehr gut und dann vielen, vielen Dank. Gibt es noch Punkte, wo du sagst, sie fallen mir jetzt gerade erst ein?

00:36:11

Speaker 2: An sich nicht von dem, wie gesagt vom klassischen Handel. Also wenn ich jetzt pakilia betrachte, kann ich mir auch gut vorstellen, dass das in den klassischen Schmuckhandel reinpasst. Ja, da frage ich mich, ob die Produkte nicht vielleicht zu günstig sind. Wir versuchen auch ein bisschen hochwertige, also schöne Dinge zu machen, wie wir gesagt haben. Wie ihr ja auch. Und was mir begegnet ist, dass wir oft in Weltläden gesagt bekommen: „Oh Gott, ist das teuer“. Aber nicht im Sinne von es ist zu teuer, sondern halt einfach hochpreisiger. Und auf der anderen Seite haben wir mit unseren Taschen eine Serie. Wenn wir da in die klassischen Taschengeschäfte reingehen, dann sagen die: „Wir können euch nicht nehmen, denn ihr seid viel zu günstig. Ihr macht unsere Preisstruktur kaputt.“. Weil der Aufwand von der Tasche mit einem alternativen Material herzustellen ist, genauso teuer wie Leder. Der Rohstoff ist nicht das Thema. Also Leder kostet auch nicht viel, sondern eben die Arbeit außen rum. Und wenn ich deine Tasche habe, die 300 Euro kostet bei Leder und dann steht nebendran eine fast identisch

aussehende und schicke recycelte Tasche, die 150 Euro kostet. Dann sagt tatsächlich der Einzelhandel: "Das Produkt ist im Verkaufspreis zu günstig". Das begegnet uns schon im konventionellen Handel. Interessanterweise, dass wir da eben diese Gegensätzlichkeit haben! Wir heben das gemeinsam ja auch an. Aber das sind Sachen, die sicherlich auch eine Rolle spielen in den verschiedenen Märkten, die man dann eingeht.

00:37:56

Speaker 1: Und da ist dann die Antwort eher versuchen, die konventionelle Struktur zu ändern oder einfach sich anzupassen?

00:38:05

Speaker 2: Ja, das ist so eine so ein bisschen, so ein bisschen so ein Ritt zu sagen: wir haben eine saubere Preiskalkulation aus unserer Sicht und versuchen das ja auch im Sinne von auch für den Verbraucher ja dann auch erschwinglich zu machen. Das gehört ja auch zu unserem Gedanken dazu. Und ab und zu mal was zu probieren. Und dann gibt es vielleicht auch eine Schiene, die man etablieren kann, das ist dann eher Produktentwicklung. Sagen wir mal, wenn wir diese Märkte nicht erreichen, wie können wir sie erreichen? Als Markteintritt, sondern eben auch in Deutschland. Es gibt ja auch Segmente, um dann einfach die gegebenen Marktstrukturen auch zu nutzen, weil wir ja auch feststellen, dass wir mit den Handelsspannen das hochpreisige Geschäft benötigt anders ist als die Handelsspanne, die jetzt in Weltladen benötigt. Das sind Themen, die uns immer wieder begegnen und die uns auch teilweise sicherlich im Wachstum hemmen, dass wir sagen, wir haben verschiedene Segmente, die doch sehr unterschiedlich agieren. Also der klassische Weltladen mit Ehrenamtlichen agiert halt anders als jemand, der Vollzeitbeschäftigte hat, weil der einfach eine andere Marge braucht. Das ist so ein Thema, womit er, der gesamte fairen Handel, sich deutlich mehr auseinandersetzen müsste mit seinen Preisstruktur.

00:39:19

Speaker 1: Dann vielen, vielen Dank nochmal für das Interview.

Interview 5 - Claro Weltladen Schaffhausen

Written Answers by Rhoda Klann

1. *Wie schätztst du die Preise von pakilia GbR im Schweizer Raum ein (vor allem im Vergleich zu Produkten, die du entweder schon im Laden hast oder auch aus anderen Erfahrungen)?*

Die Preise scheinen mir vergleichbar mit den Preisen für z.B. den Schmuck von Südsinn. Im Vergleich zu den Silberschmuck, den wir über claro beziehen sind die Preise von Pakilia eher günstig.

2. *Kannst du dir vorstellen, eine langfristige Kooperation mit pakilia GbR aufzubauen?*

Grundsätzlich sind wir an eine langfristige Kooperation interessiert. Wir haben aber noch keine Erfahrungswerte, wie der Schmuck bei unseren Kund*innen ankommt. Ob eine langfristige Kooperation zu Stande käme, hängt vor Allem vom Verkaufsergebnis ab.

3. *Wie schätztst du das Potential von pakilia GbR in der Schweiz im Allgemeinen ein?*

Ich denke, Pakilia hat schon Potential in der Schweiz. Vor allem, weil Pakilia schon einen Schweizer Kundenkreis hat. Auch weil mein Eindruck ist, dass Kund*innen vermehrt auf fairen Handel und Nachhaltigkeit achten, denke ich, dass das für Pakilia positiv ist. Unsere Kunden, die zu uns kommen, schauen auch immer, dass es Fair Trade ist und auch recycelt. Die hinterfragen dann auch woher das Produkt kommt, bis ins Detail. Auch bei den Verpackungen wollen sie immer wissen, woher das stammt und ob es umweltfreundlich ist.

Interview 6 - 47Grad Davos

Witten Answers by Tina Stricker

1. *Wie schätztst du die Preise von pakilia GbR im Schweizer Raum ein (vor allem im Vergleich zu Produkten, die du entweder schon im Laden hast oder auch aus anderen Erfahrungen)?*

Ich meine preislich liegt ihr gut. Was ich zurzeit verkaufe an versilberten Ohrringen ist zwischen 39.90€ und 119.00€. Das passt für euch, auch mit MwSt. und Zoll. Ich denke, ihr seid im schweizerischen Vergleich gut dabei, auch wenn ich an den Schmuckverkauf auf Festivals denke, oder Märkte.

2. *Kannst du dir vorstellen, eine langfristige Kooperation mit pakilia GbR aufzubauen?*

Natürlich, das kann ich mir sehr gut vorstellen. Ich habe einen sehr guten Eindruck von euch und eurem Schmuck, da würde ich mich freuen, wenn eine langjährige Partnerschaft entsteht.

3. *Wie schätztst du das Potential von pakilia GbR in der Schweiz im Allgemeinen ein?*

Ich denke, pakilia wird sich gut schlagen. Sie haben sehr schöne Produkte, und einen guten Preis. Die Schweizer Kunden legen sehr viel Wert auf gute Qualität und schöne Designs. Das passt also.