



Marketing's effect on merger and acquisition process of a new market entry

Case study: Bo LKV

Lappeenranta–Lahti University of Technology LUT

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ABSTRACT

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A successful internationalization process, notably for a start-up, requires a detailed strategy. However, due to a lack of resources, lack of credibility, and liability foreignness, small businesses face obstacles with their entry and post-entry strategies. The purpose of this thesis is to evaluate the factors that influence the M&A process in the example company and tend to develop a post-acquisition strategy for that company. The case company is a Finnish real estate firm that is looking for new market possibilities and methods for entry.

M&A has a lot of variables and takes long time. Even though the process has been studied previously, the market is still lacking the understanding of marketing's contribution in the matter and how in a situation of a new market entry it should be implemented. Traditional internationalization theories are still heavily used in research on the internationalization process; however, they are lacking information about M&A as an entry method. This study aims to administer a comprehensive understanding of the market in question and take various internationalization and M&A research and theories into the centre of the strategy.

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Onnistunut kansainvälistymisprosessi, varsinkin start-upissa, vaatii kattavan strategian. Pienyritykset kohtaavat kuitenkin esteitä resurssien, uskottavuuden puutteen ja vastuun vuoksi. Tämän opinnäytetyön tarkoituksena on arvioida tekijöitä, jotka vaikuttavat M&A-prosessiin esimerkki yrityksessä ja kehittää yrityskaupan jälkeinen strategia kyseiselle yritykselle. Esimerkki yritys on suomalainen kiinteistöalan yritys, joka etsii uusia markkinamahdollisuuksia ja tapoja laajentaa.

M&A -prosessissa on paljon muuttujia ja se kestää kauan. Vaikka prosessia on tutkittu aiemminkin, markkinoilta puuttuu edelleen ymmärrys markkinoinnin asemasta ja siitä miten sitä tulisi toteuttaa uuden markkinoille tulon tilanteessa. Perinteisiä kansainvälistymisteorioita käytetään edelleen voimakkaasti kansainvälistymisprosessin tutkimuksessa, mutta ne ovat puutteellisia M&A -prosessin hyödyntämisessä. Tällä tutkimuksella pyritään hallitsemaan kokonaisvaltaista ymmärrystä kyseessä olevista markkinoista ja nostamaan strategian keskiöön erilaisia kansainvälistymiseen ja yritysjärjestelyyn liittyviä tutkimuksia ja teorioita.

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List of abbreviation

BG – Born Global

CAGE - Cultural Administrative Geographical Economic Distance (framework)

CEO – Chief Executive Officer

INV – International New Venture

M&A – Mergers and Acquisitions

RBV – Resource- Based View

ROI – Return on Investment

SWOT – Strengths Weaknesses Opportunities and Threats (analysis theory / framework)

TOM - Target Operating Model

1 Introduction

This research aims to achieve a good understanding on the Merger & Acquisition (M&A) process and more specifically how should marketing and entry strategies be implemented in it. The research will more closely exploit a more functional observation by using a case company in the practical part of the report. Due to this one of the main goals of the research is to gain a good understanding of the Danish market and to create a post-acquisition strategy for the case company to succeed in entering the market. The importance of this strategy is evident due to the case company's decision on expanding to a new market. The company had already done research on potential markets and made a decision on which market to enter and which entry method to use. Therefore, this research will merely focus on the pre- and post-acquisition phases of the entry and provide knowledge about a beneficial marketing strategy and on how to manage the acquisition. The goal is to create a post-acquisition strategy that includes a holistic understanding on the challenges of the merger and provides a solid preposition on how to overcome them. The post-acquisition strategy will also include a marketing strategy as it is a vital part of the entry plan. Using both acquisition management and marketing strategy the study aims to present a well-researched strategy for the case company and that academically can conclude various strategies in entry planning and to analyse the importance of marketing in merger and acquisition phases.

1.1 Background

Research gap in previous literature lies in understanding the effectiveness of marketing in M&A and how companies should create their entry plans and brand renewals in M&A situations. All the mentioned aspects have been studied as separate phenomena; however, the research is in need of a more detailed understanding of how to combine M&A with entry strategies and marketing activities. As argued by scholars like Liu & Raberger & Rinaldi & Sawaryn's research in 2020, M&A activities focus often on planning marketing after the acquisition overlook the importance of it. The scholars argue that marketing plays such a vital role in integration and acquisition success that marketing should take a leadership role in building new, appealing value propositions and establishing the brand strategy for the new

company (Liu et al., 2020). The understanding of marketing's effect on M&A process is important, as marketing expenses can be one of the major uncertainties in the process. And as mentioned other scholars have also underlined the marketing's importance in the whole process. By focusing more on these issues, the firms can achieve better understanding in thriving in M&A and gaining a quicker return on investment (ROI). This kind of thinking will be in the centre of this research and thus we aim to support this argument and see how the case company's actions support it.

The case company has previously used a consulting agency to discover desirable new markets. The key issue for the company is to find their competitive advantages and strengths and find markets that it might thrive with them. The company is looking for low risk and quick ROI. As a young company this is understandable moreover because this is its first foreign market entry. The main barrier for the company is the insufficient knowledge, lack of foreign market connection and the lack of foreign channels and distribution. We will try to overcome these challenges in the study and give a holistic overview of the chosen market and the aspects that need to be taken into account whilst planning the post-acquisition strategy.

As explained in previously, the research is done in co-operation with the case company. Working with a company requires precise subject identification, thorough research on the market and needs to aim to benefit both the researcher and the organization. Our topic is: "Marketing's effect on merger and acquisition process of a new market entry: Case study: Bo LKV". We will focus more on the post-acquisition stage of strategy planning; however, the company wants some further research from the chosen market and to plan out the post entry phases as well. The research is focusing on the mainland of Denmark and not the exclusive economic zone.

Bo LKV is a real estate agent organization that was established in 2016 in Turku, Finland (Finder, 2022). We will cover a more comprehensive internal analysis and assessment of the company in the later parts of the research. Due to the industry the company is working in, there is a precise market that this research will focus on. The company has recognized one key internalization market possibility in Denmark. Denmark has a small geological distance

and utterly similar culture as in Finland, with the same population. We will dive deeper into the Danish market later in the research. The company has already made detailed research via a consultant agency about the market, and we will discover the reasoning based on that review. Bo LKV can be considered to be a start-up; however, the organization is moving towards the transition of a stable corporation.

Focusing on the start-up point of view, the company has gained a big share of its domestic market in a rather short time. In only 6 years of operating, the company has the third biggest market share in Finland. (Räsänen, 2022) With a still ambitious and aggressive strategy of obtaining even more of the domestic market, the company has in its present year made one of its strategic goals to investigate and assess the opportunities for global expansion. This is a natural option for a company that is working in a rather limited domestic market that does not obtain big opportunities for further growth. More specifically the company wants to focus on Scandinavian markets. It is also understandable to estimate the nearby markets. Scandinavian / Nordic countries' real estate market can be seen to be rather homogenic and analogous due to close cultural aspects and décor styling, trends, and legislation. For a brand that has positioned itself to know the Nordic taste, and that radiates the Nordic visuals, the company has a rather “born to be Scandinavian” business model.

1.2 Research questions

The primary study question is stated as follows to describe a holistic perspective on the situation: “What is the role of marketing in M&A in a new market entry?”

Several sub-research areas are also explored to provide a comprehensive view of the context:

1. *What does the company have to consider while planning an M&A?*
2. *What are the roles of external factors in post-acquisition strategy?*
3. *What should the company take into account in pre-acquisition phases?*
4. *What should the company take into account in post-acquisition phases?*

As it is noticed from the main research question, the research will focus merely on solving the issue of how to build a market entry strategy to a new market in real estate industry. This is a very detailed question as it reflects strictly on the case company and tries to solve a specific issue. It is nonetheless important to gain a good insight scientifically on how one can exploit different expansion and M&A theories to create a holistic and quick revenue providing framework. The sub-research questions are aimed to support the main question and to offer more detailed need for the research.

1.3 Theoretical framework

The goal of this chapter is to summarize the theoretical framework employed in this study so that the reader is aware of the major supporting theories. This study has exploited various studies and theories and thus it is in high priority to gain more oversight about the theoretical framework's main objectives and how they respond to the main goal of the study.

There are three main objectives that the theory is divided to: internationalization, M&A studies, and marketing theories. Internationalization theories consist of: International New Venture, Uppsala, Resource Based View, and Network Model. In 1994, Oviatt and McDougall introduced a new theory in internalization of a firm, called International New Venture. The scholars argue the definition for the theory to fit firms that since the beginning, have sought to gain a considerable competitive edge through the exploitation of resources and the selling of outputs in a variety of countries. The authors also recognized that high tech companies are in nature drawn to a rapid internationalization. Uppsala model was created originally by Johanson and Vahlne in 1977, in the University of Uppsala, Sweden. The model was built on empirical data from four domestic manufacturers, and it provides a framework based on the gathered observations. The Uppsala Internationalization Model tries to describe how corporations expand internationally in small steps. Furthermore, this approach tries to increase long-term profit while limiting risk to a minimum. The study focuses on the gradual acquisition, integration, and application of knowledge about international markets, as well as activities and growing commitments to international markets. Due to these important factors, we are also able to exploit the gradual acquisition and the integrations when it comes to M&A process. (Johanson & Vahlne, 1977)

Many academics claim that no company can grow its activities on its own, and that to develop a suitable foundation for internationalization, it requires networking and connections. As so Resource Based View (RBV) and the Network approach is presented. These theories are very similar as they both claim that when a company internationalizes, it must use resources and, if intangible or tangible resources are lacking, it must first obtain them in order to successfully transcend borders. (Kazlauskaite & Autio & Gelbuda & Sarapovas, 2015) As one method of studying RBV, the SWOT analysis is provided in the study. This analysis helps to analyse the company's resources and capabilities. (Platts, Mill, Bourne, & Richards, 2002) By analysing their important assets both internally and internationally, firms can use SWOT to design their strategy and therefore it is an important tool in this research as well.

In addition to the internationalization theories this study uses M&A research and theories such as Liu et al. (2020), and Hariyani & Serfianto & Yustisia in 2011. The scholars claimed that M&A efforts frequently focus on marketing planning after the acquisition, overlooking its value. According to the researchers, marketing plays such an important role in integration and acquisition success that it should take the lead in developing new, enticing value propositions and establishing the new company's brand strategy. Hariyani et al. in 2011 however claimed there to be two sorts of acquisitions based on the company's motivations for M&A: financial and primarily strategic. Companies that are financial in nature are those whose aim is short-term investment with the goal of earning from the sale of these assets. As it was argued by Malone and Ou in 2008, acquisitions carried out by local buyers have a better chance of succeeding than foreign buyers since they are more knowledgeable and confident about all aspects of the desired asset. Based on this the study also examines the importance of acquisition management and provides theory and a framework for it.

The marketing theories include exploiting various previous studies and some frameworks, such as the CAGE Framework. Professor Pankaj Ghemawat's CAGE distance concept is a technique for identifying important differences between countries that firms should consider while planning their strategy (Ghemawat, 2007; Janse, 2019) – and hence CAGE framework is a useful tool for international marketing planning. The tool is an important part of strategical planning and in order to gain a better understanding of the market that the company is expanding to one needs to understand the differences between the markets. This

is also in M&A process, as if we do not obtain information about the similarities and differences in culture and other aspects, it is harder to create a strategy for the acquisition. The second example of a marketing theory-based framework is the Marketing 4Ps. The marketing 4 Ps are utilized to begin planning the business model and collaboration between the case company and the firm to be acquired. Neil Borden created this framework in 1950 in order to provide a fundamental grasp of a marketing strategy mix and its major components.

All in all, the whole report will exploit all of the mentioned theories and support them with additional findings that will gather a more holistic and trustworthy conclusion of the matter. The theories and sources used are carefully examined and they aim to give deep understanding to the phenomena that the research is studying.

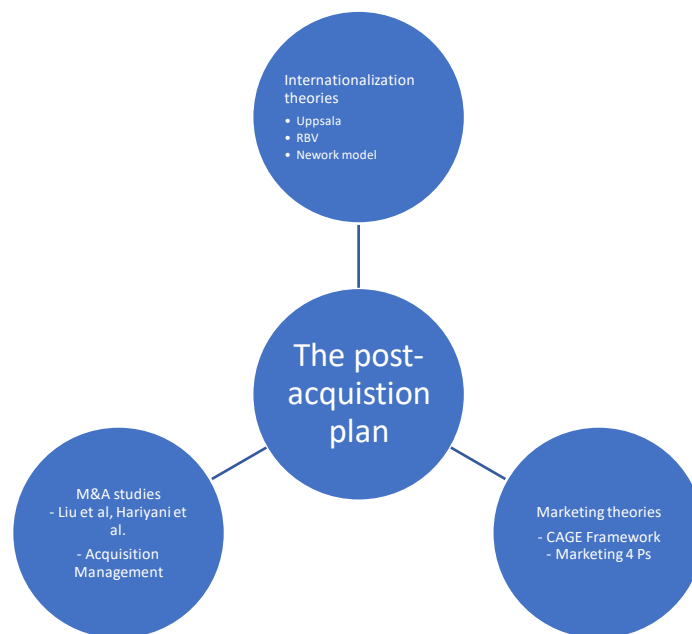


Figure 1. Theoretical framework of the study

From the figure above it is visible that in the centre of the study there is a post-acquisition plan, where all the previously mentioned theories and research connect to. The meaning of this figure is to visually show how the theories are contributed and how they connect to the subject in hand. As M&A is one operation method, it is strictly connected to the marketing strategy as well as it defines the responsibilities and actions within the company. Discovering

this, the post-acquisition plan consists of the theories in M&A, internationalization, and marketing. This type of broad theory base is needed to provide a more expansive strategy that takes into consideration the diverse phenomena and still holds the internationalization in the centre of the planning as it is the case company's goal.

1.4 Delimitations

As we are approaching the upcoming research and its outcomes, it is evident firstly to set limitations for the research. To fully understand the focus of the study a figure is provided below. From the figure we can see the five-step process for M&A (Eguardian, 2022). This study will focus on understanding the corporate's resources and evaluate its business model and how to plan and organise the acquisition. The major focus is marketing's effect on the M&A process, and it aims to provide practical ways to implement the plan. The steps that include deal structuring and other post-acquisition stages occur after the entry and are quite hard to assess in advance. Therefore, these aspects will be limited out of the study. Said this the study aims to provide a strong understanding on how to affect the pre- and post-acquisition phases and try to provide a strategy for the case company.

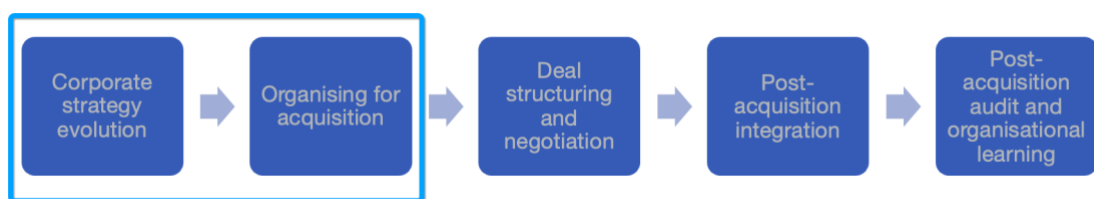


Figure 2. The focus of the study (Eguardian, 2022)

As mentioned, this research will focus on the M&A process, in a situation where the entry mode has been selected and the pre- and post-acquisition strategies are taken into consideration. To create this knowledge the study will exploit various previously done research and more thoroughly propose a strategy for the M&A. Looking at the post-

acquisition plan, the study will focus heavily on providing a M&A framework and include the basis of a marketing strategy for the case company to ensure the best ROI and to have a stronger foot hold in the new market. The M&A framework will include good practices that have been found from other scholars in previous research and it will conclude them together and aim to provide a solid plan on how the case company can create an efficient and low risk strategy for the acquisition. The strategy will heavily focus also on the marketing side and how to introduce the brand into a new market and what kind of advertisement and promotion possibilities are there in Denmark. As a geographical delimitation the study will focus heavily in the Copenhagen area as it was also the focus in the case company's earlier report and research. Copenhagen is the capital of Denmark, and it offers great financial growth possibilities as the majority of the valuable apartments and properties are located in that area (M-Brain, 2021). All of this is put into retrospect and analysed as part of the M&A process.

The marketing strategy will take more closely into inspection the transition of the acquired company's brand into the acquiree's. As we do not obtain the information about the company to be acquired, we are forced to create a broad strategy that could be implemented into any new company. This also decreases the reliability and the effectiveness of the strategy; however, it is surely a better option for the company. The strategy will aim thus to focus on the case company and its key competencies in doing business and the brand itself and based on that suggest a plan that the company can utilize. The strategy will include example of a campaign idea for the market, nonetheless the goal of this study is not to create an advertisement package to the case company but moreover to offer insight about how they could approach the new market with their brand image.

1.5 Research methodology

To find answers to research questions, internationalization and M&A theories will be exploited and analysed. In addition, other sources relevant to the topic from media and internet sources, will be examined in order to find solutions to study problems. The most appropriate approach to perform the study is qualitative research since the research strategy is a case study and the objective is to collect relevant evidence and data to contemporary

real-life phenomena. This enables the possibility to do a more thorough analysis of the case company and exploit the cultural and psychographic variables that might affect the phenomena. Said this, quantitative research could have had provided more data-oriented research as the results could have been measured and the study could have assessed more possible correlations between different variables. By using qualitative research, this study is conducted as a single case study with secondary data. The research's methodology is based on the topic related research and semi-structured interview with the CEO, with the goal of determining the prevalence of distinct ideas and opinions in a selected sample. The data analysis method for the research is thematic analysis. When the problem is a lack of knowledge, thematic analysis is especially beneficial. The goal is to develop questions around themes that contribute to the study's goal rather than structured questions.

2 Literature review

Literature review was undertaken to provide a trustworthy background for the investigation. This chapter discusses qualitative research theory and its usefulness in achieving thorough research. The further recommendations and strategies are implemented based on the literature review and thus it is evident to provide a reliable base for the whole research. The vast majority of the theories will focus on M&A processes, internationalization and more specifically marketing.

2.1 Mergers and Acquisitions

M&As are a broad phrase that refers to a variety of financial transactions that combine firms or assets, such as mergers, acquisitions, consolidations, and management acquisitions. M&As are a way for businesses to grow quicker than they would otherwise, as well as a strategy to improve their worldwide market position and competitiveness. (Hayes, 2022) They are strategic options in recapitalization activities which provide more access to corporations in terms of boosting profits, market control or market share, and competitiveness (competitive advantage) in the face of an inexorable global market. By using M&A the companies can acquire intangible and tangible resources in a much faster way that in other cases might take years to achieve. (Sui & Peculea, 2016)

Scholars have studied the phenomenon of M&A for decades and based on further clustering and grouping discovered certain similarities between the observations. Hariyani et al in 2011 suggested there to be two types of acquisition based on the company's motives for the M&A: financial in nature and mainly strategic. Financial in nature refers to company's whose motivation is short-term investment with the intention of profiting from the selling of these assets. Mainly strategic on the other hand refers to a long-term investment in a company which still has a partnership or integrated business with its shareholders. As it is quite clear, these two motives affect the whole strategy before and after the M&A, as a long-term

investment aims to create value in a longer period and has more interest in the company's operations and success.

Reflecting on the case company, the firm is clearly pursuing a strategic M&A as they wish to enter the new market in a less risky way. Snow in 2011 also suggested a way to divide the M&As to two main groups based on the nature of shareholders or management's control: non-control investment where in generally less than 50% of the shares is bought and control investment, where usually more or sometimes less than 50% of the shares are bought. These two groups differ in control with the shares, as in control investment the shares allow the buyers to exert control and give opportunities to make decisions in almost all aspects. In the non-control investment, the minority of the shares are bought, and the company obtains less power over the acquired company. In the case company's case, they are choosing the control investment. Also, other scholars support this theory as Gupta (2012), who in addition to the mentioned motives adds also organizational motives as one of the factors. The CEO of the case company has told that the strategy is to first by the majority of the shares and therefore to gain control of the decisions and then in a 3–4-year operating years by the rest of the shares and gain full control (Räsänen, 2022).

Hariyani (2011) categorizes M&A into five categories based on the motives for performing the corporate action:

1. Horizontal M&A refers to mergers and acquisitions that take place in the same industry or product.

2. Vertical M&A, which refers to mergers and acquisitions that take place upstream or downstream in the industry.

Forward or upward vertical integration is described to go downstream, whereas backward or downward vertical integration is described to go upstream.

3. M&A in one or more businesses that are not tied to each other's industrial sectors, known as conglomerate M&A.

4. Market growth, including as mergers and acquisitions (M&A) with the goal of expanding the marketing region.

5. Product expansion, i.e., mergers and acquisitions (M&A) to extend each company's manufacturing lines.

When taking Hariyani's categories into consideration, the case company is clearly seeking for market growth with the M&A, with the aim of expanding the marketing region. Based on Malone and Ou's study, acquisitions carried out by local buyers have a better chance of succeeding than foreign buyers since they are more knowledgeable and confident about all aspects of the desired asset (Malone & Ou, 2008). This is a very important finding, as this is exactly the case with the research's case company. Thus, it is vital to carry out a detailed plan for the M&A and focus on acquisition management. Next chapter will discuss the importance of acquisition management and the key findings with researchers.

In addition to the benefits of M&A, there are also risks and common failings that have been detected by scholars. It has been proven that the careful planning of the whole M&A process is vital, and it decreases the risk of failing. Previous studies such as Bekier and Shelton (2002), show that there is a significant danger of losing clients in M&A. One detected reason has been due to losing managerial focus. In M&A the managerial focus has sometimes diverted to internal difficulties during the integration phase, causing managers to overlook customer-related responsibilities (Hitt & Hoskisson & Ireland, 1990). This strong internal focus is often accompanied by a drop in service quality (Urban & Pratt, 2000). Competitors' actions often amplify this impact by exploiting the situation and attempting to alienate buyers (Homburg & Bucerius, 2005). Customer happiness, as a core value driver through marketing actions, enhances future cash flow growth, and lowers unpredictability, according to Gruca and Rego (2005). As so, the customer management is as vital as everything else in the M&A process.

More closely focusing on the effectiveness of marketing in M&A, according to Homburg, & Bucerius' (2005) research, the level of marketing integration has beneficial cost-saving benefits, but they are balanced by negative market-related repercussions. The scholars implemented a thorough research on marketing in M&A and conducted a broad survey to multiple organizations that have done M&A and assess marketing's validity in the ROI of the acquisition. According to the researchers' results, market-related performance is a far more important driver of financial performance after a M&A. Also Srinivasan & Pauwels & Silva-Risso & Hanssens in 2009 demonstrate that including marketing actions in the finance

benchmark model improves the explanatory power for stock returns, implying that the stock market benefits from innovative ideas. Both the acquirer's and the target's marketing capabilities, according to Bahadir, Bharadwaj, and Srivastava (2008), have a beneficial impact on the value of the target's brands. As it is proven by the mentioned scholars and studies, marketing has been seen to have a high impact in the ROI and in the overall success of the organization's M&A process. Looking at the timeline of the marketing actions, according to Ryoo & Jeon & Lee, research in 2016, target firms' aggressive marketing strategies prior to deal agreement are often not compensated in M&A deals. Based on these previous literatures, one can conclude that the issue in this report is topical and important. In the next chapter the research will focus on M&A's acquisition management theories and studies.

2.1 Acquisition management

Acquisition management is one of the key factors in succeeding with the acquired firm. Various studies have emphasized the importance of the planned operative changes before and after the acquisition. Study from Quah & Young in 2005 examined the post-acquisition management of four European mergers and acquisitions made by an American automotive Multinational Enterprise. It showed that the key post-acquisition modifications were successfully implemented when the previous senior executives were removed, which was a general finding in all the organizations investigated. Senior management changes, on the other hand, did not occur for at least three years after the acquisition. The decision was intentional as the acquirer wanted to benefit from the current management's experience and not risk losing clients. The decision was made to replace the management with local personnel and hired people from its local competitors or internally promoted persons. The scholars emphasized that the managerial changes should not occur right at the beginning of the acquisition but in a longer period. (Quah & Young, 2005)

One key finding was also the employee and management behaviour and the various factors that effected it. It was seen that the level of understanding and handling the cultural differences was one was the key factor of maintaining more positive behaviour. One

potential suggestion is to have a formal integration plan or integration team. The cultural aspects that will be covered in the CAGE distance framework come in place in this matter, as it was proven that Hofstede's cultural distance in e.g., language, individualism vs. collectivism and masculinity vs. femininity were some of the key issues in management resistance. When studied the markets at hand, the cultural differences were rather small, and this is a positive sign. When studied the employee resistance, the implementation of common systems and processes were discovered. It was also seen that the management's behaviour reflected on the employee behaviour. By having a transparent communication and a clear set of goals, the resistance was smaller. One more action to lower the risk of resistance, is for the acquirer should reassure the employees that there is no change in doing business in the short-term. Also, other scholars have found the calm approach with changes to be more suitable than being too hasty. Hajela claimed in his article that by forcing new processes and rules, can cause resistance. The author suggested a more aligned vision which includes analysis, negotiations, and planning was a better method than trying forcefully to integrate the acquired company. Hajela also emphasized the same issues about embracing culture and focusing on customers. In addition, he underlined the importance of measurement in all important sectors, such as marketing, sales, and customer experience. (Hajela, 2019; Quah & Young, 2005)

Quah & Young also provided a useful framework and guidelines to succeeding in mergers and acquisitions. These guidelines include actions pre- and post-acquisition, and they include the already mentioned observations made by the authors. These guidelines will be taken into action with the suggestions for the case company and they can be found in the appendices. When applying the learned observations by the authors, we need to keep in mind the restrictions of the study. The study took into consideration a small scope of entities in the same field and focused on the national and organisational culture challenges for a specific market. The selected market and the services in question differ and thus some implementation is needed.

By still looking at other research in post-acquisition succeeding, PwC's survey on success factors in post-merger integration is applied. The study explored more than 50 company representatives that had worked with merger and acquisition processes. The survey found

four key highlights that effected substantially to the success of an acquisition. Synergies was one of these key highlights and in which it was argued that it was evident to have a deep functional integration. The ways for doing this was by firstly using target operating model (TOM) that guides all the company's functional integration activities. Second method was by thinking about how the company can create value via deep integration specifying into core functions. And the third was to maintain the focus on the synergies and actively managing and tracking them with KPI's, by setting up dedicated workstreams and by having the organization and the management engaged in the process. The second key insight was the speed of integration.

It was discovered that by managing a quick integration, the company reaps the benefits of a merger sooner. Methods for doing this is to plan the integration in an early phase, by transforming the merger's rationales into a focused integration strategy. The second point was to set an aggressive schedule for integration. Six months is usually enough time to integrate support services, according to the experts. Some heterogenous core functions on the other hand might take longer than one year. The last point was to determine the optimum speed of the merger based on the wideness of the merger. It is already as of the moment noticeable that here is where the scholars differ in opinion. (Fuhrer & Lien & Zwald, 2017) In the previous chapter other scholars found it to be more beneficial to not be too hasty and take the time to integrate the processes. This report now suggests otherwise, however there might be a shared learning outcome here, to plan the integration and do those smaller things first into actions and then move to the more time-consuming ones.

Culture and change management are the third key highlight. Based on the survey the among the most essential success aspects are building culture and management change, the integration process, and effectively timing change initiatives. The methods of doing this started with being aware of the cultural differences and to carefully assess on how to foster the new working culture. The second point was to get the management engaged first from which the reassurance moves downwards to employees. The last point is always to pay attention to discover key stakeholders and critical talents inside the acquired business. Monetary and non-monetary methods are suggested for increasing motivation. The culture is also insight that was supported by the other scholars. The importance of getting management engaged and being transparent is visible in all these studies. The last key insight

is the project governance. In this insight it was noted that firms that created a strong project governance were more likely to consider risks and maintain business continuity. The first step was to ensure that the project governance and organization were in place well ahead of time. The company should carefully consider how to include target company leadership and employees in the project organization. The second point was to focus on achieving the right balance in administrating and decision-making committees. Lastly the defining of pragmatic guidelines on how to divide the right resources to right activities in potential time and for the best methods of decision-making. (Fuhrer et al., 2017)

2.2 Internationalization theories

As M&A is one of the internationalization options for a company, we will discover some basis of internationalization theories and see how they might affect the process. Throughout the research of economy and more specifically business as a science, researchers have proposed various theories and models to internationalization. Reviewing old theories, Dabić & Maley & Dana & Novak & Pellegrini & Caputo (2020) recognized six major theoretical models of internationalization of a company. These theories were Uppsala model, born global, entrepreneurial theory, transaction cost theory (TCT), research-based view (RBV) and network approach. The INVs have also shown global market spreads however using low entry mode engagement but more targeted resource engagement and attaining heterogenous processes (Aspelund & Madsen & Moen, 2007; Bruneel, 2016).

2.2.1 International New Venture (INV)

Oviatt and McDougall (1994) introduced a new theory in internalization of a firm, called International New Venture. The scholars argue the definition for the theory to fit firms that since the beginning, have sought to gain a considerable competitive edge through the exploitation of resources and the selling of outputs in a variety of countries. The authors also recognized that high tech companies are in nature drawn to a rapid internalization, which was also supported in other literatures, such as Ripolles and Blesa (2016).

Based on academic literature reviews other studies, such as Aspelund (2007) and Ripolles and Blesa (2016) found that the most important decision for the INV is the internalization strategy. Aspelund (2007) recognized other insights and discovered various approaches between the companies such as scope, diversity, and rapidness of internalization, and lastly the choice of entry mode. Taking the rapidness of internalization into closer inspection there are other studies on the field, and Knight and Cavusgil (1996) introduced a new term relating to this, Born Global (BG). Knight and Cavusgil (2004) define BGs to be entrepreneurial start-ups that have sought to generate a significant amount of their revenue from the selling of products in overseas markets since their inception or shortly thereafter. Other scholars, such as Escandon-Barbosa & Rialp-Criado & Fuerst & Rodriguez-Orejuela & Castro-Aristizabal (2019) have also studied the BGs from a capabilities standpoint to investigate how they attain their worldwide performance. The more advantageous the business environment in which BGs operate, the higher the positive impact of an international orientation on export success (Escandon-Barbosa et al., 2019). Escandon-Barbosa et al.'s research also supported previous research that showed substantial and positive link between a firm's competencies and its export performance. (Jantunen & Nummela & Puumalainen & Saarenketo, 2008; Knight and Cavusgil, 2004; Knight and Kim, 2009; Sorensen and Madsen, 2012) The INVs and BGs have similarities in expansion rapidness as discovered, however the INVs have shown a preference for low-risk entrance approaches that allow them to establish regional presence before expanding geographically (Crick, 2009).

The case company can be based on these definitions be described as a future INV. The company is not a BG as the rapidness of internationalization and the level of its international resources are incremental. Also, the low risk taking in entrance approach supports this claim. The company has discovered the possibilities of international trade and expanding. The bigger issue of defining it as a INV comes with the sourcing, as the services are provided locally. Real estate services can only be done in the market in question and outsourcing this service to another market is almost impossible. Said this, there are supportive services within the company that they can outsource internationally, such as virtual renovation and decoration and interior design. By expanding into new markets, the firm is moving to be an international company.

2.2.2 Uppsala model

The model was created originally by Johanson and Vahlne in 1977, in the University of Uppsala, Sweden. The model was built on empirical data from four domestic manufacturers, and it provides a framework based on the gathered observations. The model notes four entering steps, which in retrospect cannot be examined independently from the market or the company's situation. The first step had no regular export activities (sporadic export), the second export via independent representative (export mode), third establishment of a foreign subsidiary, and lastly the foreign production / manufacturing. (Hollensen, 2007) By following the given four recognized steps, the Uppsala model provides valuable ways to measure the company's internalization level and its dependence on foreign markets.

By collecting observations, Johansen and Vahlne noticed their similarities in expansion markets. The most important factor in market entry decision seemed to be psychic as, sociocultural, political, and behavioural. By choosing a market that has smaller psychic distance to the domestic market, the companies had more control of the new markets, and decreased investment risks, due to the high correlation between the markets. After gaining more control and recourses the companies increased the distance and the risk level. The companies were also found to have similarities in export methods. They most often entered new foreign markets by exporting from domestic market before establishing foreign production or sales subsidiary. The hypothesis of Uppsala Model is that companies take lower risks by firstly expanding to nearby markets, that have smaller distance to the domestic market. The expansion and exportation of goods are done with caution and the expansion and manufacturing slowly moves from the domestic market to the new markets.

There has been some criticism about Uppsala Model and its propriety to the modern era. Carneiro, Rocha and Silva (2008) argue that due to the model's focus group on manufacturers, its suitability for service companies can be questioned. The researchers however acknowledge the significance of the theoretical framework as the market lacks off newer service company focused theory. Also, Uppsala model scholars Johanson and Vahlne (2009) decided to assess their own model and see if it still applies in the current market

situation. They came to a conclusion that due to radical changes in the way of how business is done and the behavioural aspects of companies, the model does not apply in the modern era. Another study towards the implementation of the model in the current market was provided by Tykesson and Alserud (2011), from where it was argued that the model still applies in the modern era when taken generally. Also, Doole & Lowe (2008) argue that the model does not take into consideration the chosen entry mode. Firms use also different kind of entry methods than just greenfield, such as franchising and licensing, which are in many ways less risky. Still noticeable that the scholars emphasized the adjustment and the level of standardization to be considered when using the model. As argued before, the Uppsala Model is not the only internalization-based theory. In the next chapter we will focus on the resource-based view (RBV) and its key competencies and weaknesses.

2.2.3 Resource-based view

By focusing first on the theory's basic definition, the resource-based view converges on the hypothesis that the firm's performance is as strong as its resources. This type of approach reflects then on only succeeding if the firm's resources are strong and versatile and they are used in the most optimal way. By doing this, the firm increases its level of competition advantage, in which the resources turn into more tools to remain competitive (Kamasak 2017; Pigatto & Pigatto G. A. & Satolo & Negreti, 2019). There are various ways to measure the firm's resources and competencies, from which the SWOT-tool is one of the most known ones. With SWOT the companies can develop their strategy by analysing the companies' key assets externally and internally. (Mill & Platts & Bourne & Richards, 2002)

Barney J. (1991) argued that for the competitive advantage to be constant, the resources and capabilities need to be valuable, rare, imperfectly imitable, and lastly not substitutable. The scholar debated that they can be viewed as crates of intangible and tangible assets. As an example of an intangible asset was presented to be management skills, organizational processes, and knowledge sharing. Tangible on the other hand can include physical assets, such as equipment, buildings, exclusive licenses, and patents etc. (Mill et al., 2002). The development of resource-based view has also been taken further with key competencies of a

firm. Mill et al. (2002) described competencies to be an ability to do something. The authors claimed that if a company can out-perform most of its competitors with something that the customer's value, it has a high competence activity. Vice versa, if the company has under performance, it also has a low competence activity. It could be said that in a way the competence describes how well a firm performs on its imperative activities compared to its competitors. In 2001 Barney discussed about the resource-based view's implications to neoclassical microeconomics and whether RBV is tautological. The author recognized that the routines and capabilities of firms change over time and thus they need the research needs to be adjusted accordingly. Mahoney (2001) stated that the RBV assumes opportunism in the market and ignores the key issues. By being overly opportunistic, the presence of the firm facilitates superior knowledge and gains increased control of opportunistic behaviour.

The RBV is unquestionably a useful tool in internalization theory. Trying to keep the advantages remains one of the challenges for businesses for nowadays, and so resource adaptation is required to do so (Pigatto et al. 2019). Skills, resources, and competencies have a significant impact on a service firm's worldwide and competitive edge. To obtain a competitive edge in the host country, it is therefore advisable to match the changing external environment with internal resources and complicated capabilities. (Javalgi & Martin, 2007)

2.2.4 Network approach

Lastly, we have the network approach by Johanson and Mattson (1988). According to the scholars, the firm's success in foreign market expansion is related to the firm's ability to establish, develop and maintain relationships between its new partners. According to Gebert-Persson & Mattsson & Öberg (2014), the business organizations are considered as heterogeneous under the network model, with both customers and suppliers participating in discussions with counterparts. The companies interact with one another and exchange resources, making them directly and/or indirectly related (Gebert-Persson et al, 2014). The exchanges between a seller and a buyer are in turn influenced by each party's relationships with other businesses, or third parties. These interactions are ongoing processes in which the participants are linked to one another through interdependent relationships, establishing a

web/network of actors and links (Anderson & Håkansson & Johanson, 1994; Håkansson & Snehota 1989; Snehota 1990) Ojala (2009) states that the internalization occurs when the firm creates links between the foreign new partners and these connections can also be called bridges to new markets. Knight (2000) argued that these connections provide SMEs the possibility to increase their resources, compared to larger resources of MNEs.

There has also been some criticism towards network approach and the trustworthiness of clustering firms and the network characteristics. According to Dowding (1995), network analysis has been insufficient in showing completely determined causal analysis of specific networks in structural terms. Some network theorists, he discovered, simply feel this is due to the status of the study program and the quality of the data collected thus far. Dowding claimed that if network analysis is to go beyond revealing general network properties, it will inevitably disappoint due to a lack of high-quality data collecting. As with Uppsala Model, this theory and the level of internalization model have been developed by merely focusing on manufacturing companies, thus the modern firms need to be cautious when applying these theories.

2.3 Case company's entry method

We can see similarities in the Uppsala model when it comes to choosing the expansion method. The case company is quite unwilling to take big risks with its expansion and it has decided to select a market that is homogenous in consumer behaviour, culture and other aspects with the domestic market. The company can be found to be further in its internalization level as it is going to do a foreign direct investment (FDI) and do an acquisition of an already operating company from the market. The company cannot provide its services directly from the domestic market and thus it needs to take more risks and invest in the new market. The adaptation vs standardization is also something that has been discovered in Uppsala theory and that is a necessity to the company to decide on also in its internalization planning. It is evident for the case company to make a decision of the chosen adaptation level. As some key functionalities and resources can be standardized as they might offer

similar benefits in homogenously similar market conditions, whereas there are various other aspects that need to be adapted based on the market in question.

The RBV is a beneficial way of assessing the company's internal resources and to discover the resources needed from external partners and collaborators. When looking at the case company, most of its resources are intangible as it is a service provider and does not therefore obtain tangible or physical recourses. These intangible resources are mainly management skills, industry knowledge, good networks in domestic market and organizational processes. The company lacks in foreign market knowledge, in acquisition management knowledge, and deeper advertisement knowledge in the chosen market. These are the resources where the case company needs assistance and where this study will also focus on.

3 Research design and methodology

In this chapter we will discover the data collection methods provided in this research. We will also dive deeper into one of the main primary data from the case company. As the firm had implemented a more detailed survey and research via an external consulting company, we will exploit those findings and reflect the reliability of those findings. Afterwards we tend to take these findings and reflect the theories to create a practical strategy for the case company.

3.1 Qualitative research

To begin, qualitative research is defined to describe the paper's scientific base. Qualitative research is a type of investigation that focuses on natural social life. Data is typically collected and analysed in a non-quantitative manner in this type of study, and it consists of textual features and materials, such as interviews, visual materials, and documents. The final goal might take numerous forms and is determined by the research's purpose. Most outcomes are made up of essential presentations and representations of key results. These conclusions are derived by analytic data synthesis and might contain a variety of outcomes, such as documentation of behavioural observations, new insights, and understandings. (Saldana, 2011)

There are two methodologies used while performing qualitative research on a case study: ethnography and grounded theory. The analytic process in a grounded theory includes continually measuring and analysing small data units, gathered genres, elements, and styles that are not exclusive. The information for this method comes from interviews that have gone through a succession of cumulative coding cycles to achieve abstraction and a variety of dimensions. Grounded theory usually aims for a core or central category, which is believed to represent the study's findings. Qualitative research is commonly used in market commercial research. In order to grow and succeed in business, it's critical to comprehend the importance of qualitative market research on a broad level as well as the impact of a specific application on a brand. As a result, articulation and an epistemological foundation

for qualitative market research are required. When it comes to commercial research, it entails the researcher meeting people to obtain a deeper understanding and information, primarily through conducting interviews. Interviews can be conducted one-on-one or in a group setting. Even while the interviewing process is usually pre-planned, it is also guided by a knowledge of the interviewee's needs or perspectives. (Chandler & Owen, 2002, 59-60; Saldana, 2011) This study also exploits these interview tactics; however, it will not create a wide survey or interview rounds, but merely focus on gaining information from the case company's decision maker.

Qualitative research lays the foundation for a company's long-term plans and strategies. A qualitative or quantitative study is typically used to develop a creative research project. When a firm seeks to expand into new areas or produce a new product, it often encounters a slew of issues and obstacles. Qualitative research provides the framework and functions as a tool in this regard. (Wardle, 2002, 36-37) As a result, choosing the correct objectives and methods can make the primary information search and research process much easier. Due to this reasoning qualitative research has been selected and it is believed that by doing so, we will be able to do more detailed research on the market and analyse the previous literature to give out a detailed and scientific plan for the case company.

3.2 Data collection methods

The majority of the data for the study is collected from secondary sources. In addition to this, there are couple of interviews done to the case company's CEO. One of the key methods for data collection is the previously done research on the market and the interviews that were conducted. The methodology was based on secondary and primary research in Danish and in English, which was gathered in February and March of 2021. The study included an interview part that had in total 5 qualitative, semi-structured interviews within local real estate agents and legal experts. Unfortunately, we do not have the information about how all the data was gathered and how was it processed. This study will exploit this previously acquired data and do not conclude a new survey or other interviews.

3.3 Case company's research

The M-Brain's research for the case company in 2021, included some detailed market information and it aimed to deliver a strong starting point for understanding the Danish market and its needs. The scope of the study consisted of six different topics, which heavily focused on understanding the buying habits and the structure of the Danish real estate market. This included i.e., real estate agent's average fees and the potential of the market in capital. In addition, the study provided some information about the offerings of a modern Danish real estate agent. In the interviews the Nordic Living -style was analysed by asking the interview participants about how they feel about the market's demand for this type of design. (M-Brain, 2021) In addition, questions of using staging and expert photographers in marketing of the properties was conducted. Lastly the interview also covered questions about local agent's business model and commissions.

As the study is confidential, we cannot disclose it in too much detail, however this research uses that research in methodology and reflects on it in various parts of the report. This research provides a holistic base for understanding the market in question and how the services might be received. It is vital to analyse the trustworthiness and the exploitation restrictions of the research. Starting off with the secondary information, the consultant has used reliable sources and the data is provided in an understanding and transparent way. The research questions and goals are answered in a broad way and its noticeable that the information has been analysed in a detailed manner. Said this, the research lacks references to different parts in the report. This is probably due to the fact that the report is done in a presentation and the used references for the research are therefore more difficult to present. However, there could have been more detailed information about where the data was collected and to discuss more about the reasoning for those specific source selections and the conclusions done based on them.

Like previously mentioned, the research also consisted of an interview for chosen experts in the market. The research mentions that the company had made a long list of companies for the interviews from which in total five qualitative interviews were conducted. When looking at the attendees it is clear that the participants are selected from a wide spread of local experts

from the industry. The backgrounds of the participants provide reliability for the research and thus the answers can be exploited in the research. Now that the reliability of the respondents has been discussed, it is time to discuss the reliability of the whole interview research. As mentioned, the researchers don't specify the original number for the interview listing. As of now it is impossible to assess the final turnout for the qualitative research. The research does not provide any detail about the selection of these participants, all the questions that were asked, the method for the interviews, decision criteria for the mentioned aspects.

When discussing the reliability, the sample size is one of the key issues. Five respondents can be argued to be too narrow sample size to draw any conclusions of. What gives a little bit more reliability in this case is that the interviews were qualitative, and the answers supported the secondary data collection. Finally due to the more specified selection of Copenhagen as the market, and not the entire Danish market, brings up some uncertainty. Said this it is understandable also in Denmark's case where the majority of the population (compared to other parts of the country) lives near the capital area, that this selection has been made. It was also noted in the study that most of Denmark's houses and apartments are listed in the capital area.

The research has some reliability issues when it comes to the sample size, data collection transparency and decision criteria. To fully understand the market and its preferences when it comes to real estate services, more formative research needs to be conducted. Due to this this research will focus also on finding more information about the market and the different demands and customs. It will exploit the case company's previous research; however, it will critically take it into action and try to find more secondary data. This study was conducted as a qualitative single case study with the use of secondary data. As we the research obtains the data from the previous research from the company, it aims to reflect on that data and data collected through internet sources and other articles.

4 Analysis

As the research is applied to a case company, the coverage of the case company and its core business is evident. In this chapter we will discover the basic information about the case company and study the market in question. The main goal is to achieve good basic understanding of the Danish market and learn what the company can offer to it.

Before diving into the analysis, it is important to cover the case company in basic. Bo LKV is a real estate agent organization that was established in 2016 in Turku, Finland. The company had a turnover of 4,9 million euros in 2020 with personnel of 38. (Finder, 2022) This does not count all the company related staff, due to the company structure. The company uses over 170 private entrepreneurs and has a contract with them that allows them to use the Bo LKV brand and sales funnels, in this way the company is a franchise. In addition to real estate agents, the company has photographers, marketing professionals, sales personnel, and stylists. As of the moment, there are 13 offices in Finland that offer real estate services to customers. (Bo, 2022a)

4.1 SWOT analysis

To obtain information on the company's key strengths and its weaknesses, a SWOT analysis is used. Many firms utilize SWOT analysis as part of their strategic planning process to identify and assess existing resources, both internally and externally, as well as trends and patterns that could have good or bad implications for their operations. (Gurl, 2017) The framework divides the factors into two main categories: internal and external. Internal factors assess the first two phases of the analysis: strengths and weaknesses. These can vary from intangible resources such as: human resources, processes, know-how, software, or financial resources. Some examples of tangible resources are facilities and equipment. The external factors include actions where the company does not have a direct influence in, that are driven by the environment and the market. Some examples of these could be, market trends, such as technology advancements or new products, demographics, networks, political

environmental and economic regulations, and trends. (Schooley, 2021) This analysis is reflected also on the RBV to assess the company's current resources and capabilities. This is vital as creating any strategy for a company requires a more detailed information about the current situation.

4.1.1 Strengths

Starting off with the internal strengths of the company, the company's undeniable competitive advantage is its brand. The company has been able to gain high brand recognition in the domestic market by having a differentiated brand image from the other competitors and focusing more on the brand image and the aesthetics. As it was also noted in the company's research the "Scandinavian approach" can be found in the market and culture, however there is still not a real estate agent that has done it as broad as the case company (M-Brain, 2021). Due to this we can state that the brand image and the "Scandinavian approach" is one of the key competitive advantages and thus a strength. The latest brand establishment was the announcement of Bo Design concept (Bo-designmallisto), that was created in collaboration with Finnish designers and a designer office (Bo, 2022b). The company is using its key competencies in branding and styling and exploiting that into creating a lifestyle. Discovering this we come to the next strength, the personnel.

The company's personnel are highly professional, and the company has done an important job, when deciding the structure and the services they wish to offer. Like discovered in the introduction of the case company, the personnel include stylists, photographers, marketing, and sales professionals. This kind of structure is not very common in the field and thus it gives a strong competitive advantage. By obtaining this structure, the firm is able to provide a broad selection of services to the customer. Still focusing on the brand, the strong brand image is perceived by exploiting a broad marketing strategy that includes influencer marketing, TV shows, strong media presence, using of brand ambassadors, bringing décor ideas to customers and providing a wide spread of materials, such as digital and physical brochures. The business model is quite standardized in the field when it comes to using franchising. However, this can be seen also as a strength due to its low-risk and low

personnel costs. The key competencies to the client include a free assessment visit by the real estate agent, high-quality styling and photography that is included in the real estate agent's fee, digital tools to sell the apartment more quickly and to follow the sale process and lastly client benefits from Bo's partner companies to decoration and renovation (Bo, 2022c).

Most of the company's equipment are intangible. The company's tangible strengths include mainly the physical offices around the domestic market, where the client can negotiate the sale. As a strength for M&A, the case company has done acquisitions before, and it is therefore not a totally unfamiliar process. Previous M&A will be briefly discussed later in the report in the chapter of "Brand image". Having experience in rebranding and acquisition management is an important asset for the company, as it provides a stronger starting point.

4.1.2 Weaknesses

One of the key weaknesses for the company is its financial strength. Due to the young age of the firm and rapid growth, the financial solvency is still under development. The next weakness is know-how with international actions and market entry. The firm has only operated in the domestic market and even though it has expanded its operations quite expeditiously throughout the domestic market, it does not have experience in foreign markets. Underlining this, the firm also does not have a wide spread of international partnerships and networks. The expansion into a totally new market will require networks and the bargaining power to a new entrant is considerably smaller than with the competitors already working in the market. The competitors in the Danish market offer also more secure options by having strong partnerships with banks and insurance companies. (M-Brain, 2021)

When considering the M&A, as it was mentioned the case company does obtain a certain amount of knowledge from previous acquisitions. This however is only the case in the domestic market, as the company is only now planning to do their first entry outside of the

domestic market. By doing so the risk for failing in the acquisition management is rather significant and thus it can be seen as a weakness.

4.1.3 Opportunities

The main opportunity for the case company is the same reason that it has for the internalization - broader market. Like argued, the reason for the company's expansion is mainly due to the size of the domestic market. The firm wants to broaden its market and by choosing a largely similar market, it can gain more financial stability. In addition to gaining more cashflow, by entering firstly similar new market, the firm will be able to test the whole entry process and see the most common stumbling blocks. This lowers the risk of entry and strengthens the future entries in other markets.

The Danish real estate market has been growing very rapidly in the previous years. The growth can be seen from market size, and from the apartment prices. According to Statistics Denmark, the price index for single-family homes in Denmark increased by 14% from a year earlier in May 2021 (or 12.1% when adjusted for inflation), following increases of 4.8% in 2020, 3% in 2019, 3.9 in 2018, and 4% in both 2016 and 2017. (Britannica, 2022; countryeconomy.com, 2022) The higher apartment prices promises more cashflow due to the pricing strategy of the company. The chosen market also does not have agents that would provide the exact same services and focus on the aesthetics as much as the case company does. This can be therefore found to be a significant factor. The market trends in interior design and Nordic style can be found from Denmark. According to a study the Nordic style is recognised and valued in the market; however, the country is facing more immigration, and this brings out new interior trends that need to be taken into consideration. (M-Brain, 2021)

4.1.4 Threats

The market size is approximately the same in the domestic as it is in the chosen market. This means that the market has a limited growth opportunity, and this is certainly a threat to the company. In addition to the market size, also the number of competitors is quite high. This kind of a “red ocean” situation, might prove to be challenging to the company, if the customers prefer the local brands and don’t recognise the differences between the providers. The Danish market has seen a rather aggressive price increase due to the offering level in the market. The supply issue could become a substantial risk in the future if there are not enough properties on sale. (Britannica, 2022; countryeconomy.com, 2022)

Like mentioned in the opportunities market and interior trends can be seen to be similar when comparing to the domestic market. Even though this is a rather bright overview, the market has seen some change with immigration. (AFS, 2022; Høg & Johannessen, 2007) People moving from other parts of the world might have a differentiated taste in style and might value different values. Legislation and regulations are rigorous in the field and there is a very little room for errors. The possibility of changes in the legislation and regulations is a high possibility and it brings more risks.

4.1 CAGE Distance Framework

The CAGE distance framework by Professor Pankaj Ghemawat, is a technique that may be used to find significant variations between countries that businesses should consider when developing their strategy (Ghemawat, 2007; Janse, 2019). The tool is a crucial component of strategic planning and understanding the variations between markets will help one better comprehend the industry that the organization is entering. This also applies to the M&A process because it is more difficult to develop an acquisition strategy without knowledge of the similarities and variances in culture and other factors. The main goal for using the CAGE distance framework is to assess the case company’s capabilities and key competencies. It will also help the assessment of standardisation versus adaptation. Based on the framework

we can implement a more detailed plan on what the company should adapt and what can be standardised.

Table 1: CAGE matrix (After Ghemawat, 2007; Janse, 2019).

	Cultural Distance	Administrative Distance	Geographic Distance	Economic distance
Country level: bilateral/multilateral	<ul style="list-style-type: none"> - Different languages - Different religions - Different values - Different cultures 	<ul style="list-style-type: none"> - Lack of common currency - Political hostility - Lack of colonial ties 	<ul style="list-style-type: none"> - Physical Distance - Lack of land border - Differences in time zones - Differences in climates 	<ul style="list-style-type: none"> - Income differences - Differences in other costs: raw material, financial resource, human resource, information and infrastructure
Country level: unilateral (isolation)	<ul style="list-style-type: none"> - Insularity - Traditionalism 	<ul style="list-style-type: none"> - Nonmarket or closed economy - Extent of home bias - Weak institutions: corruption - Lack of memberships in international organizations 	<ul style="list-style-type: none"> - Landlocked geography - Lack of internal navigability - Geographic size - Weak communication skills - Geographic remoteness 	<ul style="list-style-type: none"> - Economic size - Low per-capita income - Slow growth

The table above will be taken into more close analysis in the upcoming sub chapters about the CAGE Distance Framework. The table is provided to make the theory more comprehensive.

4.1.1 Cultural differences

Like mentioned, the case company has also used an external consultant to help them to assess the market's potential. In this report the culture was also briefly discovered and noted that the Danish design culture and heritage include the "Scandinavian approach" as well as Nordic aesthetic and way of life. Denmark is known for its legendary architects and designers (such as Arne Jacobsen and Poul Henningsen), who's clean, utilitarian, minimalistic style is today imitated all over the world (M-Brain, 2021).

In culture we are assessing the factors such as values, norms, behaviour, religions, ethnicity and language. In order to analyse the cultural differences, Hofstede's Cultural Dimensions is partly used. The dimension framework's power distance measures inequality. The Danish

nation value the same equal rights as in the case company's domestic market (Finland). People in Denmark are argued to be well-educated and openminded people in where the vast majority of individuals are middle-class, with a small fraction of the population living in poverty (AFS, 2022). The principle that everyone should have equal opportunity is mirrored in the healthcare and educational systems, among other places (AFS, 2022; Høg & Johannessen, 2007). Healthcare, education and equal rights are therefore almost identically same values as in Finland. Also, the Danish family dynamic and living conditions are similar to Finland. When focused on the individualism, Danish people value privacy in a similar matter as in the other Nordic countries. People in Denmark are social and value family connections. This is also where the high-education level comes into place. With higher education, also the understanding of collectivism can be discovered, however it can be noted that like in other Nordic countries, people value their own space and thus could be considered to be more individualistic than collectivistic. (Hofstede, 1984a; Hofstede, 1984b; Mulder, 2009)

As mentioned, the equality level is rather high in the market. This can be also confirmed with the fact, that in Danish families, both parents work, and working is not separated by gender. Denmark is with its equal rights, rather low-level traditions and distinction between the roles more feminine than masculine country.

To assess the cultural differences, the worldwide cultural map is used. The map can be seen from the website and the URL can be found from the list of references. It depicts how many societies are distributed along two axes: Survival and Self-expression. When looking up the chart it represents a shift from Traditional to Secular-rational values, while moving rightward represents a shift from Survival to Self-expression values. Following an increase in living standards and a transition from development to industrialization to post-industrial knowledge society, a country tends to move diagonally from the lower-left corner (poor) to the upper-right corner (rich), indicating a transit in both dimensions, according to a simplified analysis. (World Values Survey, 2020) The population's attitudes, on the other hand, are strongly linked to the philosophical, political, and religious ideals that have dominated the country. As it is noticeable from the world cultural map, both the domestic

market and the Danish market belong to Protestant Europe and have strong Secular-rational and Self-expression values.

It is acknowledgeable that the cultural aspects are very similar between the domestic and the Danish market. The most noticeable difference is with language. Said this, the language is a Nordic relative language and fairly similar to Swedish, which is the second official language in Finland. Nonetheless, the higher immigration needs to be considered as it will modify the culture and the people's behaviour.

4.1.2 Administrative differences

Administrative differences refer mainly to historical, legal and political differences. Corruption is one of the most used measures when companies are planning their entry into a foreign market. Transparency International provides yearly estimate of corruption in the world. The study from 2021 shows that Denmark and Finland are on the top of the list with a ranking of 1, which means that these countries have found to have the least corruption in the world (Transparency International, 2021). From this we can also conclude that the welfare and the country's political situation is rather stable. Also, one major difference politically is the governmental structure. Denmark's politics are governed by a parliamentary representative democracy, a constitutional monarchy, and a decentralized unitary state, with the Danish monarch, Queen Margrethe II, as its head of state (Ministry of Foreign Affairs of Denmark, 2022). This differs from Finland, which is also a governed by a parliamentary representative democracy, however the country is a republic and therefore lead by the head of state (president) (Freedom House, 2021). This might affect the political and governmental stability and therefore increase risks when operating in the market.

Moving on from the political distance, the country has differences in common currency. Finland uses euro as a currency whereas Denmark still uses its own currency. The Danish krone is pegged to euro and has the rating of AAA. The positive side is that the Krone has been strong, and it is pegged to euro (Wienberg & Ritchie, 2021). Withal, there is a lack of common currency, and this might influence the trade. The legislation is strictly regulated

and as mentioned about the government, quite similar to Finland. The real estate law is on the buyers side and is filled with requirements of very detailed information about the property, possible costs and renovations. The property market is governed by Danish and European Union regulations. Real estate transfers are mostly governed by Danish contractual law's broad standards. In addition, the Danish Real Estate Agent Act, the Danish Consumer Protection in Real Estate Acquisition Act, the Danish Property Registration Act, and general Danish tax legislation apply. Estate agents handle the majority of Danish property acquisitions. Estate agents are in charge of most of the process of buying a home, and they have a far larger role in it than in many other European countries. The sector is highly regulated, and many sales are completed without the intervention of a professional. (M-Brain, 2021)

Many buyers, however, use a lawyer or solicitor to handle the legal aspects of the transaction. A Purchase Agreement is a legally enforceable contract. The buyer is required to submit a 5% deposit to the estate agent after the purchase agreement is signed. A buyer can back out of the arrangement within six days after signing the agreement, although they may have to pay the seller a charge of 1% of the property's purchase price as compensation. The buyer receives all property documentation during the next stage, including a land certificate, cadastral maps, a tax note for the property, an energy rating and plan, and BBR-owner information from the local council. Although it is not a legal obligation, buyers should seek a property report from the seller. The property report is written by a building specialist and describes the property's overall condition. Without a property report, the buyer might hold the seller liable for any faults or damages that were not disclosed by the seller prior to the purchase for the next 20 years. A pamphlet describing the costs of owning the home should also be sent by the estate agent to the buyer. (M-Brain, 2021)

4.1.3 Geographical distances

The geographical distance is measured by comparing physical aspects of the distance between the domestic and the new market. Physical distance to Finland could be considered small, less than 1000km. The biggest challenge with the distance comes with the

transportation, as Finland does not have any shared borders with Denmark, and it does not have any easy ways to cross by land. The easiest methods are either flying, using a ship or a ferry or combining road and ferry usage. Time zone difference is small with the countries by only one hour. This should not have any major risks when planning operations. Denmark only shares border on land with Germany and water territorial with Sweden and Norway (Global Edge, 2022). When assessing the security of neighbour countries, Denmark is located in a rather safe geographic location.

4.1.4 Economic distances

People in Denmark are argued to be well-educated and openminded people in where the vast majority of individuals are middle-class, with a small fraction of the population living in poverty. The country has a high standard of living and its GDP per capita is one of the highest in the world. Its economy is mostly centred on service sectors, commerce, and manufacturing, agriculture, and fishing employ just a small percentage of the population. Small businesses are the most common. Both Finland and Denmark were among the first Nordic countries to join European Economic Community, which ensures the countries better international trade opportunities. Taxation is similar to that of Finland, as Denmark uses progressive taxation methods and provides equal healthcare and education with the taxes. Unemployment rate is smaller in Denmark, standing at 4.7% (7.1%) and the average wage is higher 60 375€ (52 220€). Denmark also has almost double immigrant rate compared to Finland (12.41% vs. 6.93%). The immigration rate might affect for example the market trends and stability of the country. (Britannica, 2022; countryeconomy.com, 2022; Danish Customs and Tax Administration, 2022)

4.2 Consumer behaviour

In the assessment of the consumer behaviour, we will exploit the already made study in the CAGE distance framework, more specifically the Cultural Distances. In the previously done research by the company it was noted that in Denmark the design culture and heritage is rather similar to other Scandinavian markets and the Nordic aesthetics. This is a good starting

point for understanding the consumer behaviour and preferences as the case company's entire brand image and key strengths are related to the "Scandinavian lifestyle". As it was also discovered, Danish people value equality and this can be shown i.e., due to the fact that in families both parent work. The education is in a rather high level in the country and because of this, also the understanding of collectivism can be discovered, and where the valuing for equality comes from. (AFS, 2022; M-Brain, 2021) Higher education might in multiple cases also mean the critical way of looking at advertisement. This unquestionably is one of the key issues that needs to be taken into consideration when planning the marketing.

In addition to the aspects mentioned above, there are demographic variables that might affect the consumer behaviour. According to research, in Denmark somewhat 44.4% of households are people living alone and 42.8% are couples with or without children and 88.1% of the total population living in urban areas in 2020. Thus, it is quite reasonable to focus the real estate services and properties that are in sale to urban areas and consider the supply for smart square meter usage. (AFS, 2022; Standard Bank, 2022)

As Denmark can be considered to be a welfare state, it is also consumer society with a high purchasing power. The market has demand for good quality of life and the consumers have seen to be one of the most demanding in Europe. Consumers can analyse before making a purchase thanks to new technology and quick access to information. Consumers frequently call to inquire about a brand or product before visiting to a store or making the purchase decision. Consumption on internet sites is increasing, with local Danish online retailers' online sales totalling DKK 95.5 billion in 2019. (AFS, 2022; Standard Bank, 2022) E-commerce can be argued not to be the best option in real estate; however, one needs to consider the increased demand for gaining more information about the apartments and houses and the need for having listings on sites. In this way the need for the strong website and e-commerce presence is at the beginning of the customer journey.

Foreign items are typically welcomed, but Danish products, as well as international products with a long-standing brand in the country, are frequently favoured. Consumers are generally open to new items, and brand loyalty is primarily acquired through excellent customer

service and branding. These issues are important to take into account while planning the brand renewal and the marketing strategy. As it has been a trend globally, also reducing waste and doing environment friendly decisions is an important value for the Danes. Due to this the collaborative economy is advancing, with platforms for house rental and carpooling being developed. (M-Brain, 2021; Standard Bank, 2022) This issue is vital to overcome in order to keep up demand for purchasing properties and not merely to rent. There are various ways for doing so and most of these can take place with the selection of the materials in the apartments and the interior décor. This can later on be benefitted with marketing.

4.1 Competitor analysis

In this chapter we will exploit the research done by the case company about real estate agents in Denmark. The research focused on providing valuable information of the market and it aimed to reflect the already existing players to the case company and its services. Competitor analysis is an important part of the marketing strategy, and it gives out the strengths and weaknesses of the competitors and therefore offers a good starting point for planning the entry. That research included all the required information e.g., about pricing, services, employees, and turnovers. The main outcome was also a table summary of real estate agents' services compared to each other. One of the key variables was the level of trendiness, as it is the key competence of the case company. The scale from trendiness is from 1 being the lowest and 3 being the highest. We will create a comparison table from 6 of the competitors that gained the highest level of trendiness. In addition, we will do an extended competitor analysis of them under the table.

Table 2: Competitor analysis (M-Brain, 2021)

Key competitors	Staging	Professional photographer	English website	Search tool on the website	App	Nordic living	Intelligent SoMe marketing
LokalBolig-butik mægler		X		X	X		X
Lokale danbolig mægler		X		X	X		X
Siesbye Kapsch	X	X		X			X
Adam Schnack	X	X	X	X			X
Jesper Nielsen	X	X		X		X	X
Brikk Gruppen ApS		X		X	X		X

From the table it is visible that all of these high level of trendiness competitors have their own professional photographers and intelligent social media marketing services. This is not a surprise as it concludes to the high trendiness, however what did come as quite a surprise was that only half of these companies provide staging as a service and the rest offer an app for tracking the sales. It is not argued that there would be any reliable correlation between these two services, it is merely an interesting fact as the case company holds both in great value. Staging services is unquestionably one the most important service for the case company and thus the companies that provide this service, can be considered to be more of a threat than others.

When visiting these companies' websites and their housing listings it was very clear, that the interior and furniture trend is not so clearly Nordic as the previous research showed. There are quite stylish design items in the apartments, however the style does not fall into the same Nordic style category as the case company does. One could argue that most of the houses reflect more of a southern European style as they possess a lot of colours and are very lively. As the case company will acquire one of the key players in the industry, it is quite hard to define who are its competitors. The figure above however shows who can be considered to be the most significant competitors in the industry and the services that they provide.

4.1 Marketing 4 Ps

To start with planning the business model and the co-operation between the case company and the company to be acquired, the marketing 4 Ps is used. This framework was done by Neil Borden in 1950, and it was done to answer to have a basic understanding of a marketing strategy mix and the key factors of it. We will not use the extended 7 Ps as it seemed too broad for a service provider that has a rather regulated product. (Twin, 2022) As this framework examines also the resources and capabilities and aims to provide more detailed methods for the strategy, it is connected to the post-acquisition strategy. We will in the next chapters discover the current situation of the case company and the suggest propositions for it after the acquisition of the new company. However, this part is meant to analyse and later on exploit the findings in the upcoming strategy.

4.1.1 Product

Like mentioned earlier in the report, the case company's main product is real estate service. This means that the service is provided to the seller of a property and the main goal for the service is to solve the problem of uncertain real estate sale by promising to sell the property on the best conditions, safely, with a good profit and as soon as possible. The product itself is rather standardized, however the case company brings the biggest competitive advantage with its supportive products and services. When looked at the SWOT analysis of the firm, it was seen that the key competencies and competitive advantages were a free assessment visit by the real estate agent, high-quality styling and photography that is included in the real estate agent's fee, digital tools to sell the apartment more quickly and to follow the sale process and lastly client benefits from Bo's partner companies to decoration and renovation. Also, according to M-Brain's research, the Danish people enjoy Nordic design and staging is being used more and more in the market. This supports the need for the company's services and created competitive advantage. In addition to selling the properties, the company also provides a service for the buyer in the domestic market, however this service includes mainly just a listing of the properties on sale and a service to set an alarm for the desired properties.

The company has on its domestic market said to have 44% quicker sale time than the average selling time in the market in 2021 (Bo, 2022d). This supports the key competence of selling the property in a fast phase and works as a good starting point in the new market as well. In order to succeed in the new market, the case company should bring the same services to the consumers and to have the same promises. In addition, the company could broaden its services by having cooperation with insurance companies and banks. The Danish market is proven to be rather regulated and many of the competitors also provide some banking and insurance services, either from the parent company or from a collaboration.

4.1.2 Price

The pricing is a solid 4,96% of the debtless sales price, with a minimum fee of 3800€. The price guarantees all services included in the commission, this means that the supportive services do not cost extra for the client and that there are no additional fees. The company also provides estimation services to estate inventory and other special needs, starting from 400€ onwards, travel and other expenses excluded. (Bo, 2022b)

Based on the market research already done by the case company, we can see that the competitor's prices vary from 1-5% of the sales deal. This study will claim that the case company will benefit most from the "rapid skim" strategy since they are confident in their top-of-the-line, high-quality products and want to capture quick and considerable market dominance. This method necessitates an expensive marketing campaign, as buyers must be informed that a new brand and/or product is available. (Hooley et. al., 2012; M-Brain, 2021) It also remains the higher pricing strategy. The market also had some agents that offered more low-price options in a way, that the client would hold the open houses themselves. Because of the Bo's brand image in the domestic market, the company should not position itself in the low-cost providers, the scaling up is much harder than the decreasing of the commission prices. A progressive pricing option would be in this case the best option.

The pricing needs to be transparent as it is with the competitors, but it could have the option for an estimation in the luxury listings. Without knowing the operational costs of the company in the new market, we suggest the same base ground for the properties that sales worth is 300 000€ maximum. From here the pricing would scale and be progressive, with one percent change as the price increases. This would offer a still profitable business to the company and be competitive with the prices in the market and offer a very transparent pricing. The price should include the same services as in the domestic market, excluding legal services and possible licenses and permits.

Property price (€)	Commission (%)
0-300 000	4,98% with a minimum fee of 3800€
300 000 – 500 000	3,98%
500 000 – 900 000	2,98%
900 000+	2%

The calculations above are merely an educated suggestion based on the market knowledge and the housing prices. By having this flexible pricing, the case company would still gain good revenue and maintain its brand image. This would also make the case company more attractive to diverse set of buyers from various levels of income.

4.1.3 Place

The purpose of determining the place is to figure out where a corporation should sell a product and how to get it to the market. As said the product is intangible and as such, there is no need for traditional transportation like there would be with a physical object. The place therefore focuses merely on the selling points of the products and the possible partnerships that they could offer. The current method for selling the service is through the company's websites, where there is on the home page clear options to choose based on your needs, "Selling", "Buying", "For Businesses". It is from the start clear to the website visitor, that

the firm offers different services for different needs. Considering the quite normal situation, a standard customer is looking for real estate services to sell a house. When they navigate from the home page to the selling site, there is already an option to book a free assessment visit by an agent or if still in need of more information, there is a chatbot and in-links. This is the digital place for selling the product. Another option is by finding an agent and calling or emailing them directly from where the selling moves to be in between the agent and the client.

The company also has thirteen offices in the domestic market, to where the client can also go and get the sales started. These offices are placed in centralized locations, and they are decorated according to the brand image. This is a carefully made brand decision to communicate the same values and quality in the offices as they provide in styling for the clients. Like mentioned in SWOT analysis, the company has also done a brand magazine that is filled with interior design tips, product placements, pictures of houses in sale, different services the company provides, interviews and directly listing of personnel to which the client can contact if in need of help. These magazines are distributed to more than 120 locations starting with the offices and then expanding to collaboration places, such as furniture & interior stores. This can be also considered as an advertisement method; however, it is also a placement decision and a selling point. With the broad selection of distributors, the company ensures to have the magazine brought to places where they do not have a physical presence otherwise.

After finding out the selling places in the domestic market, the focus will move to the desired market. The company should include the same digital selling points as it has done in Finland. In addition to this the distribution of the brand magazine could be considered, however when getting started the promotion should focus more on local magazines from where the interest could be directed to a digital print of the Bo Living magazine. It is highly important to get distributors and partners in the new market, nonetheless this should be done at first by having collaborations with the local entities that are related in the field. After doing so, the risk of pushing the marketing budget to magazines that are then provided by a brand that has already

gained some brand acknowledgment in the market. The more specific marketing methods are presented in the implementation plan.

4.1.4 Promotion

Promotion should take into account all of the company's planned marketing actions, from advertising to direct marketing. This largely also depends on the venture to be acquired and its marketing actions on the market. As proven in the SWOT analysis, the case company has a considerably strong brand image in its domestic market. This has been achieved by exploiting a rich variety of marketing actions. These actions might not in nature be fully applicable to Denmark, said this they provide a strong framework for it.

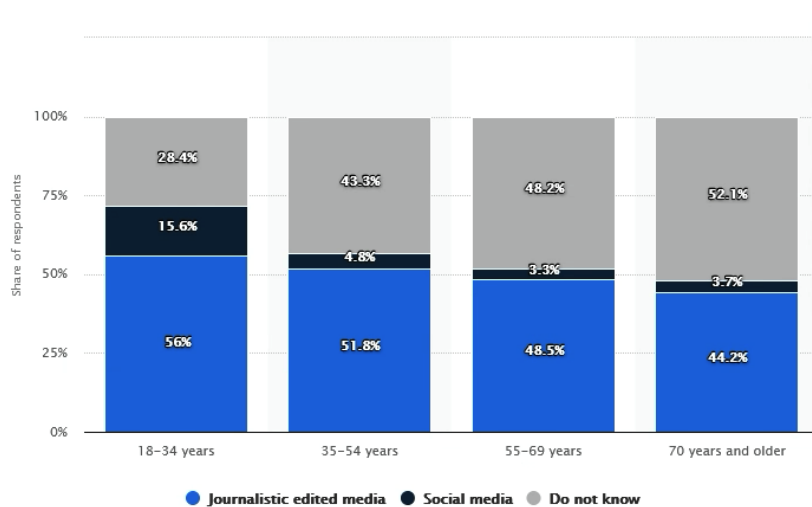


Figure 4. Most reliable platforms for ads in Denmark 2019, by age group (Guttmann, 2019)

The domestic promotion includes e.g.: digital marketing in social media channels (Instagram, Facebook, Google), influencer marketing, brochures, TV advertisement, and magazine ads. Looking at the statistics from Denmark regarding media usage, we can assess to which medias the case company should focus their budget on. Starting off with reliability of advertisement, we can see that the majority in all age groups (except for 70 years and older) find journalistic edited media to be the most reliable, see from the figure above. The number of variables in this survey is a little problematic, because the third option that does

not take any stand (Do not know) gathers quite many answers. Taking this into account still, it seems that when it comes to finding a reliable source for advertisement the best option is the journalistic edited media. Then again when looked at the distribution of media usage in Denmark in 2019 and 2020, it seems that the traditional medias are the most used ones, with TV leading the statistics and radio coming second, see from the figure below. Streaming services and social media usage has seemed to have an upward directed trend. (Guttman, 2019)

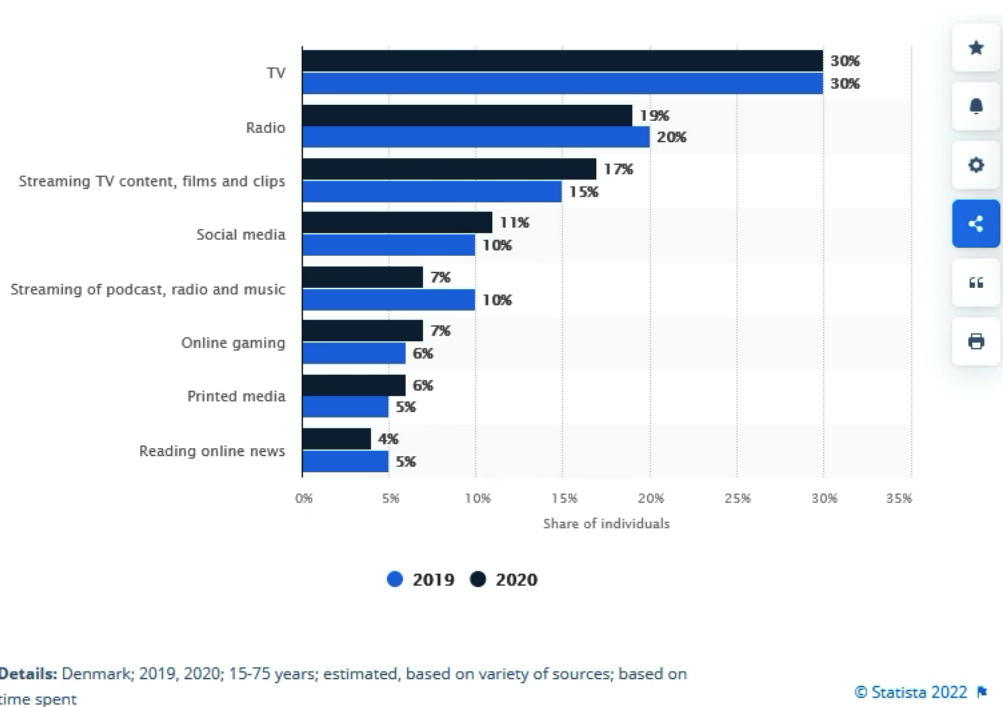


Figure 5. Distribution of media usage in Denmark in 2019 and 2020, by media. (Stoll, 2021)

In traditional media TV and radio possibilities should be considered. The case company has experience with TV advertisement in the domestic market and it also has done some sponsored partnerships to a TV show called “Remppa vai muutto”, which is the Finnish version of “Love it or list it”. The brief idea of the show is that there is a person / couple who is considering the sell their property or to renovate it. There are two experts in the show from which the other one is wants to help renovate and increase the price and get the occupants to stay in the old apartment, and then there is a real estate agent from Bo who tries to find the most suitable accommodation for the occupants and get them to buy it.

This type of sponsorship would also bring good opportunities to increase the brand recognition. (Stoll, 2021)

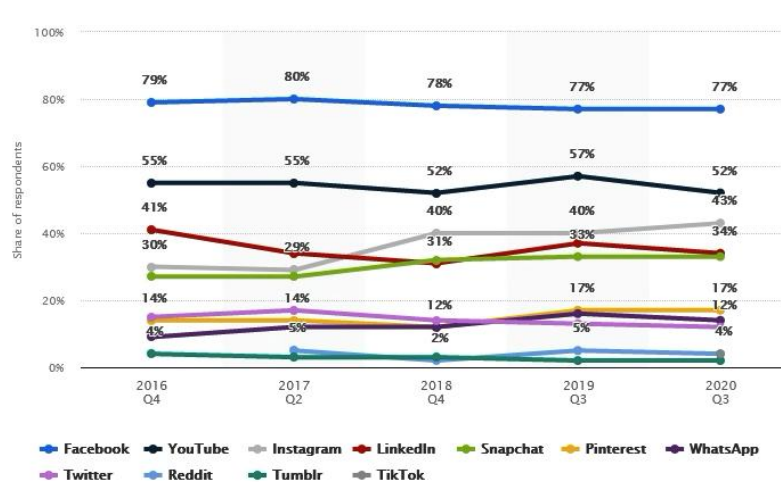


Figure 6. Share of social media users in Denmark from 2016 to 2020, by social media site. (Statista, 2020)

In social media we can see that Facebook is far most the leading social media channel and YouTube second and Instagram as third, see the figure above. These social media sites are very suitable for the case company because of their visual driven content. (Statista, 2020; Statista, 2022) Bo is a very active content creator, and they post a lot of pictures from the houses that are under sale. In addition to this the firm provides interior design tips and templates about the latest trends in interior décor. There is also a media storage called “Bo Living”, which includes different materials such as blogs, guides, articles, magazines, and podcasts. Looking at the average ad spending in digital marketing in Denmark, we can conclude the search advertising to have the highest budget and banner advertisement the second.

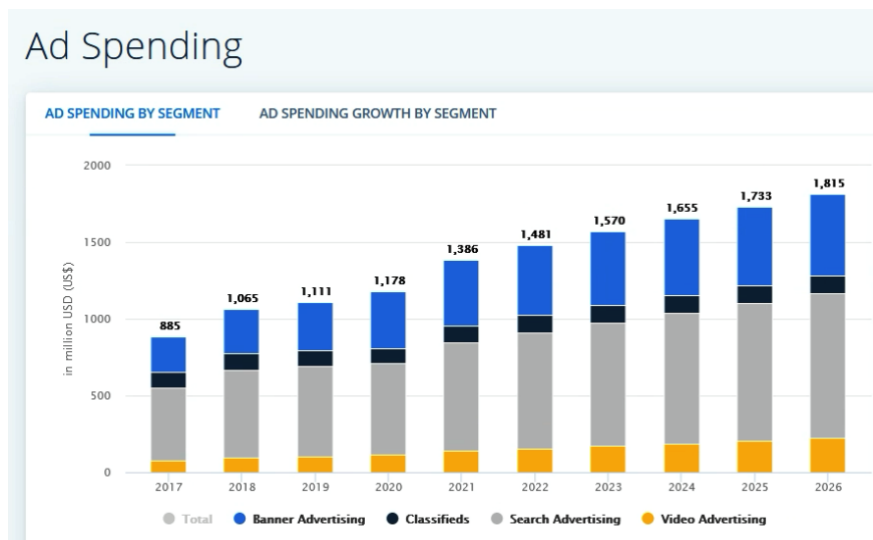


Figure 7. Ad Spending by Segment in Denmark. (Statista, 2022)

The trend is forecasted to continue with approximately the same ad shares. Video advertising has been forecasted to increase its position in ad spending, however it is still not in the same figures as search and banner advertising, see the figure above. When considering the channels for content sharing, a survey made for content marketers shows that the LinkedIn is seen as the most and Facebook as the second effective digital platforms for content sharing. Instagram is third and YouTube fourth, however the effectiveness has dropped by more than half with them comparing to the top two channels, see from the figure below. (Statista, 2021)

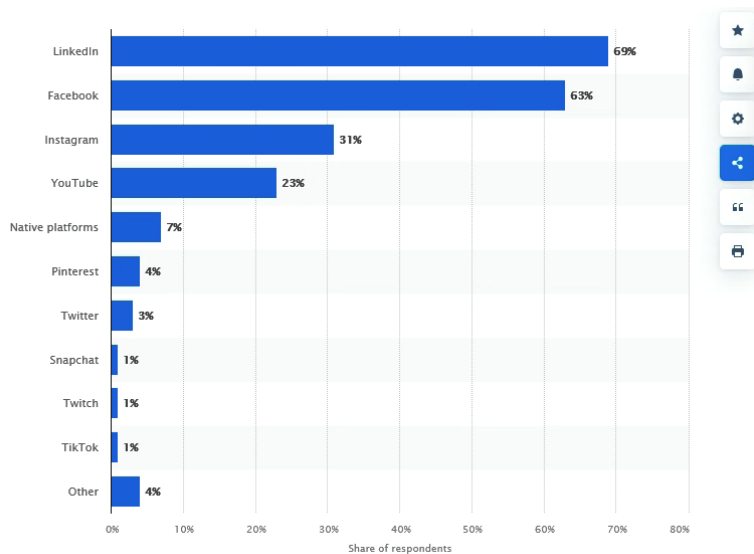


Figure 8. Social media considered most effective for content distribution in Denmark as of May 2021. (Statista, 2021)

To conclude the promotional opportunities, there can be seen to be somewhat most effective channels for the case company. The firm should exploit the traditional media by focusing on TV and to newspapers on some extent. These two are the leading medias in Denmark and as it was also proved, the journalistically edited medias had the highest reliability. Due to good knowledge in print media, also the use of it is advised. On the other hand, looking at digital marketing, the suggested channels are Facebook & Instagram, YouTube, Google Ads, and if suitable, LinkedIn. The highest budgets should go to the most effective channels Google Ads (first to search advertising and then to banner advertising), Facebook & Instagram. (Statista, 2020) A more targeted implementation of the marketing channels is provided in the marketing strategy.

There are multiple possible stores for collaboration purposes in Denmark. When looking at Yelp's recommendations in Copenhagen, the first furniture store on the list is Illums Bolighus. This store provides high-quality interior products that fit well with the Scandinavian lifestyle. On the webstore there are also famous Finnish brands on sale, such as Iittala. Another popular and a very similar in styling is Rue Verte design shop. The shop has positioned itself as more high-end and the products are unique and minimalistic. This type of store would support Bo's interior styling and brand and connect it to the local market.

Designdelicatessen is yet another good option for partnerships. This store provides a very broad selection of different brands' products, such as Mater and Anne Linde. Lastly Hay is a furniture store that has similarities with the previously mentioned shops, and they also focus on the aesthetics and high-quality products. (Yelp, 2022)

The collaboration with these shops could be done by having templates and magazines of Bo in the store and in return, Bo could use products from these stores in their decoration and mention them in the contents. An extended partnership might also include discounted prices for Bo's clients to the stores. Also using the local designers' products in the styling there are many famous designers to use. One of the most iconic Danish designers is Arne Jacobsen and he is most famous from designing Svanen and Ägget chairs. His products have been used in the Scandinavian design in the domestic market as well. (Designdelicatessen, 2022; Hay, 2022; Illums Bolighus, 2022; Ministry of Foreign Affairs of Denmark, 2022b; Rue Verte, 2022; Startup Overseas, 2022)

4.2 Brand image

One of the key decisions in the acquisition of a new entity, is the decision of the brand image. Multiple companies in acquisition phase either submerge the brand under the parent company or they create a new brand, depending on the market and strongness of the brand. When discussed with the CEO of BO, it was noticeable that the brand of the acquired company wanted to be sustained as when entering a new market, the case company needs a strong positioned partner to give a solid ground on the market. The CEO understood that submerging the brand "overnight" is not the strategy that the company wishes to apply. The original plan has been to have a transition period of 2-3 years after entering the market. This same strategy was applied in 2020 when the case company acquired "Unrealer", that is currently known as "Bo Business". Unrealer was a real estate marketing specified office, that had some key services in 3D modelling and virtual furnishment. With these services a constructor or property seller can model spaces that are either still under construction or otherwise need new visuals. The acquisition was strategic as the case company's brand is highly visual and creating good looking apartments is the company's key competence. Also,

by doing this acquisition the company ensures a more profitable way of creating content. (Bo, 2022e; Räsänen, 2022)

The brand and the company name were remained the same after the acquisition as the parent company wanted to maintain Unreal's customerships and ensure that the business will continue as usual. The company started to use "Part of Bo Family Group" in their logo and communication. The transition from the company's original brand into submerged BO's brand occurred in two years transition period. In this period the brand image and brand colours were matched to the parent company's. At the beginning of 2022 the company had a brand renewal where it got officially moved under the parent company's brand as an independent entity and business department and got the name of "Bo Business". In this phase the customers were ensured that nothing will change with the operating and this acquiring only brought more resources for the company. This same strategy has been planned for the new market entry as well. (Bo, 2022e; Räsänen, 2022)

If the company is going to exploit the same method for the merger of the new brand, the steps and the required knowledge can already be exploited from previous experience. Even though the previously done brand renewal can be found to eventually gone quite seamlessly and without any major problems, the starting point is in this case different. The reason for this is the different industry and entirely new market that require market adaptation and long planning. The firm needs to take into consideration the possibility of foreign investment resistance from the clients and try to avoid this issue with a well-detailed strategy.

4.3 Real estate market in Denmark

The company had hired a consultancy to examine the Danish market by its competitors, market potential and growth potential. This study showed that the total value of residential market is 45 billion euros in Denmark. If the capital is on the key focus with the operating, the market is worth 22 billion euros. More closely looked at the total share for real estate agents, the figure was in all Denmark 1.4 billion euros and Copenhagen specifically 654

million euros. This means that if the case company could acquire 1% of the total market share it would mean the revenue of 13.5 million euros in all Denmark and 6.5 million euros in Copenhagen. When analysing the in residential market's prices, it was discovered that the average price of premises purchased in the whole Denmark was around 475 000 euros and around 730 600 euros in Copenhagen. The average price of completed transactions of detached/terraced house in Copenhagen amounted to 5400€/m² and owner-occupied flat amounted to 5700€/m², whereas in the whole market they were around 1980€/m² and 4000€/m². It is therefore noticeable that the real estate prices are considerably higher in the capital than in the rest of the country. (M-Brain, 2021)

Larsen, & Lunde (2020) conducted research on the fundamental factors that affect the real estate market in Denmark. It was discovered that looking at the most important fundamentals did support the growth in real estate market and its prices. The Danish market was found to have a low interest rate level, a low employment rate, a high disposable income level and a positive consumer trust index. Søndergaard's research (2019) provides a valuable acknowledgement of the Danish real estate market. According to Søndergaard, the market has been in exponential growth for several years, especially in the Copenhagen area. The author found that apartments that are owned by individuals in the major cities, have started to lose their value, while the housing market is still growing.

Grønbech in 2019 studied the effects of the information online and the legislation's changes in real estate agent's fees. This research and the sources that are used bring up valuable information about how the real estate industry has changed in the market and what is required from a company. In addition to this, we will benefit from Wolters, J., & Enemark's study from 2002 about the public valuation in Denmark. To understand more about the employment in the desired market, we will use Madsen & Due & Andersen's article from 2020. This source will provide good information about employment relations and what they require.

5 Post-acquisition strategy

In this chapter we will go over the export mode selected by the case company and moreover discuss the strategy for entry and what needs to be considered. The analysis will start with the export mode which firstly goes over the general pathway of doing exportation and selecting an export mode for the new market. After gaining information about the chosen export mode of the case company the strategy will implement a marketing strategy based on the previous findings. Marketing strategy is part of the overall M&A process and the post-acquisition strategy. Lastly the chapter will discuss the acquisition management strategy, which is conducted to gain a good understanding on how to manage and lead the merger.

5.1 Export mode

For firms that are just getting started with internationalization, the most common entry modalities are export and import. The producer does not need to have a presence at the host market, but the commodities are conveyed to the client through a contracted organization in any of the export modalities. Almost all of the export entry modes include some sort of coordination with other businesses. The firms' connection then affects how successful the collaboration will be. The three factors that influence relationships are trust, collaboration, and mutual interest. The producer's product offering must be appealing to the partner firm, and collaboration and information sharing must run smoothly and on time. (Hollensen, 2017)

The case company has decided to use acquisition as their entry mode. When discussed about the selected entry mode with the CEO Tuomo Räsänen, the decision was done based on seeking a low risk for the financially and moreover so that the company does not need to start build everything from ground up. By doing an acquisition and choosing a partner from the market, the company will gain resources and capabilities that in other cases it would have needed to seek for itself. Also, by doing an acquisition, the company will have a dominant control structure and gains more power and is able to take the company towards the later done buyout. The acquisition will not be done fully in the beginning of the deal, but the strategy is to acquire most of the other company's equity in the beginning and the longer

plan is to buyout the original stakeholders after three years of operating. The export is a direct investment; however, it checks out various descriptions of a joint venture and thus this study will use the tools to manage it as such. The study will not focus on the different stages in joint-venture formation, due to already done research and decision making of the case company. The report will latterly focus on the joint venture planning in a way, that ensures the best ROI and prepares the company for a beneficial acquisition after three years. The main goal is to have a detailed plan on how to manage the acquisition and how to create a strategy for the new market, that will increase the brand recognition and secure the time after the buyout. (Räsänen, 2022)

5.2 Acquisition management strategy

In this section we will create a guideline for the post-acquisition strategy based on the theoretical framework and the found studies. As it was seen from the previous studies, there are various reputative factors when it comes to succeeding in a merger or an acquisition. As of the moment we do not know the acquired business, however there is no point on doing suggestions to the selection for it. The case company is currently looking at the potential business to acquire and have already made an offer for at least one company. Due to the lack of knowledge with the chosen business we also do not know how many employees the company has, nor do we have any information about the corporate culture or strategies. Said this we will do this plan on a broader level which gives the opportunity to implement it with any of the potential businesses. To achieve succeed in the acquisition the framework from below is implemented.

5.2.1 Pre-acquisition actions

The pre-acquisition process can be seen displayed as steps from the figure below. There is also a more detailed guideline in the appendix 5 about the pre-acquisition phases. The study has discovered the possibilities on how to affect and what to consider while planning the M&A. As one of the major issues was found to be the acquisition management, this chapter will discuss those aspects in more detail and suggest actions based on the previous research.

These guidelines explain in more detail about the required actions and the motives and goals for these actions. The process starts with creating a M&A committee or Project Governance. This should be one of the first steps when planning the acquisition. The committee's main goal is to ensure most of the framework's phases to achieve the goals. It should include personnel from both the acquirer and the acquiree and it should be diverse to gain a more heterogenous view of the process and the needed actions. There is no specific number of members, however the committee should not include a lot of members "just to be safe" as the decision process grows longer and is harder with more people involved. People from different sectors of the company such as, HR, finance, marketing, sales, and IT should be included so that the synergies are considered. Said this, the committee does not have to have representatives from all the previously mentioned sectors, as it can also consult and seek advice from them without integrating all of them into the whole committee action. The chosen governance should have frequently occurred meetings (once a week), more before and at the start of the acquisition to ensure control of the process. After the bigger integrations have been achieved and business is starting to go into the direction of "business as usual" these meeting can occur more sparsely, e.g., every two weeks or once a month.

Pre-acquisition Process

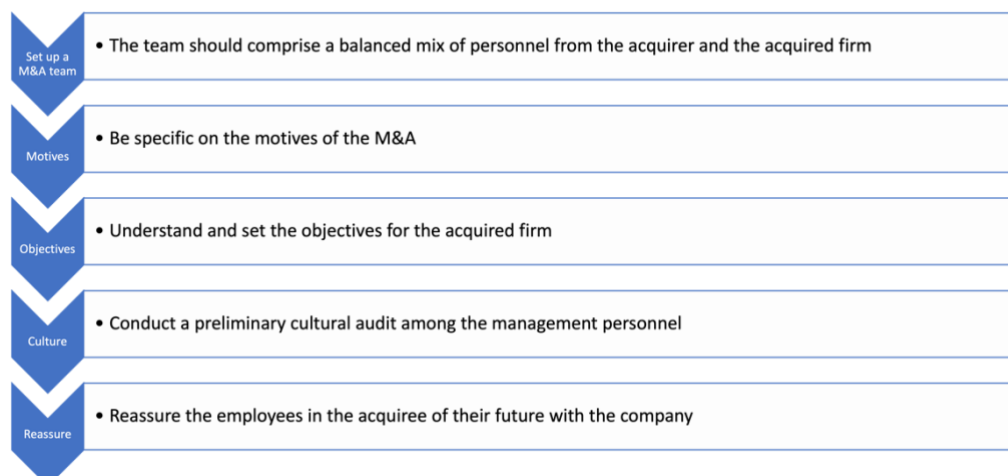


Figure 10. Pre-acquisition process (After Quah & Young, 2005)

After the creation of the M&A committee, the process moves into setting up a Target Operating Model (TOM). The initial goal for this is to provide a guideline for integration success for all business operations. It is important for the case company to set up the model for a full integration in the long-term. By doing this the dealmakers may make more reasoned and conscientious decisions about the appropriate degree of integration, maximizing the combined company's benefits. A specified target state also allows executives to prioritize and focus resources on areas where the most effect can be made, resulting in more consistent decision-making during integration planning and implementation. Based on previously done research of synergies from the top performers in M&A, the following should be integrated in the case company's situation: procurement, marketing and sales, production, and R&D.

Partnerships and other procurements should be assessed to see if there is overlapping and if the other party has better negotiation power and prices. The same goes with marketing and other advertisement. In marketing and sales, it is evident to also look at the software that is used and if needed replace the software that is overlapping, i.e., CRM and marketing automation. This should not occur hastily, moreover there should be a schedule for the desired full integration period. (Fuhrer et al., 2017) The business could make monetary savings by adding licenses to the chosen software and thus increase profitability. Lastly as it was discussed earlier in the report, Bo has its own app for their clientele, where they can follow the process of selling the property. If the acquired business also has similar app, it should be assessed if these two apps should be integrated and on a longer plan to terminate the app that does not bring as much value.

In production, the supportive services such as visualizations, styling and photographing can be seen to be the company's production. Bo has a subsidiary called Bo Business from where 3D modelling, and other augmented visualizations is provided. This production line should be exploited and moved from the acquired business to the core business. In a case where the other business would have better negotiated prices in these marketing contents, the integration would occur between Bo Business and the acquiree. In styling the synergies should be set based on the know-how of the used stylists. Bo has highly professional stylists that can in the best-case-scenario be exploited also in the new market. Last point in synergies is the research and development (R&D) from where the company needs to decide whether it will keep some of the product and service development separated or as a hybrid. Based on

the previously done research it would be advisable to have synergies also in the R&D and therefore a question in whether to use a standardized or adapted is more about which parts of the R&D can be used company-wide and which should be adapted based on the market.

After creating the TOM, comes creating goals to the business. Here is where the case company needs to decide on monetary and non-monetary goals. The goals should include a widespread of the business' operative actions, such as marketing, sales, financial, and HR. The goals should be transparent, achievable, and easy to measure. In marketing the goals should attain brand attributions and acknowledgement, e.g., "Brand recognition of 30% in Copenhagen in 2 years". A shared goal between marketing and sales could be e.g., "Third biggest market share in 3 years", and "Market leader's position in 5 years". Other sales goals might be "Customer satisfaction rate of 90% in 1 year", "Increased sales by +30% for next year", "Customer retention rate of 95%". Financial goals should include the goal for Return-On-Investment (ROI), financial stability and decreased financial costs, this can be turned into a goal by e.g., "ROI fully in 4 operating years", "Substantial business in 3 operating years", "Savings in cost by 20% by next year". Lastly HR goals should measure the succeed of culture integration and employee health and the minimizing of sick leaves, "Employee satisfaction of 90% next year", "Preventative measures for decreasing employee strains".

5.2.2 Post-acquisition actions

Post-acquisition actions focus merely on the measures taken after the acquisition. The entire process can be seen from the figure below. There is also a more detailed guideline in the appendix 6 about the post-acquisition phases. These guidelines explain in more detail about the required actions and the motives and goals for these actions. There are still some actions that occur pre- and post-acquisition and the chapter will take those first into account. Engaging the management was found to be one of the key elements in lowering the risk of employee resistance. Proposed methods for doing this consist of transparent communication, clear goals, and phased integration of the companies. Thus, the already planned pre-acquisition steps increase the engagement of management and to add on this, the case company should get the management see the possibilities of the acquisition. Systematically

planned TOM and the reassurance of keeping business as usual can also work as an improvement in this. The engagement should not end at the pre-acquisition phase, but it should occur very actively also at the early stages of starting the new operations. Culture was proven to be perhaps the most important factor in succeeding with the researched businesses.

For the company's advantage the cultural differences between Finland and Denmark were subtle and the nations share a very homogenous relation with their values. The organizational culture is another matter, and it should be taken into a close inspection and the differences of these should be analysed. Cultural differences in organizational level might include the chain of command, the freedom of working times or equality. The responsibility of doing this is with the management and the M&A committee. One suggestion for getting a head start at this is to establish a workshop which in a freeway would give the representatives of the employees and managers a chance to communicate the cultural aspects they face at everyday life.

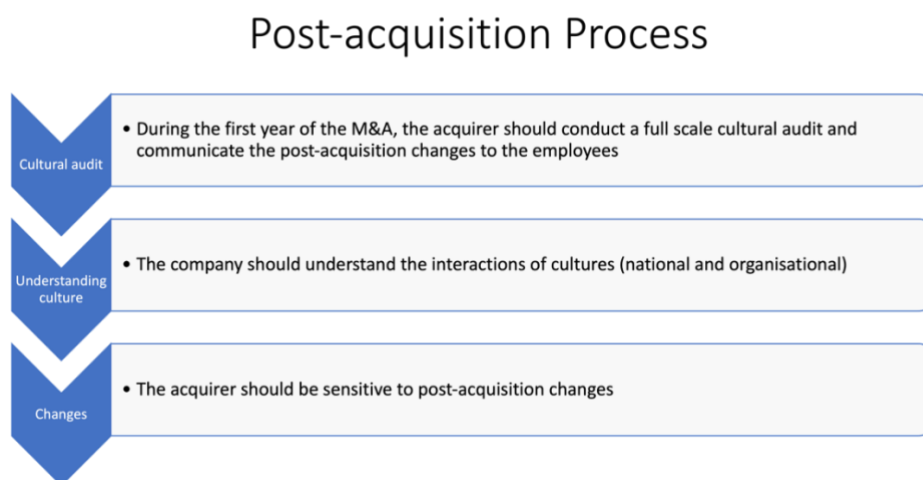


Figure 11. Post-acquisition Process. (After Quah & Young, 2005)

Customer engagement is another key element in acquisitions. With a good customer management, the retention is assured, and the acquirer maintains a good level of cashflow even with the organizational changes. As it was seen from the surveys, the management changes should be subtle at the beginning of the process. This secures the clientele's doubts

and insecurities of a buyout and communicates that the same company as they have known, is not going to be vanished. The customers should receive information about the upcoming organizational change before it is launched publicly and to be reassured that the business will continue the same way as it has before. Highlighting the benefits of the acquisition, by e.g., saying that the resources will improve due to it and that the company is able to serve the clients even better, will help with the retention. Finding talents is an overgoing process and it does not limit to the post-acquisition phase, nonetheless it should focus on finding talents right after the deal. An optimal situation is to assess the talents internally and to have them working at potential tasks, and external talents should be searched to help improve the new business and its development.

After three years of operating, it is highly advisable to consider doing a senior management change. Previous research on M&A has shown that when the old senior management is still in place, resistance to change is considerably higher. This also might differ between organizations and the senior managements, and due to this if the management is seen to be engaged and committed to the M&A, the change might not be relevant. The performance level increased once the senior management was replaced with new managers from competitors and other external groups. The important part is to maintain the senior management in the first 1-3 years of operating to obtain the know-how of the managers and to have better retention with the clientele. When seeking for new management it was advised to use local workforce from competitors, other experts in the field and internally from the business.

5.3 Marketing strategy as part of the M&A

This part of the strategy can be seen to fit into the phases of “Setting up goals for the acquisition” and “Customer Management”. As we do not obtain the information about the chosen partner, a shared more detail marketing strategy is not unfortunately possible. The actual marketing goals and revenue needs to be discussed with the acquired entity and there should be a very visible goals for the ROI. This chapter will mainly focus on exploiting the promotion findings and it will aim to take those learnings into action and to give a more

detailed plan for the case company to start their marketing actions in the new market. We will go over different medias in their sub chapters as it is clearer for the reader.

5.3.1 Promotion campaign

As the case company has used influencer marketing in the domestic market, it is suggested to exploit the similar content in Denmark. Promotion campaign that only promises better services and announces the new merger, will not presumably gain a lot of media coverage. The promotion should have an influencer as the cover face and the actual story can vary from design to renovation of the influencer's home. There are multiple influencers that could be used for this campaign. Thus, an influencer campaign with a twist is provided. The Scandinavia is known for its various historic reputation most importantly about Vikings. The campaign will utilize this recognition and provide content that is rather different from the mainstream. The campaign idea this promotion campaign suggests for the case company is based on Alex Høgh Andersen, who is a photographer and an actor, most famous for his role as Ivar the Boneless in the historical drama series Vikings (Woomio, 2021). Alex has now 2,3 million followers in Instagram (Woomio, 2021). The campaign could benefit for Alex's photographic content and most importantly his role in the Vikings. The basic idea of the campaign would be to design a home with or to Alex and to create "A home of a Viking". The design would emphasize the Nordic style of living and focus on creating an aesthetically pleasing and minimalistic home and focus on Viking decorations. The whole project would be documented from the beginning, and it would have Alex in the centre of planning the home. The influencer could also post images behind the scenes and give his followers sneak peaks on what will happen in the project.

In addition to the influencer, the campaign would have local design and furniture stores as promoters from where the items are bought. Also, local designers could be invited to create iconic new styles to fit the project. By creating this type of "Viking" -collection, the campaign increases its knowledge of design and brand recognition. This would also work as an announcement opportunity for the case company where it can get the information shared by publicity and possibly viral media. As humour is rather favourable way to communicate

also in Denmark, this type of playful campaign should be received good. Bo could also use its own resources in design and in 3D-modelling to create appealing content. The campaign should also be advertised in various medias and platforms. There are couple of examples of the content for social media channels in the appendices. This is to showcase what kind of a content could be used and how it should be presented visually. The examples are written in English, however when creating the content, it could be also done in Danish. Based on the example the company is able to create other content that reflects to the same main message and visualisation. It goes without saying that the campaign itself will not create direct cashflow, however the goal is to increase awareness of the brand and to gain regional visibility. In the next chapters we will cover which medias should be taken into marketing and how they could serve in favour of this specific campaign.

5.3.2 Traditional media

The chosen channels need to take into account the most used channels in the market and pay more attention to the channels that people find more trustworthy. Based on the previously done research it was noticed that traditional media magazines, radio and TV were in a high usage among the Danish population. As TV advertising is rather regulated in the Danish law and it is also considerably more expensive than some other medias, we will not be conducting a thorough suggestion for that media. Only one of the local TV stations provides commercials in TV and this occurs between the TV programs and not in the between. This does not mean that the case company should not discover the possibilities of TV presence in the market as it is a popular media source. (Privacy Shield, 2022)

Due to the finding of journalistic media as the most reliable source of information, this research suggests the usage of magazines that offer promotion articles and most importantly the “organic” news coverage. As the promotion articles are far easier to exploit, the company should focus on those opportunities first. By creating a well written and interesting articles that catch the media’s attention, it is also possible to gain some organic media coverage. In order to decide on the newspaper for the traditional media coverage, this chapter covers the

Kantar Gallup's research on weekly readers of national daily newspapers in Denmark between 2018 and 2020. (Watson, 2021)

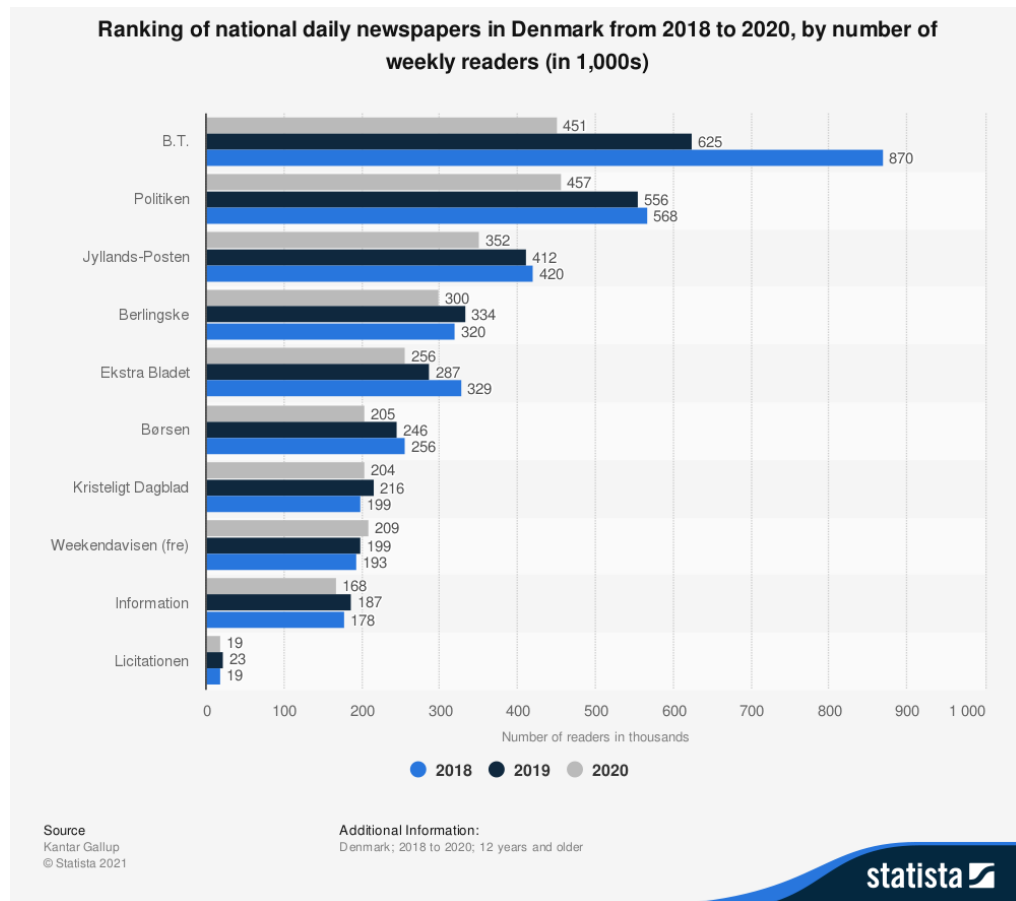


Figure 9. Ranking of national daily newspapers in Denmark from 2018 to 2020, by number of weekly readers (in 1,000s). (Watson, 2021)

Politiken has the biggest number in weekly readers in 2020, B.T. a close second and Jyllands-Posten as third. From the figure we can see that B.T. has been in previous years the leader in weekly readers, however it has lost almost half of its readers since 2018. None of the other newspapers have lost as significant number of readers, however all of them except for Weekendavisen (fre) have lost readers since 2018. B.T.'s readers cannot be seen to move to other of these newspapers, as there is not a high increase in any of them. It is also important to cover the fact that Berlingske Media owns B.T., Berlingske and Weekendavisen. In order to make a decision on the newspaper for advertising and perhaps for promotion articles, it is

important to discover the sources that have the majority of weekly readers and how it has changed. Based on the study it was also stated that the standard printed newspapers are currently being replaced more and more with digital ones. In 2017 only 38 percent said to read printed newspapers and 84 percent of individuals stated to read the online version. Thus, in the planning it is vital to see the opportunities for printed and digital newspapers. Based on this information, the strategy for promotion is focused on couple newspapers; Politiken, Berlingske Media's owned B.T. and Weekendavisen. Politiken and B.T. were chosen based on their good reader coverage, and their strong presence. Weekendavisen is published on Fridays and thus it gives a very good opportunity for the housing advertising, as people read the paper on weekends and have time to look through the ads. Also, the magazine is owned by the same media as B.T. which will give more bargaining power in purchase and pricing negotiations. All of these newspapers also provide an application for people to read the articles from their mobile devices, which is a huge advantage in getting the readers that wish to browse the newspaper through the internet. (Watson, 2021)

The strategy would be to list and promote high-end apartments and houses in the capital area that have some unique features. The listings would be posted both in the printed and in the digital newspapers, however they would be more focused in the digital sources, as those are increasing every year with readers. Weekendavisen would have a four-weekend campaign where it promotes houses and apartments to visit over the weekend and it would aim to redirect the readers to the company's websites to find more apartments and to list their own. The same promotion idea is provided for Politiken and B.T., however these are not just towards weekend, but heavily on providing 1-4 visually pleasing houses and apartments that will catch people's attention and redirect them to find more information.

In addition to the listings, the company should post articles in the newspapers. As it is not possible to get organic articles by promotion, the focus moves into promotion possibilities in the newspapers. Politiken would be the chosen newspaper in this as it has the most weekly readers and has quite many promoted articles in their website from other companies as well. The case company is like argued previously, in a strong position when it comes to content creation. This is something that unquestionably needs to be transferred into the new market as well, regardless of the merger company. One very strong way of doing this is to discover local influencers to co-operate with. These influencers can be either from the field or just

some well-known individuals who raise awareness. This is where the campaign idea that was provided in the last chapter comes into question. The campaign would include a paid article about “Alex Høgh Andersen builds a home of a Viking with a local real estate agent”. In this article the basis of the campaign would be discovered as how the idea came to life and how the project is going to pursue. One of the hidden main messages would also be how a local real estate agent gains more resources from a strong Northern company. This merger is said to bring more design and high-quality service to Denmark. It is also important to emphasize that the local company remains the same and continues to do business as usual, but with this new merger it is equivalent to provide better services to the locals.

5.3.3 Digital marketing and SOME

The marketing strategy also complies the use for digital marketing and social media channels, as they were also found to be in high use in the market. Facebook was found to be the leading social media channel in promotion chapter, YouTube second and Instagram third. As these channels are also used in the local market and they comply with the content that the company shares, they are the ones that this strategy will also focus on. Also, as a digital marketing platform Google Ads was found to be one of the most effective channels and thus it should be taken into consideration when planning digital marketing. The basis of the digital marketing strategy should focus on presence in the chosen channels. The competition is rather fierce in real estate and the company needs to be on top of the consumer’s minds. The goals in the case company’s situation can be divided into two main categories: people looking for an apartment and people selling. The company should create campaign ads to both of these categories and allocate the budget based on the effectiveness of the channels. The strategy would be mainly to extend the promotion of traditional media about high-end apartments and houses in the capital area that have some unique features. With the digital ads however, the company can be more flexible with the selection of the apartments. As this research has its limitations, we will not dive deeper into digital marketing strategies as they would be a rather broad subject on their own. Said this as the study has suggested a campaign idea, that will be used as an example of a digital marketing campaign.

“A home of a Viking”-campaign should also be implemented into the digital marketing posts. The suggestion is to in this campaign to create social media posts that support the campaign idea and the main message. This could be done i.e., by posting video clips of the process and by having interviews with the influencer chosen for the campaign. These interviews could focus on explaining the actor’s decision on starting this project with the case company and to explain how Alex’s role and experience in the show provide him with good knowledge in the Viking style. Repetitive posts that have the same message is vital and the goal for these posts is to get awareness to the campaign from where the traffic is redirected to the company’s services. As it was argued before the campaign itself will not create direct cashflow, but the ultimate goal is to increase awareness of the brand and to gain regional visibility. All of these in longer term aim to create cashflow and so the campaign focused posts do not have to shift the clicks directly to contact website or other sales landing pages. The campaign should have its own landing page that explains the background of the project and combines all the needed information into one page. From this page the company can create multiple Call-To-Actions (CTAs) to other internal sites, such as services, contact request, contact information or other pages that aim to create leads or deals.

6 Discussion and conclusions

To further explain the empirics of this case study, this chapter goes over the literature review and earlier findings. The research was done as a single case study, so the chapter four and chapter five of the empirics are being compared to the chapter two of the literature. The author was able to develop key perspectives that are examined in this section thanks to the analysis of the company's previously done research as well as other information sources like the literature review and market overview that were gathered and examined throughout this research. The chapter is divided into four parts that take into consideration conclusions, theoretical contribution, managerial implications and lastly limitations and further research.

6.1 Conclusions

The aim of this study was to analyse how marketing should be taken into account in M&A processes. The research included various aspects in the internationalization phase and the post entry process. By creating a strategy that considers the M&A management and the marketing strategy, this research aimed to create a strategy that would offer a quick ROI when expanding. The case company was found to be a potential new entrant and to have a rather suitable product for the market. The market similarities were proven to be so significant that the risk of entry was all in all low. By using the same expertise in content creation and the company's support services, it has a comparatively favourable potential in succeeding in the market entry. The research gained a good understanding of the market and the existing real estate agents in the market by using the case company's previous implemented study. Based on this study it was shown that there is potential in the market, and it gave room for further research and a more detailed practical strategy for the post-acquisition phase. From the research it was noticeable that the Danish market is rather homogenic compared to the case company's domestic market. The laws, regulations and the real estate market were found to be relatively analogous as in the domestic market which explains the case company's decision to expand to this specific market. There were still some dissimilarities in the consumer behaviour and the trends. From the CAGE Distance

Framework, the major differences were in language and higher immigration. The higher immigration level tends to modify the culture and the people's behaviour, the trends and the content that appeals the population.

The primary research question was: "What is the role of marketing in M&A in a new market entry?". From previous research the study was able to find various supporting arguments for taking the marketing in the centre of the M&A process. Marketing was found to have a highly important role in the post-acquisition phase as it takes into closer inspection the plan about how resources are divided and it aims to engage and enrichen the customer management, which was also found to be one of the most important factors in succeeding in M&A. More discussion from the previous research can be found from theoretical contribution chapter. The research gained good knowledge of the M&A process as a whole and how marketing can be implemented on it.

The sub-research questions were also an important part of the study as they held the focus of the study. We will discuss the sub-question in more detail below.

1. What does the company have to consider while planning an M&A?

As mentioned, the study found a broad selection of variables to take into consideration, while planning M&A. Mainly these issues were divided into two main categories: pre- and post-acquisition actions. The study claimed there to be a rather significant correlation between succeeding in marketing and more specifically acquisition management and succeeding in the M&A process. The study also took into consideration the case company's current situation and motivation for the M&A. The key findings reflected on the resources and capabilities of the firm and how they can be exploited in the new market. The major findings were that the company possesses good capabilities and business model for expansion of the new market and starting an M&A process. The following sub-questions will discover more about the singular factors to consider while planning the merger.

2. *What are the roles of external factors in post-acquisition strategy?*

Most of the external factors were analysed in the SWOT and CAGE frameworks from where it was visible that they play an important role in succeeding in M&A and more specifically in the post-acquisition strategy. These factors were i.e., competitors and the market. In the case company's situation, the market was found to be rather similar to the domestic market and thus the business model was more easily applicable. The economic and governmental factors are one of the biggest threats for the success of the acquisition as they are factors that the company does not obtain high level of bargaining power.

3. *What should the company take into account in pre-acquisition phases?*

Making an M&A committee or Project Governance was the first step in the pre-acquisition procedure. One of the initial steps in the purchase planning process should be this. The committee's principal objective is to guarantee that most of the framework's phases result in the goals being met. The process then shifts to establishing a Target Operating Model following the formation of the M&A committee (TOM). The primary objective of this is to offer a roadmap for successful integration of all business functions. Setting up the model for long-term complete integration is crucial for the case company. By doing this, the dealmakers could decide on the proper level of integration with more consideration and reason, maximizing the advantages of the combined firm. After TOM it was important to set up business goals. The case company must now choose its financial and non-financial objectives. The objectives ought to cover a wide range of operational business activities, including marketing, sales, finance, and human resources. These were just some of the key findings of the pre-acquisition phase, and generally by doing a thorough plan for the integration of the two firms and their resources, were in the centre of the strategy. Also, the goals for the M&A were found to play an important role.

4. *What should the company take into account in post-acquisition phases?*

One of the most important factors in the post-acquisition phases was to reduce the risk of employee resistance. Reducing the danger of employee resistance was determined to be involving the management. Transparent communication, specific objectives, and progressive integration of the companies are suggested strategies for achieving this. As a result, the already-planned pre-acquisition actions improve management participation. One of the key findings were also the cultural differences and the way to reduce the level of cultural shocks. The corporation benefited from the fact that there were only slight cultural variations between Finland and Denmark and that the two countries have extremely similar moral standards. The organizational culture is a different issue that requires careful consideration and comparison of its variations. Chains of command, flexibility with regard to working hours, and equality are just a few examples of cultural diversity at the organizational level. Lastly one of the most important components of acquisitions was found to be customer involvement. Even with organizational changes, the acquirer is able to maintain a healthy level of cashflow with strong customer management. The previously done surveys revealed that the management adjustments should be made gradually at first.

6.2 Theoretical contribution

Previous research has had wide suggestions on internationalizations of the firm and the M&A management and the actions that might affect it. However, Hariyani et al. in 2011 asserted that there are two different types of acquisitions depending on the company's M&A goals: financial and principally strategic. This was a key similarity between the research and also in the case company's situation. However according to our findings, the M&A's can be both strategic and financial at the same time and by the division of the motivation to this narrow polarized two variables, we are neglecting the overall reason for the companies to even consider the M&A as an entry method. The importance of the matter has been argued in previous literature as well, however the research has neglected marketing's influence on succeeding in M&A. Malone and Ou made the case in 2008 that local purchasers had a higher success rate than international buyers because they are more aware and assured about

all facets of the sought asset. The importance of acquisition management was undeniably underlined, however the sparse set of doing this was a major problem. A scarce set of research could be found, however the way for practically exploiting them and understanding their relationship among one another, was still lacking.

6.3 Managerial implications

As one of the results, the study provided M&A guidelines and strategy for a more detailed and planned acquisition process. As explained in the literature review, there are multiple variables and action points to be considered in this phase. One of the key findings was to take the cultural differences into the centre of issue solving as other studies had shown there to be differences i.e., in the freedom of working times or equality. It was suggested to be the role of management and the M&A committee to take these issues into consideration. Also, the goals and objectives were in the centre of the M&A strategy. The study suggested the use of target operating model (TOM), which governs all of the company's functional integration initiatives. TOM would take into account all of the systems that the case company uses and set goals for the integrations of those systems. Partnerships and other procurements were advised to be evaluated to see if there are any overlaps and whether the other party has more negotiating strength and lower pricing. The same may be said about marketing and other forms of advertising. In marketing and sales, it was seen to be obvious to examine the software in use and, if necessary, replace overlapping software, such as CRM and marketing automation. In addition to the previously mentioned findings, also the customer engagement was seen to help with the customer retention, and it was highly recommendable to maintain a strong and active relationship with the clients. This could be done i.e., by letting the clients know about the acquisition early and by reassuring that the M&A only gave more resources and possibilities for both the company and the clients. Also, by maintaining a regional management and account management was found to be highly advisable. This research combined various previously done research of M&A and provided a more detailed framework that was divided into actions that occur before the acquisition and after. There were also actions that were found to start before the acquisition but that should also continue after the acquisition.

Regarding the marketing strategy based on the statistics of Danish media usage it was seen that the company should make use of traditional media by concentrating on television and, to a lesser extent, the newspapers. These two are the most widely circulated media in Denmark, and as has been demonstrated, journalistically edited media have the highest level of trustworthiness. It was also proven that the social media and digital marketing opportunities are in a high grow in the market. Facebook was found to be by far the most popular social media channel, with YouTube coming in second and Instagram coming in third. Because of their visual material, these social media platforms are ideal for the case company. The study provided also a campaign idea called “A home of a Viking” where the company could exploit a local influencer to increase brand awareness in a Scandinavian kind of way. Creating appealing content is highly important when trying to gain clients in a fierce competed market.

6.4 Limitations and further research

As it was discovered, the research questions were answered, and the study got findings about the importance of marketing in M&A process and what these actions require. However, a more data-oriented way of examining the subject is lacking. As the research focused heavily on the case company and its capabilities there is still room for further research on how marketing actions affect the revenue of the company and how much of the budget and planning should go into marketing actions. In addition to the unknown budget, we do not obtain the information about what is the role of the acquired and the acquiree in the marketing actions and how fast is the ROI. We also need to keep in mind that this research was relatively limited as it only took into consideration one industry and case company. There can still be seen to be room for future studies in the field of M&A process and the marketing implications to it. However, by combining previous findings and creating a more detailed strategy for the post-acquisition phase, this research hopefully offers a basic understanding about the matter.

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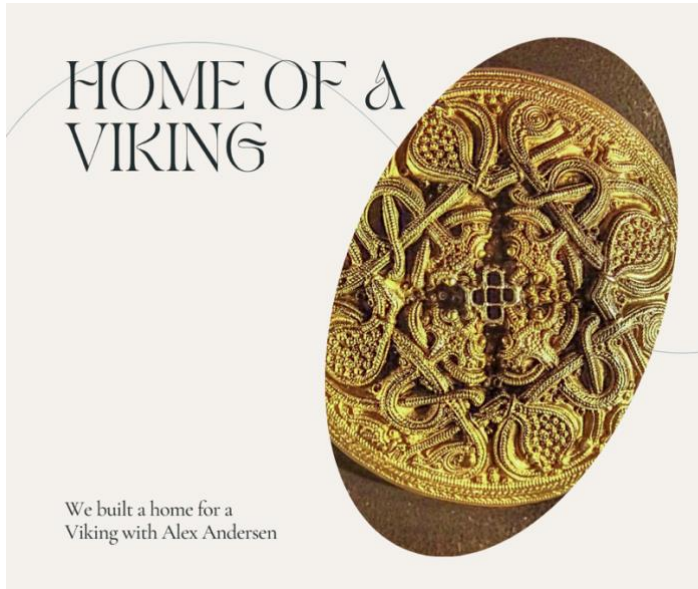
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Appendices

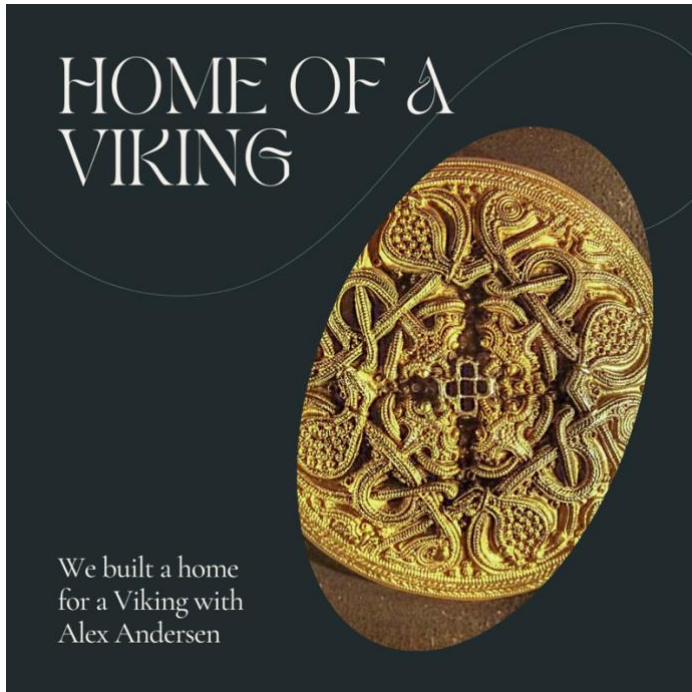
Appendix 1: Facebook post content example



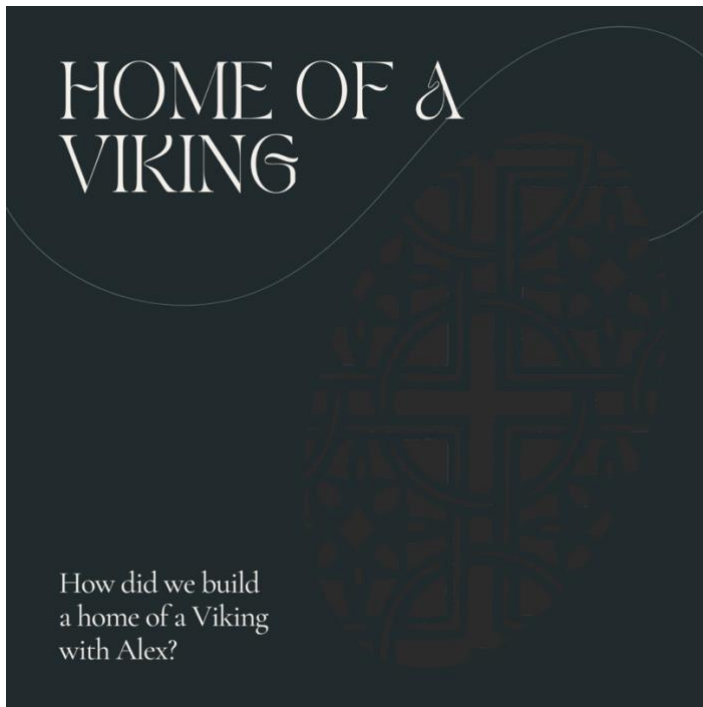
Appendix 2: Facebook post content example



Appendix 3: Instagram post content example



Appendix 4: Instagram post content example



Appendix 5: Pre-acquisition guidelines (After Quah & Young, 2005)

Action	Content	Schedule	Goal
Creating a committee for the M&A – Project Governance	The company should create a team to oversee the whole M&A project, that includes employees from both companies.	Pre-acquisition 2-3 months before the acquisition	To manage the whole process of the acquisition and to ensure that the required actions are planned and executed.
Setting up TOM	Gaining insight about the processes and systems and creating a detailed plan for the integration.	Pre-acquisition 1-2 months before the acquisition	To set up a detailed plan for synergy benefits with processes and systems and to gain competitive advantage from this.
Setting up goals for the acquisition	Planning detailed goals for the company (financial, marketing, sales, HR etc.)	Pre-acquisition 1-3 months before the acquisition	Having clear goals makes it possible to measure the success of the M&A and helps to plan the operations.
Engaging the management	Getting the management engaged in the M&A and to reassure the employees.	Pre- & post-acquisition Starting straight after the decision of M&A has been done. Becoming the new norm after the acquisition.	To have as little resistance from the management so that motivation and customer loyalty are secured.
Culture overview	Assessing the cultural differences (both organizational and personal) and creating a plan to get everyone involved.	Pre- & post-acquisition 2-3 months before the acquisition, continuing after the acquisition.	To be able to tackle the cultural differences and take them into account straight from the beginning of the M&A.

Appendix 6: Post-acquisition guidelines (After Quah & Young, 2005)

Action	Content	Schedule	Goal
Engaging the management	Getting the management engaged in the M&A and to reassure the employees.	Pre- & post-acquisition Starting straight after the decision of M&A has been done. Becoming the new norm after the acquisition.	To have as little resistance from the management so that motivation and customerships are secured.
Culture overview	Assessing the cultural differences (both organizational and personal) and creating a plan to get everyone involved.	Pre- & post-acquisition 2-3 months before the acquisition, continuing after the acquisition.	To be able to tackle the cultural differences and take them into account straight from the beginning of the M&A.
Customer management	Taking the acquisition to the knowledge of the clients and reassuring the business continuity.	Post-acquisition Before public announcement or at least right away after the announcement.	To make sure that there will not be a stream in customer exit. Securing the stability of trade.
Finding talents	The company should focus on motivating and promoting the hidden talents within the organization and externally.	Post-acquisition 1-2 years after acquisition	To keep the talents inside the organization and to find new talents to strengthen the expertise.
Senior management replacement	Replacing the senior management with local and internal personnel, if necessary.	3 years after acquisition	To get a management that is ready for organizational changes and who are not afraid to go into a new direction.