

‘Developing an internationalization framework’

Case study that outlines the development of an internationalization strategy for the company PITT cooking to enter the Singaporean market

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Management summary

PITT cooking is a Dutch company that has developed a unique concept of cooking at which several gas burners are integrated on a special way in the working top of a kitchen, known as integrated cooking. The company started about 5,5 years ago and by now it has developed a market share on the Dutch market. Due to their ambitions and the potential the company sees on the international market, it is looking for opportunities for international expansion. A first aim is to establish a market share on the Asian market, and Singapore is seen as the 'gateway' to the Asian market. The goal of this research is to find an answer on the main research question: *What would be a suitable internationalization strategy and accompanying marketing approach for PITT cooking to introduce its products on the Singaporean market?*

The first step in the process of finding an answer on this research question has been a literature study. Based on a literature study I have investigated what internationalization is, what it includes to develop an international strategy and what factors should be considered when develop an international strategy for a young innovative company as PITT cooking. This has resulted in a framework for international market entry, which is presented in chapter 2.7

The internal analysis learns us that PITT has limited resources in both human capital, financial capital and management, which make entry options that call for a small resource commitment more feasible, as exporting and contractual agreements. Equity entry modes are not feasible at this moment because of limited resources in financial capital and management resources. The vision of the company is strongly export oriented, which makes the willingness of the company to internationalise high.

The external analysis learns us that the Singaporean market is an attractive market in terms of external environmental factors. Singapore can be characterized as a political stable country, with a high control on corruption and a very open international trade policy. The economic indicators show that Singapore is a healthy international oriented and growing economy with one of the highest GNI per capita in the world. Further Singapore is a country in which the rule of law is strictly preserved and with one of Asia's best IPR regimes. There is a socio-cultural distance between the Netherlands and Singapore, but these can be overcome by introducing an Asian product line. The in-depth external analysis concludes that there is serious competition within the Singaporean market for PITT cooking, but according to insiders in the industry PITT's distinctive character, its network, and a suitable marketing approach will lead to a successful introduction on the Singaporean market. Whether the Singaporean market is not huge in numbers, it can be considered as the 'gateway' to the rest of the Asian market for PITT cooking.

Both the internal analysis and the external analysis have been taken into account in the choice of entry mode decision. This analysis concludes that cooperative export seems to be the most feasible entry mode for PITT to introduce its products on the Singaporean market, because of the company's limited resources, it's contacts with Reginox B.V. and the network and reputation Reginox has established already on the Asian market.

The marketing approach outlines how PITT should structure the marketing mix elements (product, price, promotion, place) in order to successfully introduce PITT on the Singaporean market. Based on

interviews with experts and in-depth market research is concluded that PITT should introduce an Asian specific product line. Further it concludes that PITT should adapt its pricing policy, should be active in promotion in order to overcome the image-damage, and that there are several ways (distribution channels) to get its products to the end-consumers.

Preface

This Master thesis is the final project in obtaining a Master of Science degree in Business Administration, track Innovation & Entrepreneurship, at the University of Twente. This thesis would not have been possible without the advice and support of some people.

My compliments as well as my gratitude to Maikel Bink, director of PITT cooking, for his time, effort, the conversations we had, and his support. This has been crucial in the process of completing this project.

Furthermore, I would like to thank Jan van Benthem my first supervisor, for his feedback and guidance throughout the whole process. This has resulted in a substantial better and more structured thesis. I would also like to thank Martin Stienstra, my second supervisor, for providing valuable comments that enable me to further strengthen this thesis.

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Chapter 1 Introduction

1.1 Background

PITT cooking is a young innovative company that has developed a unique product that brings a new dimension of cooking to the market. The company has developed a unique concept at which several gas burners are integrated on a special way in the working top of a kitchen, known as integrated cooking. PITT cooking offers a wide product range, which is developed in such a way that the setup of the gas burners can be customized to the wishes of the customers, and therefore can be made suitable for every type of kitchen.

The company PITT cooking started in May 2009 (about 5 years ago), with an initial goal to establish a market share on the Dutch market. Already in the development stage Pitt's developers found out that integration within kitchen working tops was a crucial element in the successful introduction of PITT. A logical step for them was to cooperate with producers of kitchen working tops. This resulted in a clear strategy for the first 3 years. The strategy was to focus on cooperation's with producers of kitchen working tops, which PITT saw as a possibility to establish a market share on the Dutch market, as also a way of developing and testing the product close to home. PITT cooking found partners in well-established brands on the Dutch market as: Kemie BV, Dekker, Erbie BV, and Art. The idea behind these partnerships is the mutual benefits it offers for both the company PITT, and its partners. First of all the partners are parties that are able to integrate the cooking systems into several materials of working tops and together they offer a great variety of kitchen working tops in which PITT can be integrated. Secondly the partners are the parties that introduced PITT on the market. By linking its product to well-established brands on the market, PITT benefited from the reputation, distribution channels and networks of its partners, as it was also seen as a way of free promotion. On the other hand the partners obtained the exclusive right to sell an innovative and high-quality product, against preferred customer conditions. Now 5 years later, we can conclude that PITT succeeded in positioning itself as a high-quality and innovative product on the Dutch market. The company succeeded in establishing a market share on the Dutch market. There is still a growing interest for the products on the Dutch market, and when we consider the fact that PITT has succeeded in a difficult time (economic recession), it may be expected that its market share on the Dutch market will grow further the coming years.

From the beginning the founders of the company have been aware of the fact that their products possess several unique characteristics, which bring a new dimension of cooking to the market. This has resulted in registration of several Intellectual Property Rights (IPR), both in Europe, as also in other parts of the world. This characterizes the vision of the strategy. From the start the company has had the vision to start expansion international activities after the first 3 years.

PITT cooking is now in the stage that international expansion is occurring. An export partner is found, the first international contacts are there, and even the first international orders have been delivered. The first aim is to establish a market share in Singapore. Therefore the company wants to get an insight into its international opportunities, and how to manage the business activities in such a way that it will succeed in Singapore.

1.2 Objective

The research objective in this Master project is dual. First of all the research is about developing an internationalization strategy for the Singaporean market for the company PITT cooking. As is described in part 1.1, PITT cooking succeeded in establishing a market share on the Dutch market, and now seeks opportunities for international expansion. The focus of this international expansion lies in Asia, and the company is in the process of obtaining the documents for exporting their products to Singapore. Singapore is seen as the gateway to the Asian market, and therefore the focus of this research will be on introducing PITT within Singapore. The goal here is to deliver an internationalization plan, concerning a well-considered judgement about appropriate entry mode(s) and an advice on how to structure the marketing approach.

Secondly this research aims to provide an insight in the internationalization process of small and young companies, and provides a model that tries to describe what is involved in the internationalization process of such firms. The case study shows a practical elaboration of a small young company (PITT) that is developing an internationalization strategy by using the framework. Internationalization has been a 'hot' topic in management and marketing fields of research the last decades. Several researchers have introduced models and theories that try to explain the entry mode decision and/or describe factors that are of influence on this decision (Johanson & Vahlne, 1977; Dunning, 1988; Root, 1987; Koch, 2001; Hill et al., 1990). Yet most of the research within the field has focused on large, mature corporations (MNEs), and follows the logic that MNEs internationalise through a series of distinct stages after it has reached a mature size and saturation within the home market. Despite the fact that there is empirical evidence that many firms have internationalised in incremental stages, also evidence is found of other more rapid and dedicated forms of internationalisation by 'new international venture' or 'born global' firms and theories on small firm internationalisation have been opted (Oviatt & Mc Dougal, 1994; Bell et al, 2003). Bell et al. (2003) found differences in the internationalization motivation, behaviour, objectives and expansion patterns among these 'types' of firms. Whitelock (2002) presented a model of international market entry, incorporating distinctive contributions and areas of convergence within the field of research. This model has been used as guideline during this research and set in the light of small firm internationalization in today's economy. By incorporating these 'alternative' views and linking them to traditional theories, this research aims to offer a broader and more complete view on small firm internationalisation.

1.3 Research Problem

The company PITT cooking searches for opportunities for international expansion of its products, and the company has taken some first steps in the process of introducing its products to the international market. In order to introduce its products to the Asian market, the company sees introduction of their products in Singapore as an initial step. However the company has little knowledge about foreign markets and lacks an understanding of what steps to perform in the development of a deliberate internationalization strategy. Therefore PITT cooking is in need of a well-considered and comprehensive internationalization plan, which outlines and clarifies the 'internationalization strategy' for introduction on the Singaporean market. This may help the company by managing the international activities, introduce its products successfully on the Singaporean market and provides kind of a roadmap of how to discover and manage international expansion opportunities.

1.4 Research question(s)

PITT cooking seeks for opportunities to introduce its products on the Asian market. An initial and crucial step in this process is introduction on the Singaporean market. In order to serve this research goal, the research will be structured around the following main research question:

What would be a suitable internationalization strategy and accompanying marketing approach for PITT cooking to successfully introduce its products on the Singaporean market?

In order to structure this research and to fully serve the research goal of this research, sub-research questions have been formulated. The first step in the research is the development of a theoretic framework that will guide and structure the rest of the research. The first sub-research question will help in doing so:

- What is 'internationalization', and what factors/steps should be considered when developing an internationalization strategy for young and small companies as PITT cooking?

After defining a theoretic background, a look has to be taken to the company and the environment in Singapore, in order to come to the final research questions. The following research questions will help in answering the main research question during this research.

- What is PITT cooking and what is the recent state of the organization?
- What does the Singaporean market look like and what are opportunities and threats for PITT in Singapore?
- What is the most feasible entry strategy for PITT cooking to enter the Singaporean market and how should PITT structure its Marketing approach?

1.5 Research strategy

The strategy in this Master project is to carry out a deductive research, followed by a research design step in which an internationalization framework will be provided. Deductive research follows the logic of a literature study, in order to identify relevant knowledge (theories/models), and to discover how this knowledge could be applied to the topic of the research. Based on this deductive research a framework will be developed that suits the research objective, the research design step. A case study of the company PITT cooking will provide an elaboration of a young innovative company that develops an international strategy plan by use of the framework.

1.6 Relevance of the research

1.6.1 Scientific relevance

In chapter 1.2 is outlined that much of the internationalization research has focused on large, mature organizations. Oviatt & Mc Dougall (1994) presented a theory of international new ventures that is incongruent with the internationalization of 'traditional' multinational enterprises. Differences have been found in the internationalization motivation, behaviour, objectives and expansion patterns of 'new international venture' or 'born global firms' (Oviatt & Mc Dougal, 1994; Bell et al, 2003). The last decades the existence of multiple internationalisation pathways has been acknowledged and

models have been developed based on stereotypical 'pathways' that small firms may follow have been identified (Oviatt & Mc Dougall, 1994; Bell et al., 2003). Nevertheless more research in this area will be required (Oviatt & Mc Dougall, 1994) in order to look beyond these stereotypical 'pathways' and to bring forward and describe specific situations that may enlarge the view on small firm internationalization. This research tries to do so and may in this light be seen as a complement to the existing field of literature.

Further this research provides a model that describes the internationalization process of small firms and which could be used by such companies in developing international strategies. Scholarly literature is quite useful to get a rough idea about how to perform business solutions, but it gives often only limited guidance for actual solution design (Van Aken et al., 2010). In this research I performed a theoretical study on internationalization and found that lots of research has been done in this field, but that it lacks a model that accurately describes what is involved in the internationalization process of small firms and what steps (factors) should be considered when developing an international strategy. In order to develop such a model I used an integrative approach by linking 'traditional' theories to small firm internationalization and more recent developments. In this way this research offers a comprehensive view on small firm internationalization in today's economy and provides a model that can guide small firms in developing international strategies.

This research provides an outline of developing an international strategy on a scientific way, i.e. using existing scientific research in order to deliver a reliable and qualitative research. The result is a well-considered and comprehensive international strategy for PITT cooking that defines the most suitable entry mode(s) and advice on how to structure the marketing variables.

1.6.2 Practical relevance

After the successful introduction of the product PITT cooking in the Dutch market, the company seeks now for opportunities to sell its product abroad. As is described in chapter 1.2 the company PITT cooking aims to introduce its products to the Singaporean market, but it lacks knowledge about this market, and the process of developing a suitable internationalization plan to enter this market. This research will provide the company a comprehensive and well-considered internationalization plan to enter the Singaporean market. This plan may be the initial step in establishing market share on the Asian market. Further the framework presented in this research gives the company insights in how to develop an internationalization plan for a certain market, which they may use by a further internationalization of the company.

2. Theory

In this chapter relevant literature with regard to the topic of this research will be outlined and described. The chapter starts with a literature outline on what 'internationalization' strategy is and selection of the topics that should be considered when outlining the concept. These topics that conclude chapter 2.1 are in accordance with the topics that structure the research questions mentioned under chapter 1.4. These topics form the structure for this chapter, which follows the logic that this chapter outlines the main research topics in this research. The aim of this chapter is to describe relevant literature regarding the main research topics of this research, to find theories and models that can be applied to the topics, to evaluate what methods could be used best by executing the different decisions and to insight in the internationalization process of young companies in today's economy. A framework will be presented that tries to outline the steps involved in exploring international opportunities and the process of developing international entry strategies. This framework will be outlined in the final paragraph of this research (chapter 2.7).

2.1 the field of research over time

Researchers differ in their interpretations of the concept internationalization and which variables influence the issue of market selection and the choice of entry mode selection (Sakarya et al., 2006). In order to provide an insight in the field of research and to provide a picture of what is involved in developing an internationalization strategy, I will start by outlining some theories in the field of internationalization. Whitelock (2002) reviewed the field of research, and came up with a model of international market entry, based on four dominant theories in the field of research. He found a diversity of opinions on the internationalisation process of the firm among different researchers over time, and suggests a model of international market entry in which he integrates the key elements of four dominant theories in the field of research.

The first theory Whitelock (2002) takes into account is the Uppsala model, introduced by Johanson and Vahlne (1977). This model is based on the theory that a firm's international activities develop over time and in an incremental fashion (in stages). According to this theory, a company's state of internationalization is determined by the concepts of experimental learning (knowledge development) and psychic distance. A change in internationalization strategy may be caused by learning from their experience of operations (current activities) in foreign markets, or by changing the commitment decisions they make to strengthen their position in foreign markets.

The next theory described by Whitleock (2002) is the eclectic paradigm approach. Dunning (1980) came up with this theory. The eclectic paradigm theory explains the extent, form, and pattern of international production and is founded on the principle of a trade-off between ownership specific advantages (O) of firms contemplating foreign production, the locational attractions of alternative countries or regions (L), and alternative ways in which firms may organize their activities taking into account their core competencies and locational attractions (I), known in literature as the eclectic (OLI) paradigm. This theory is based on the transaction cost analysis, meaning that markets are competitive in nature and entry decisions are based on a cost analysis. The eclectic paradigm approach state that firms make a choice based on cost information analysis (Dunning, 1988).

Whereas both the Uppsala model and the eclectic paradigm approach are based on a firm's autonomy in the internationalisation process, other researchers state that this one sided-view is a weakness and that a firm's position should be considered within a market context (Johansson and Mattson, 1986; Turnbull, 1986). The industrial network approach suggests to take into account a firm's interaction with customers and competitors, and placed the market selection decision in a network perspective. This idea was initiated by the International Marketing and Purchasing (IMP) group. A total of four groups of variables were identified as influencers: elements and processes of interaction, characteristics of the parties involved (buyers/suppliers), the atmosphere, and the environment.

The business strategy approach is based on the logic that firms base their decision to internationalise and the method to do so on a pragmatic consideration between numbers of variables (Welford and Prescott, 1994). Root (1994) discussed the factors to consider, and came up with market attractiveness, psychic distance and acceptability, and informal barriers as influencing factors on the decision of market selection, while the choice of organisational structure to serve the market is also dependent on company specific factors such as international trading history, size, export orientation and commitment. Also the factor competition (Porter, 1985) is highlighted as an influential factor within the business strategy approach. More on this will be outlined in chapter 2.4.3.

Small firm internationalization

Most of the literature in the field of internationalization, as also the theories described in chapter 2.2 so far, have focused on large Multinational Enterprises (MNEs). This has the consequence that internationalisation for a long time has been regarded as kind of a rigid incremental 'staged' process. Oviatt & McDougall (1994) presented a theory of international new ventures, in which they explain that developments as improved international communications and transportation, and homogenization of markets on a global level has changed and simplified the process of firm internationalization. This has led to a new type of international organisations: 'international new ventures', which they define as business organizations that, from inception, seeks to derive significant competitive advantage from the use of resources and the scale of outputs in multiple countries. In contrast to organizations that evolve gradually from domestic firms to MNEs, these new ventures begin with a proactive international strategy (Oviatt & McDougall, 1994).

Bell et al., (2003) emphasize that recent literature provides clear evidence of alternative ways of internationalisation in a rapid and dedicated way by small entrepreneurial firms. This does not mean that established theories are wrong, or couldn't be applied anymore. Yet it suggests that established (traditional) theories are less applicable to an expanding number of firms or situations when technology, industry environments and firm capabilities have changed (Oviatt & McDougall, 1994). Traditional theories require to be evaluated in the light of today's economy and in the perspective of small firms. This is recognized by Johanson & Vahlne (2009), who revised their Uppsala internationalization process model. They acknowledge that today's economy should be evaluated as a network and added the elements trust-building and knowledge creation to their theory in order to recognize that new knowledge is developed in relationships. During this research an integrative approach that combines traditional theories and more recent and alternative views on internationalization will be used in order to look beyond rigid traditional theories. More on this will be outlined in the next paragraph.

2.2 Decision criteria

In the paragraphs above was outlined that researchers differ in their interpretations of what influences the internationalization process of a firm. Clear is that companies need decision criteria in this process. Whitelock (2002) incorporated the key elements of the four dominant theories in the field of research that were outlined in chapter 2.2. This has resulted in his model of international market entry (figure 2). He suggests that a model of international market entry that incorporates distinctive contributions and areas of convergence within the field of research on internationalization will present a realistic and comprehensive view of the entry mode decision. According to Whitelock (2002) the key elements of the four dominant theories can be mapped into two categories of variables: market (environmental factors) and firm (specific) factors, which together present a realistic and comprehensive picture of the decision to enter a market and selection of a market entry method.

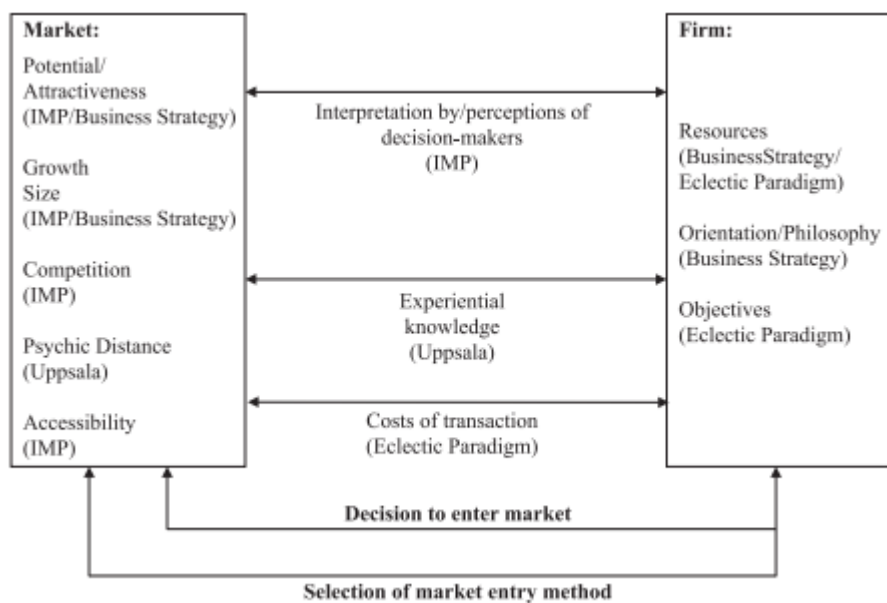


Figure 1: A model of international market entry (Whitelock, 2002)

Whitelock (2002) suggests that a model of international market entry that incorporates distinctive contributions and areas of convergence within the field of research on internationalization will present a realistic and comprehensive view of the entry mode decision. In paragraph 2.1 is outlined that Whitelock's framework is based on the more 'traditional theories' in the field of research, and foregoes more recent and alternative research (Oviatt & Mc Dougall, 1994; Bell et al. ,2003; Johanson & Vahlne, 2009). During this research I will integrate Whitelock's model with more recent and alternative views on internationalization. This means that the factors mentioned and described in figure 1 will be preserved as the leading factors during this research, but that the elaboration on these factors will be put in the light of today's economy and the perspective of small firm internationalization

2.3 Internal decision factors

Despite the fact that researchers differ in their interpretations of which variables influence the issue

of market selection and the choice of entry mode selection, there seems to be agreement among researchers that internal (firm) factors influence the internationalization process. Several researchers acknowledge the influence of internal (firm) factors on the internationalization process and/or entry mode decision. Hill et al, (1990) emphasize the influence of firm-specific factors and mention the influence of the variables business strategy, management philosophy and a firm's internal resources on the entry mode decision. Root (1994) highlights the influence of internal factors on the entry mode decision and states that the way a company responds to external factors in choosing an entry mode depends on internal factors. Koch (2001) defined a firm's global corporate objectives as the initial step in the internationalization process. Whitelock (2002) concluded after a literature review that a firm's resources, management orientation/philosophy, and objectives influence the market selection and entry mode decision.

Oviatt and Mc Dougal (1994) developed a framework that describes four necessary and sufficient elements for the existence of international new ventures: 1) organizational formation through internalization of some transactions, 2) alternative governance structures, 3) establishment of foreign location advantages, and 4) control over unique resources, and distinguished several types of international new ventures based on these characteristics. Bell et al, (2003) suggests an integrative model of small firm internationalisation, which highlights differences in processes, patterns, and pace among 'traditional', 'born global', and 'born-again global' firms. They found differences in the internationalization motivation, behaviour, objectives and expansion patterns among these 'types' of firms, and mention the impact of for example size and networks. The articles bring forward phenomenon of international new ventures and/or small ventures and integrate traditional theories in the light of more recent entrepreneurship research. In this research these interpretations will be used and linked to PITT's situation.

While Whitelock's model has been chosen as framework for this research, it has also been highlighted that within this research 'alternative' views on internationalization will be taken into account. This means that describing the firm (internal) factors will be done according to the three factors that were mentioned by Whitelock (2002), but that in outlining these factors 'alternative' views (Oviatt & Mc Dougall, 1994; Bell et al, 2003) will be used and applied, i.e. factors as alternative governance structures, network, uniqueness of resources, and company's size will be considered.

Literature provides frameworks that can be used to describe and characterize an organization's internal factors. Pascale & Athos (1981) developed the 7S model of McKinsey, which characterizes an organization's internal environment by 7 factors (strategy, structure, system, skills, shared values, style, staff). During this research a comprehensive internal analysis has been performed by describing PITT's internal analysis by use of nine building blocks, presented by Osterwalder et al (2005). The nine building blocks give a comprehensive insight in the internal state of the organization, and highlight several perspectives of the organization, which for me as an outsider was very helpful to get a complete and comprehensive insight in the company's internal business. The internal analysis presented in this research will be limited to the 3 firm specific factors as were described in Whitelock's model of international market entry (figure 1). The total internal analysis can be found in appendix A. In accordance with Whitelock's model of international market entry, the information will be described according to the categories resources, orientation/philosophy and objectives. This means that during this research the internal analysis will focus on the following factors:

| Internal analysis factors | | |
|-----------------------------------|-----------------------------|---|
| Whitelock Factors | Factors/indicators | Description |
| Resources | Product factors | The distinctive character of PITT products, the service intensity (need for pre- and post-purchase services and the extent to which product modifications are required) |
| | IPR | The company's Intellectual Property Rights (IPR) |
| | Human resources | The company's staff, capacity and specialization of its staff |
| | Financial resources | The company's cost structure and financial room for investment |
| | Resource commitment | The distribution of company resources over activities and the possibilities to commit resources to activities in Singapore |
| Management orientation/Philosophy | Business strategy | What differentiates PITT (uniqueness) (network) |
| | Positioning/target customer | The way PITT positions itself within the market and their intended customers |
| | Business model | The way PITT performs its business activities (way of doing business) |
| Objectives | Vision and goals | The company's vision and goals to realise in the future |

Table 1: Factors to consider during internal analysis

2.4 External decision factors

In addition to internal factors, literature advocates the influence of several environmental (market) factors on the choice of target market and market entry mode selection. Johanson & Vahlne (1977) suggested that the extent of national differences, characterized as 'psychic distance', influenced the market selection process in such a way that internationalization frequently started in foreign market that were close to the domestic market in terms of psychic distance. Other researchers suggest that a firm's position should be considered within a market context (Johansson and Mattson, 1986; Turnbull, 1986). Root (1994), Turnbull and Ellwood (1986) discussed the factors to consider, and came up with market attractiveness, psychic distance and acceptability, and informal barriers as influencing factors on the decision of market selection. Whitelock (2002) reviewed the literature and came up with five market (external) factors that should be considered in the internationalization process: potential attractiveness, growth size, competition, psychic distance and accessibility. These factors will be leading during the external analysis, which according to literature should be performed in different stages.

2.4.1 Choice of target market(s)

Literature promotes a three stage screening process: screening, identification (in-depth screening),

and selection (Cavusgil, 1985; Kumar et al., 1994; Root, 1994; Johanson et al., 1997) in order to come to a well-considered choice of target market and market entry mode selection. Screening identifies potential markets as candidates for subsequent in-depth analysis (Douglas et al, 1972; Root, 1994). The identification stage involves assessment of industry attractiveness and forecasts of costs and revenues for potential attractive markets. The final selection stage determines the market or markets that best matches a company's objectives and available resource leverages (Johanson et al., 1997).

2.4.2 market screening (Macro Environmental factors) → Potential attractiveness psychic distance, accessibility

The first phase in the three stage process: screening has the aim of eliminating unfeasible markets. The main purpose here is to bring about an efficient reduction in the number of countries in need of an in-depth examination (Johansson, 1997; Root, 1994). This is achieved by eliminating those countries that cannot be accessed by the company, or do not constitute commercially viable options. The aim of this market screening phase is to eliminate the unfeasible markets, so that the markets that come forward as potential attractive markets can be selected for the in-depth analysis (Koch, 2001).

Cavusgil et al (2004) suggests using macro level indicators during this initial screening phase, because these indicators are often readily available and therefore are easy to obtain. Well-known macro environmental factors in literature are the PESTEL (political, economical, socio-cultural, technological, ecological, legal) factors. Literature supports the influence of macro environmental factors on the selection of market entry decision (Kumar et al, 1994; Cavusgil et al., 2004). Root (1994) suggests performing this initial market screening by taking into account economic/social statistics that most closely match the consumer/user profile of the company's product(s). Others suggest for indicators that explain political stability, geographic distance, and economic development (Johansson, 1997; Koch, 2001). Despite the fact that the market selection process is superfluous during this research, the staged process of market screening, followed by further in-depth knowledge will be applied during this research. In accordance with literature macro-level indicators will be used in performing the market screening phase. Translating this to the international market entry model (Whitelock, 2002), the market screening phase is about identifying the factors potential attractiveness, psychic distance and accessibility. In order to get an insight into these factors and in line with literature described above, the following macro-environmental factors will be used during the market screening phase in this research.

| | Market screening factors | |
|---|---|--|
| Factors | Factors - Indicators | Description |
| Potential attractiveness/Accessibility | Political: Political stability, corruption, international trade policy | The political stability, the control on corruption, and the policy on international trade do affect a country's business environment |
| | Economical: Economic performance indicators, economic dynamics, economic structure | The economic situation within a target market learns us how an economy performs, whether an economy is intended to grow, and whether an economy is freely accessible |

| | | |
|------------------|---|---|
| | Legal: Legal regime, intellectual property | The legal regime affects the accessibility and the way in which IPR is protected within a country |
| Psychic distance | Socio-cultural: Cultural distance | The Cultural distance affects the way of doing business |

Table2: Factors to consider during market screening phase

2.4.3 In-depth market screening (external analysis)

The second step in the market selection and entry mode selection is the in-depth screening stage (Cavusgil, 1985; Kumar et al., 1994; Root, 1994; Johanson et al., 1997). Inputs to this stage of the research are the countries (markets) that came out as feasible out of the initial screening phase. The in-depth market screening stage has the aim to provide a more refined estimate of the company's potential within the prospective target countries (Root, 1994), and should provide an assessment of the 'industry market potential' of the remaining potential target countries. This should lead to an evaluation of feasible market/market entry options (Koch, 2001).

According to Root (1994) 'industry market potential' (sales potential) is an assessment of how big the industry market is now and how it is likely to grow in the market. In order to be able to do an assessment about industry market potentials, comprehensive and thoroughly external analyses are required. Root (1994) advocates to consider dimensions as the level of competition, entry barriers, possibly attractive market segments and distributive possibilities at this stage. When we refer back to the five categories of external variables that were identified by Whitelock (2002), the in-depth market screening phase should outline the factors growth size and competition. According to Porter (1980) the nature and degree of competition in an industry hinges on five forces that can be seen in the figure below.



Figure 2: The five forces that shape Industry competition (Porter, 2008)

- **Threat of entry:** The possibility of new firms entering the industry affects competition. The threat of new entrants is determined by the extent to which an industry is free to enter and exit. Industries show characteristics that protect the high profit levels for firms in the market and inhibit additional rivals from entering the market. Porter (2008) mentions several major sources of competitive advantages: economies of scale, demand-side benefits of scale, customer-switching costs, capital requirements, access to distribution channels, customer or supplier loyalty, experience
- **Substitutes:** Competitive products that perform the same or a similar function as an industry's product by a different means. When the treat of substitutes is high, industry profitability suffers.
- **The power of suppliers:** Powerful suppliers capture more of the value for themselves by charging higher prices, limiting quality or services, or shifting costs to industry participants and therefore limit an industry's profitability.
- **The power of buyers:** Powerful customers can capture more value by forcing down prices, demanding better quality or more service at the expense of industry profitability
- **Rivalry among existing barriers:** Rivalry among existing competitors takes many familiar forms including price discounting, new product introductions, advertising campaigns, and service improvements. High rivalry limits the profitability of an industry (Porter, 2008)

Besides outlining the factor competition, the in-depth analysis will include an assessment of the growth size of the market and estimation about the market potential. In order to be able to come to a well-considered estimation about the market size and market potential, a combination of macro environmental indicators and in-depth market information has been used here.

| | In-depth screening factors | |
|-------------------|---|--|
| Whitelock factors | Factors/indicators | Outline |
| Growth size | Current and projected market size: number of units sold, inhabitants, expectations... | Based on relevant numbers and in-side information, an estimation about the current and projected market size is done |
| Competition | Competitive rivalry: threat of entrants, substitutes, buyers, suppliers, rivalry among competitors | Based on elements of the five forces (Porter, 1980), the competitive rivalry within Singapore is depicted |

Table3: Factors to consider during in-depth market screening

2.4.4 Market selection and entry mode selection'

Literature provides primarily two normative market screening models for evaluating and selecting attractive markets (Papadopoulos and Denis, 1988). Market clustering or market grouping is a technique that assesses countries based on social, economic, and political indicators and group countries on the basis of similarity or differentiate countries on the basis of market potential (Cavusgil, 2004). This will help managers by evaluating comparisons between countries, but also to get information on possible synergies among markets. The differences and similarities among countries are fundamental in determining which markets are suitable for entry (Cavusgil et al., 2004). Market ranking is a techniques essentially used to rate countries in terms of their overall market

attractiveness. This helps to identify the best possible markets to enter and countries that deserve attention. Together these market screening methods narrow the focus to a small number of potentially attractive markets with meaningful similarities. Comparison of different markets is not necessary during this research, as the choice has been made to focus solely on Singapore.

2.4.5 Entry mode decision

Kumar & Subramaniam (2001) advocate using a rational analytic strategy in the choice of entry mode decision considering both exogenous and endogenous factors, as it results in an optimal solution. Root (1994) offers an approach to compare entry modes. He states that negative screening, in which entry modes are reviewed based on their feasibility with regard to the target market and the company's resources and commitment will, is suitable in eliminating the non-feasible entry modes. The figure below shows the structure of the modelling process that has been used in the literature.

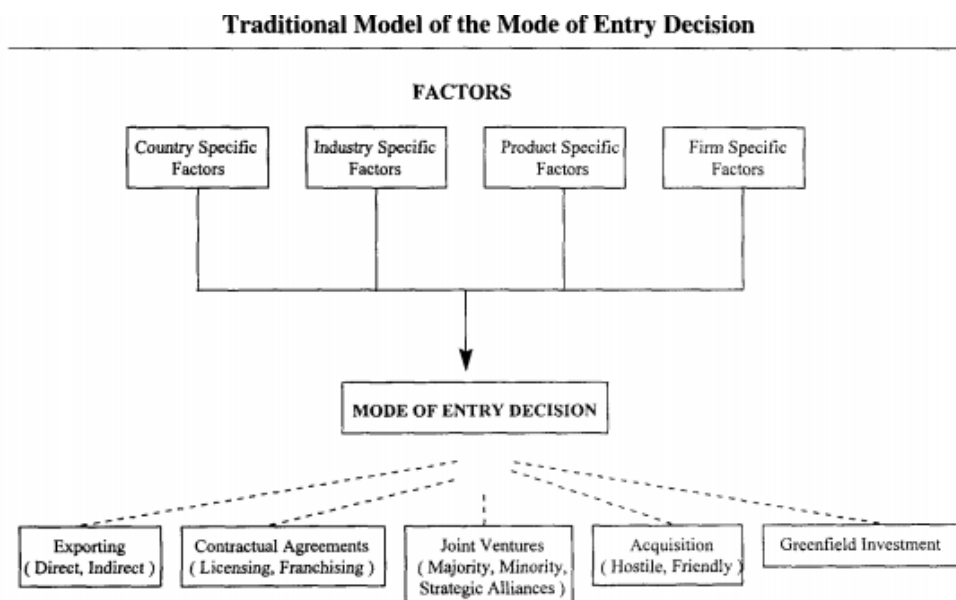


figure 3: Traditional model of the mode of entry decision (Kumar & Subramaniam, 2001)

During this research I will perform negative screening by evaluating the different categories of entry modes and evaluate their feasibility by assessing PITT's firm specific characteristics (chapter 4) and the Singaporean market factors (chapter 5). Kumar & Subramaniam (1997) describe the entry mode decision as a qualitative choice problem based on four variables (risk, return, control, integration). During this research I will use a comparable approach, but the factors that used in this qualitative analysis will be the factors outlined in table 1, table 2, and table 3 in this chapter. Based on an evaluation of both the internal and external analysis, negative screening will be used to select the most appropriate entry mode.

In chapter 6 the different entry modes will be outlined and it will be evaluated which entry mode(s) could be viable for PITT to enter the Singaporean market. In order to clarify this evaluation and present a graphic overview of the most viable entry mode(s), the following factors will be depicted in tables:

Feasibility

- Realizable (internal factors): Extent to which company possesses the internal resources to realize intended entry mode
- Extent to which entry mode is in comparison with company's products and business strategy
- control/strategic influence: Extent to which the company is able to preserve a high degree of strategic influence

Suitability

- Accessibility: Extent to which country is accessible by the intended entry mode concerning external environmental factors
- Realizable (external factors): Extent to which required resources (distribution channels) are available and can be obtained by the company necessary to realize the intended entry mode

Acceptability

- Risk: Extent of risk for the company under intended entry mode
- Return: Extent to which the likely return under intended entry mode is acceptable?

The factors mentioned above will be evaluated using the following criteria:

- ++: meaning company possesses criteria or is able to obtain criteria completely
- + : meaning company possesses criteria or is able to obtain criteria at least partially
- +/-: meaning it is unsure whether company is able to obtain criteria
- : meaning it will be hard for company to obtain required criteria
- : meaning company doesn't possess criteria and isn't able to obtain

Entry modes

In order to make clear what is meant by the different types of entry mode strategies, the four main groups of entry modes (export, contractual agreements, joint ventures, wholly-owned subsidiary (acquisition)) will be outlined below. In chapter 6 the entry modes will be described more thoroughly and modes within the four groups will be distinguished.

Export

Export is the baseline option, and is suitable where the product or services are easily transported from country to country and where the home-based competitive advantages are sufficiently broad to minimise reliance on local companies (Johnson et al., 2011). In general two forms of export can be identified. Direct export means that a company runs its own export organization within the company and stays in direct contact with parties in the target country. This can be both with or without intermediaries. Indirect export means that the export is arranged by an intermediary (trading house, broker, export management company) in the home country. Kotabe & Helsen (2001) mentioned cooperative export as a third form of export. Cooperative export occurs when a partner company uses its distribution network to sell the exporter's goods or services in a foreign market.

Contractual agreements

Contractual entry modes are long term non-equity agreements between an international company and an entity in a foreign target country that involves the transfer of technology or human skills (Root, 1994). Contractual agreements are efficient where competitive advantages are too narrow to

go it alone, but the legal environment is such that contractual agreements can be relied on not to abuse their contracts, under-perform on standards or steal the intellectual property (Johnson et al, 2008). Most well-known forms of contractual agreements are licensing and franchising

Joint ventures

Joint ventures are created when two or more parties create a new company (venture) by contributing equity, which mean they share profits, losses, and control of the enterprise. Joint ventures work where competitive advantages are narrow, but local licensees or franchisees cannot be trusted with intellectual property or long-term performance. A joint venture involving sharing ownership gives the foreign company more direct control and ensures that the local partner has an interest in maximising the value of the common enterprise rather than solely their own stand-alone interest (Johnson et al., 2011). Depending on the equity share of the international company, joint ventures may be classified as majority, minority, or 50-50 ventures.

Wholly owned subsidiaries

Wholly owned subsidiary is a mode of entry form in which a foreign target market is entered by ensuring full control of ownership. Wholly owned subsidiary is an attractive route where competitive advantages are sufficiently broad to depend on local partners, but where nonetheless transport difficulties rule out simple export. Such wholly owned subsidiaries can be via new 'greenfield' investments (as for example many Japanese car companies have entered European markets) or take forms of acquisition, where the integration of a local firm completes the breadth of competitive advantage required.

International new ventures

More recently another form of entry strategy has been introduced by literature, namely International New Ventures (INVs). International new ventures are defined as business organizations that from inception seek to derive significant competitive advantage from the use of resources and the scale of outputs in multiple countries (Oviatt and McDougall, 1994). International new ventures try to avoid domestic path-dependence by establishing ventures which have routines for managing multicultural international activities from their inception, which can be characterized by four necessary and sufficient elements: Internalization of transactions, alternative governance structures, foreign location advantage, unique resources (Oviatt and McDougall et al., 1994).

2.5 Marketing approach

The next element in Root's model of international market entry is designing the marketing plan. Whereas the entry mode can be seen as the plan to penetrate the foreign market country, the marketing plan is the plan to penetrate the foreign target market. The chosen market entry mode determines a company's degree of control over the marketing plan in the target country. Based on this Doole & Lowe (2008) defined different levels of marketing, based on the level of involvement a company has in the international marketplace. Doole & Lowe (2008) describe international marketing as making one or more marketing mix decisions across national boundaries, and identified three levels of international marketing:

- Domestic (export) marketing: When a firm markets its goods and/or services in different national/political markets. The marketing policy consists of manipulating one or more

controllable marketing mix variables (price, advertising, distribution, product/service attributes..) to serve specific political or geographical markets with different economic structures, competitors, cultural values and legal infrastructure.

- International (multi-domestic) marketing: When a company operates across a number of foreign markets that differ significantly both in uncontrollable as controllable factors (cost and price structures, opportunities for advertising and distributive infrastructure..). Markets are typically perceived to be independent, and therefore differentiated marketing programs are required.
- Global marketing management: When a company coordinates, integrates, and controls the whole series of marketing programmes into a substantial global effort. The aim of this marketing level is to achieve a degree of synergy in the overall operation so that by taking advantage of different exchange rates, tax rates, labor rates, skill levels and market opportunities, the organisation as a whole will be greater than the sum of its parts.

In order to define a suitable marketing approach, a SWOT analysis will be performed. SWOT summarises the strengths, weaknesses, opportunities and threats likely to impact on strategic development (Johnson et al, 2011). SWOT Analysis is used to identify in a systematic way the strengths and weaknesses of a plan, idea or organization, identifies cause and these factors can offer a good insight in strategy, meaning and mapping of a plan, and provide a basis for what decisions can be made and whether these decisions are appropriate for the company.

2.5.1 Marketing mix

A well-known and accepted Marketing Mix framework in the field of marketing research was proposed by Borden (1964). He stated that the marketing mix comprehends four elements: place, product, price and promotion. During this research the marketing chapter will be structured among these four elements. The aim of the marketing approach will be to describe and evaluate how the marketing mix elements can best be structured in order to create a marketing approach that maximizes PITT's chances of successful introduction on the Singaporean market. In order to provide a suitable marketing approach, in-depth market research has been done on topics as what products are offered by competitors on the Singaporean market, and against what prices these products are offered. Below a short outline on the different marketing mix elements is outlined.

Product

The element product refers to the mix of tangible and intangible attributes that together form the product or service, which create benefits on users. These attributes consist of physical components, package and service.

Price

Price is the value placed upon the goods, services and ideas exchanged between organisations and consumers (Root, 1994). A company's pricing policy positions product(s) competitively within the market, and within consumer's minds. Cavusgil (1996) developed a pricing strategy development model in which he outlines that a company's pricing strategy is influenced by several factors as the firm's objectives, competitors' pricing policy, environment and distribution channels. During this research such factors will be investigated and considered in order to come to a suitable pricing strategy for PITT on the Singaporean market.

Place (Channels of distribution)

The element place can refer to the physical location, but may also include the element channels of

distribution. The element channel of distribution is the chain of channels that are involved in the process of transferring the products from PITT's production facility to the final buyers in Singapore. In chapter 7 will be described what parties are involved in the distribution of PITT products and/or what the possible roads to market are in Singapore.

Promotion

Promotion involves all communications initiated by a seller that are addressed to final buyers, channel members, or the general public with the intent to create immediate sales or a positive image for the seller's product or company (Root, 1994). Promotion includes advertising, personal selling, sales promotions, and publicity. Promotion in international marketing is one form of cross-cultural communication, because it involves a message-sender belonging to a second national culture. According to Root (1994) it requires a comprehensive approach to develop the appropriate promotion strategy for a target country. To deal with several obstacles as cultural differences, development of a promotion strategy requires answers on the following questions: How much to say?, Whom to say it to and why to say it?, What to say?, Which channel to say it through? And How to say it? In chapter 7 these issues will be described.

New dimension(s)

However the 4 P model is widely known and accepted among marketing scholars, other scholars have discussed the shortcomings of this approach. Critics of the approach state that the model is incomplete, or lacks to describe new elements as the virtual environment (internet). The internet, one of the most substantial developments in the commercial environment in the last 40 years has shifted the focus of marketers towards satisfying individual and personalized needs, with more emphasis on customer retention, customer service, and relationship marketing (Constantinidis, 2004). Constantinidis, 2004 developed the Web-Marketing Mix model in which he identified and addressed four critical online marketing elements: the Scope (strategic issues), the Site (operational issues), the Synergy (integration into the physical processes) and the System (technical issues). In describing the Marketing approach, also the online Marketing will be considered.

2.6 Control

The aim of this control step is to monitor the performance in a target market. The idea here is that action should be undertaken when the performance deviates from the budget plan, in order to eliminate or reduce variances (Root, 1994). This control step should be the responsibility of international managers, and should include not only the performance of foreign subsidiaries, but also the performance of licensees, agents, distributors, and other contractual parties that are involved the international process within target markets.

2.6.1

In order to realise its goals, a company should execute the right strategy, so handling the appropriate entry mode strategy. As is outlined in this chapter, this is dependent on both external environmental factors and a firm's internal factors. Because these factors may differ over time, a company should evaluate its strategy and assess whether the current strategy is the right one to meet the organisational goals. Johnson et. al., (2011) developed a framework concerning three success criteria that could be used as a tool for evaluating strategies:

- Suitability: Whether a strategy addresses the key issues relating to the opportunities and constraints relating to the opportunities and constraints an organisation faces.

- Does a proposed strategy address the key opportunities and constraints an organisation faces?
- Acceptability: Whether a strategy meets the expectations of stakeholders.
 - Does a proposed strategy meet the expectations of stakeholders?
 - Is the level of risk acceptable?
 - Is the likely return acceptable?
 - Will stakeholders accept the strategy?
- Feasibility: Whether a strategy could work in practice.
 - Would a proposed strategy work in practice?
 - Can the strategy be financed?
 - Do people and their skills exist or can they be obtained?
 - Can the required resources be obtained and integrated?

Although the control step is a serious step that should be considered and performed by every company, it could not be performed during this research because of the limited time span of this research. The aim here is to make PITT aware of the importance of this step.

2.7 A new conceptual framework by use of existing literature

A literature study learned us that development of an international strategy is a comprehensive process and that literature lacks a model that outlines clearly how to develop an internationalization process. The model presented below tries to outline the different steps involved in the internationalization process, and also suggests methods to perform and factors that are of influence on small firm internationalization.

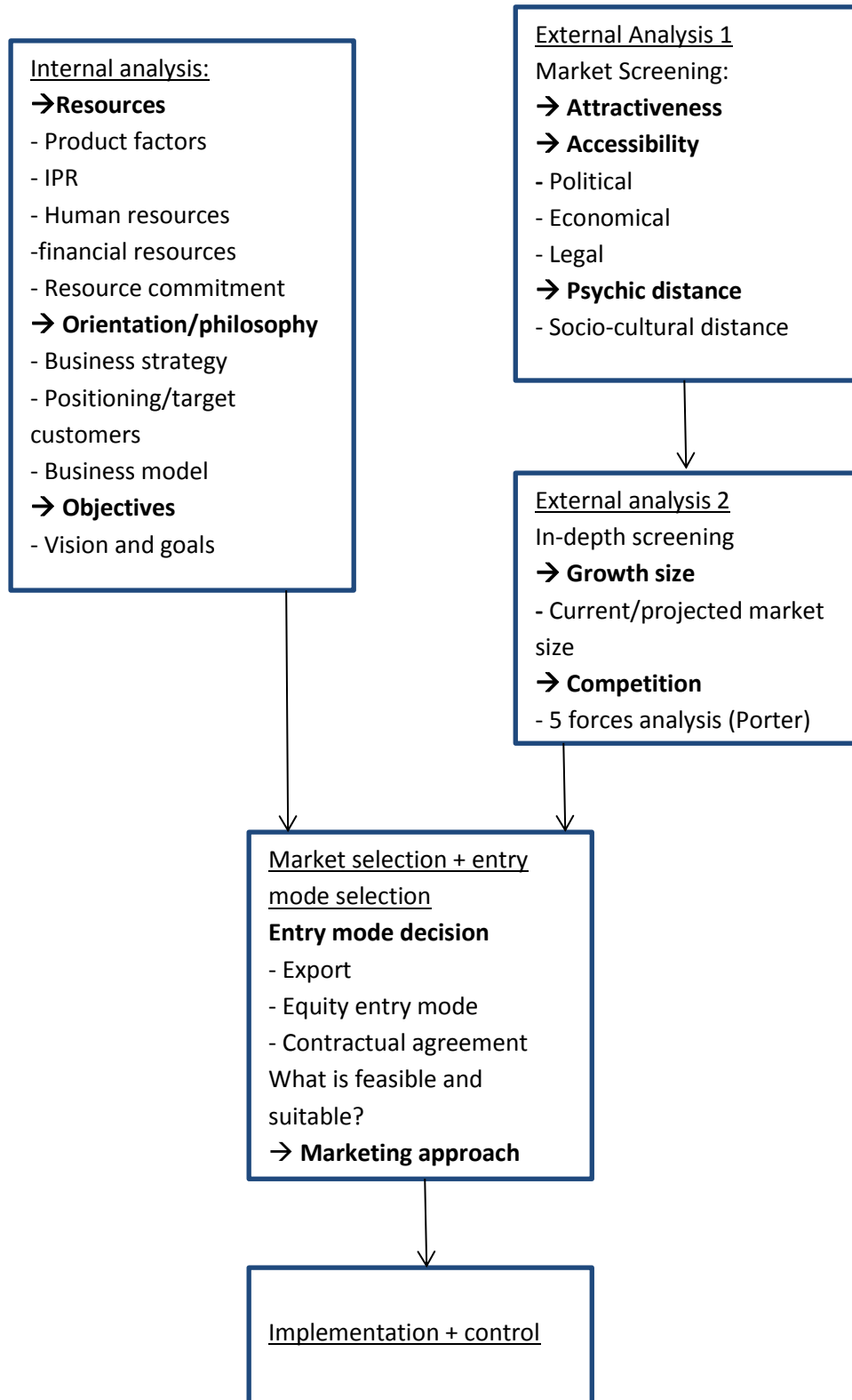


Figure 4: Framework of the internationalization process

3. Methodology

In this chapter an outline will be given of the methodology that will be used during this research. First the research design will be outlined, before I'll discuss sample selection, data collection and data analysis

The strategy in this Master project is to carry out a deductive research, followed by a research design step in which an internationalization framework will be provided. Deductive research follows the logic of a literature study, in order to identify relevant knowledge (theories/models) (Babbie, 2007), and to discover how this knowledge could be applied to the topic of the research. Based on this deductive research a framework will be developed that suits the research objective, the research design step. The model is outlined in chapter 2.7 this has resulted in a 'new' framework. The rest of this research will have the form of a case study for the company PITT cooking. The aim here is to develop an international strategy and accompanying marketing approach for the Singaporean market.

3.1 Research design

The first step in this research was a literature study, which has been performed in chapter 2. Based on this literature research a framework has been developed (chapter 2.7). An initial step in a company's process of developing an international strategy is an internal analysis. In order to get a complete picture of the company a comprehensive internal analysis has been performed. This internal analysis provided me with information on the company's way of doing business, the current state of the organization, what the strategy is, and what its global objectives are. The complete internal analysis can be found in appendix A.

The next step in the research concerns an external analysis. In order to come to a well-considered choice of target market and choice of entry strategy, the Singaporean external environment needs to be described. In general this step is the most comprehensive one, starting with an initial market screening in which potential target markets are screened on their market potential, based on some crucial success factors, followed by an in-depth screening of markets that come forward out of the first phase, before the decision about the market selection and entry mode is made. As during this research is determined that the focus will be on the Singaporean market, these steps are superfluous during this research. During this research the external analysis will be focused on identifying the five market factors that were described by Whitelock (2002). During the market screening phase by use of macro-environmental factors the factors potential attractiveness, psychic distance and accessibility will be outlined. The in-depth market screening will focus on the factors growth size and competition.

Based on both the external and internal analysis the choice of market entry mode strategy will be made. First of all this chapter will provide an insight in possible entry modes, and describe advantages and disadvantages of the several entry modes considering PITT. The eventual aim of this chapter is to analyse what the most viable entry mode(s) will be for PITT to enter the Singaporean

market. Root (1994) offers an approach to compare entry modes. He states that negative screening in which entry modes are reviewed based on their feasibility with regard to the target market and the company's resources and commitment will be suitable in eliminating the non-feasible entry modes. Based on this approach a decision about the right entry mode(s) will be made, considering both the firm factors (chapter 4) and the external Singaporean market factors (chapter 5).

The next part of this research is the marketing approach. Here the Marketing mix elements: product, price, place, promotion will be considered, as also new dimension as the internet and trends in the market. In order to come to a well-considered marketing approach, professionals that are active in the market will be used as data sources about trends in the market and will be asked to provide information. The aim here is to discuss the marketing mix elements and to conclude with conclusions and action points for each marketing mix element that will help PITT by Reginox by developing their Marketing Plan Singapore.

The final chapter of this research gives a reflection on the research performed.

3.2 Focus of the research

The initial aim of this assignment was to investigate international expansion opportunities for the company PITT cooking in Europe, Northern-America and Asia. However, after the introduction stage it became clear that it wasn't realistic to provide satisfying results for such a broad scope within the timespan for a Master project. In accordance with the University of Twente and the company's director, the choice has been made to focus the assignment on one country: Singapore. Singapore is seen as the gateway to the Asian market and therefore can be regarded as a key market for PITT. The company has invested time and money in obtaining the legal documents that are necessary to offer their products on the Singaporean market, and in November 2014 after a period of about 2 years the company finally got the approval. This made the assignment extra relevant, as PITT cooking is in the process of preparing introduction on the Singaporean market. Although PITT has plans to expand its activities within other international markets, for now the focus lies on successful introduction on the Singaporean market.

3.3 Data collection

In order to execute the assignment and to realize the intended goals, data was needed. During this research two main types of data collection have been used: desk research (secondary data and in-depth expert interviews. In this paragraph I will outline both methods.

3.3.1 Desk research (secondary data)

Desk research is according to Verschuren (1984) characterized by the use of existing material (literature, secondary data, statistical material). In most cases there is no direct link with the research subject and the data used served a different initial research goal. Yet desk research is seen as a very valuable data source. The main advantage of using secondary data is that it has fewer resource requirements, is stable, unobtrusive, and provides exact information (Yin, 1994). Desk research (secondary data) is a main data source in this research, and several secondary data sources have provided relevant input. A first main secondary data source was literature. The literature study (outlined in chapter 2) provided required input in the process of developing a solid framework for this research. Further desk research has played an important role in constructing the internal analysis (chapter 4), executing the in-depth analysis of the Singaporean market (chapter 5), the choice entry

mode (chapter 6), and the marketing approach (chapter 7). In order to obtain the required information for the in-depth (external) analysis, macro-level indicators about for example the economic situation in Singapore, and socio-cultural indicators that describe the cultural situation in Singapore have been used. Literature provided valuable information during the choice of entry mode (chapter 6). Also in developing the marketing approach, desk research has played an important role. Secondary data sources as websites from competitors and local retailers have appeared to be very useful in obtaining valuable information. The main important secondary data sources that have been used during this research can be found below:

- Statistical websites as The World Bank, United Nations, CIA World Factbook
- PITT cooking business plan
- Inside Market Information provided by Larry Tan
- Websites from competitors (see references)
- Websites from retailers (see references)
- Scientific papers
- Books on internationalization (strategy), and global marketing

3.3.2 Qualitative (Expert interviews)

Interviews are a data-collection encounter in which one person (an interviewer) asks questions of another (a respondent) (Babbie, 2007). According to Yin (1984, p. 83) interviews are one of the most important sources of information, as they provide valuable insights and offer the potential to focus directly on topics you want to study. In comparison to fixed process methods as for example surveys, it has the advantage that a flexible way of interviewing is possible. This flexibility enables the researcher to re-design the questions throughout the process of interviewing (Babbie, 2007, p. 305-306) and has a positive sphere because it seems to be more a conversation than an interview. During this research qualitative expert interviews will be used. Qualitative interviews are based on a set of topics to be discussed in depth rather than based on the use of standardized questions (Babbie, 2007).

The use of the term expert and what qualifies someone as an expert have been discussed in literature. Hasson et al. (2000) linked the concept to knowledge, which determines the level of expertise. Babbie (2007) states that selection of interviewees should be based on a person's knowledge and the extent to which a person is able to provide relevant information. The experts that are selected during this research are considered to be experts in the intended areas, mainly based on their working experience within the market and/or in relation with their expertise on the topics they were questioned about. During this research, expert interviews are used to get information on topics that couldn't be obtained by, or were incomplete based on desk research. This has resulted in 3 qualitative expert interviews. The 3 interviews that are performed during this research are structured around the main research topics during this research: internal analysis, external analysis, and marketing approach, and are in line with the methods that were selected for performing this research. Below is described who the interviewees are, how the interviews were structured and where the information is used for.

Interview internal factors

The interview about the internal factors was conducted with Mikel Bink, the director of PI TT cooking.

In April 2009, Maikel Bink established the company PITT cooking, together with his partner Paul van der Kooij. Before the establishment of PITT cooking Maikel Bink performed several jobs in the kitchen retail industry. Since the establishment Maikel Bink runs the company and took place as director of the company, where Paul van der Kooij took an advisory role. As Maikel Bink is one of the founders of the company and is responsible for the daily operations, he can be considered as an appropriate person to provide relevant information about the internal organization. The interview was structured around the nine building blocks of Osterwalder et al. (2005) and the internal factors described by Whitelock (2002). An outline of the interview questions of this interview can be found in appendix D. The aim of this interview was to get an insight into the internal organisation and the development of the organisation until now, the orientation/philosophy and the company's objectives.

Interview external factors, (in-depth) analysis

The interview about the external factors was conducted with Larry Tan, co-owner of Reginox Far East. Larry Tan is a Singaporean inhabitant and was born and raised in Singapore. Larry Tan has been active in the Singaporean kitchen and bathroom industry for the past 30 years, performing several functions within several companies. Since the establishment of Reginox Far East, Larry Tan is the director of this subsidiary. Besides being director for Reginox, Larry Tan has its own company named 'Steldor', a trading company in kitchen/bathroom products and related accessories. His years of experience in the Singaporean kitchen market, and the fact that Larry Tan is a Singaporean inhabitant, made him a suitable candidate to provide me with reliable in-side information concerning external (market) factors. The interview was structured around the market factors of Whitelock's (2002) model of international market entry. This interview was used to obtain in-side market information, with the aim to get the necessary information on all required topics. An outline of the interview questions of this interview can be found in appendix E.

Interview marketing and trends within the kitchen market

The interview on marketing factors & trends within the kitchen market was conducted with Arold Korst, director of Tulp Keukens. Arold Korst is director of 'Tulp Keukens', one of the biggest kitchen manufacturers in the Netherlands. Arold Korst has been active in the kitchen market for several decades, both on a national and international level. Before Arold Korst became director of 'Tulp Keukens', he was director of the kitchen top producer 'Erbie', one of PITT cooking's initial partners on the Dutch market. During this time Arold Korst has experienced the rise of PITT cooking and has been involved in the development of the concept integrated cooking, the integration of PITT cooking systems in kitchen working tops. The interview with Arold Korst was used to get an insight in how PITT is experienced within the market, to discuss marketing elements (product, price, promotion, place), the international market, and to question general trends in the market like the use of internet. As Arold Korst is someone with years of experience in the kitchen market, knows about PITT cooking, but has no direct linkages with the company PITT cooking, he can be seen as an appropriate person to provide me with the information on these topics. An outline of the interview questions of this interview can be found in appendix F.

3.4 Data analysis

The data analysis method during this research will be qualitative analysis, which is described by Babbie (2007) as a method for examining social research data without converting them to a numerical format. During this research a great amount of different data sources have been used and served as input for this research. The selected data during this research has been chosen and

analysed by use of a variable-oriented analysis. Babbie (2007) described this as an analysis that describes and/or explains a particular variable.

As is described in paragraph 3.1, the research is framed according to the framework depicted in chapter 2.7. This framework is the result of a theoretical study in which is identified what internationalization is and what factors should be regarded and outlined when developing an international strategy for a small company. In order to obtain the required information two types of data collection methods have been used, which is outlined in chapter 3.3.

The internal analysis was structured by three leading criteria, which are divided in some sub-criteria (see table 1). The main input for the internal analysis was the interview with Maikel Bink, director of the company PITT cooking, and the company's business plan. The interview was structured among the nine building blocks (Osterwalder et al, 2005). Despite the fact that the nine building blocks do not match one on one with the criteria used for the internal analysis completely, they match to a great extent and therefore the information could be easily integrated. Also the information out of the business was easy to link to the selected internal analysis criteria.

The external analysis has been framed among five criteria and divided in two phases. The first phase (market screening) focused on the factors Potential attractiveness/accessibility and psychic distance. By further dividing these criteria into sub-criteria and by incorporating several indicators (see table 2) the first external analysis has been executed. Main inputs for this part of the analysis were macro-environmental factors, obtained by desk research. On some points information out of the interview on external factors was used as complementary information. The second part of the external analysis included an in-depth analysis including the competitive environment, and an assessment of the current and projected market size. Main input for this part of the analysis was the interview structured around the external factors. The interview was structured around the selected external factors, so it was easy to translate the information out of the interview to the external analysis. The in-side information enabled me to present a realistic and reliable in-depth internal analysis. On some points macro-environmental factors have been used as supporting or complementary information here.

In chapter 6 the most suitable entry mode for PITT to introduce its products on the Singaporean market is analysed. In order to perform this analysis and to come to a well-considered assessment on the most suitable entry mode, both the internal and external analysis has been used. This analysis is supported by a qualitative 'summary' incorporating four key variables, which depicts why a certain entry mode is considered as suitable or not.

The research concludes with a marketing approach, in which is analysed what would be a suitable marketing approach for PITT cooking to introduce its products on the Singaporean market. Input to the marketing approach analysis is the chosen entry method and a SWOT analysis that brings forward the internal strengths and weaknesses and the external opportunities and threats. The structuring of the marketing variables has been based on the interview with Arold Korst and desk research in the form of competitive analysis.

4. Internal Analysis

In chapter 2 was outlined that PITT's resources, the company's orientation/philosophy and objectives are the 3 internal factors that should be outlined during this research. In the first paragraph I will outline the company's resources (Product factors, IPR, human resources, financial resources). In the second paragraph the company's orientation/philosophy will be outlined, before the objectives of the company are outlined in paragraph 3.

4.1 Resources

4.1.1 Product factors

The products (Distinctive character)

PITT develops and offers products that are characterized by insiders of the industry as innovative and products with a distinctive character in aesthetics, quality, ease of use and uniqueness (figure 5). PITT cooking offers in total 22 models, ranging from cooking systems that contain just 1 gas burner to cooking systems that contain 6 of them. The different models show a variety in line-up of the gas burners and the power the gas burners are able to deliver (2KW, 3KW, or 0,2-5 KW combi burner). Further there is. Special variants are the XL-line, in which more space is created between the gas burners, and the 'Professional line' (gas burners made of messing). Further PITT cooking offers accessories as a stir-frying ring. The PITT cooking systems can be integrated in a wide variety of kitchen working tops: composite, granite, concrete, terrazzo, glass, ceramics, Corian, LG Hi-Macs, Green Core, Top Core and stainless steel. All together this means that PITT cooking systems can be fully customized to the wishes of its customers, and therefore can be suited for every type of kitchen.

On this base we can conclude that PITT products do have high product differentiation. Products with a high distinctive character and distinct advantages over competitive products give sellers a significant degree of pricing discretion, whereas weakly differentiated products must compete on price in a target market. High product differentiation favours export entry, while low differentiation pushes a company toward local production (Root, 1994).



Figure 5: traditional cooking vs integrated (PITT cooking)

Service intensity

The service intensity, the need for pre- and post-purchase services, can be characterized as low. Pre-service in the kitchen market generally covers installation of the kitchen and is normally provided by the supplier of a kitchen. Installation of PITT cooking systems in working tops in the Dutch market is arranged by one of its partners (Dekker, Arte, Lionstone). These partners know the product and the process and therefore are able to install it on the right way. The post-purchase service (after-sales service) is the responsibility of PITT. The company provide its customer a 5 year full guarantee service, which means that in case in-functionalities arise with the cooking systems, PITT takes full responsibility. In practice this means that a PITT cooking service employee will repair this in-functionality at location. As this occurs just now and then, we can state that the service intensity on the Dutch market is low. Arranging similar pre- and post-purchase service on the Singaporean market will take some effort. In Singapore possible partners have to be found that are willing and able to integrate PITT cooking systems in kitchen working tops. These partners have to be educated about how to perform this. The same yields for an employee that will be responsible for performing maintenance and repair services. The Singaporean authority Spring binds companies to hire a Spring certified assembler when it comes to processing or installation of gas appliances. This means PITT should find a Spring certified partner and educate this partner about PITT. More on this can be found in paragraph 5.2. These are things PITT should take into account concerning service.

Need for product adaptations

Also the extent to which the product(s) require adaptation to be marketed in a foreign target country influences the choice of entry mode. Root (1994) states that in case products need considerable adaptations, entry modes that bring a company in close proximity with the foreign market are favoured, like subsidiary exporting or local production. On the other hand, when none or just a few minor adaptations are required, other entry modes which are mainly based on contractual agreements as direct/indirect exporting, and licensing may be more appropriate. Market research, performed by local sales agents has learned that PITT products require some modifications, needed to suit the Singaporean market conditions. The advice is to develop 2 Asian specific models and to reposition the gas knob on the 1 PITT model (Azuma). The modifications relate to a different deployment of the gas burners, a repositioning of the gas-knobs, and a different gas tap. Such modifications are experienced as small adaptations, which can be easily adapted. Appendix B shows images of the 2 new Asian models.

4.1.2 Technological intensiveness (IPR)

The last product factor (technological intensiveness) will be handled as a separated paragraph here, because it is closely related to a company's intellectual property rights (IPR), which is in general perceived to be an influential resource. Technological intensive products provide companies in some situations the option to apply for IPR, which offers the opportunity for licensing. The PITT cooking design is a unique concept that is patented on concepts as technology competences, aesthetics and trademark in several regions around the world. This makes PITT the only party that is allowed to produce and offer the products against captured conditions, within the registered regions. Besides the technology another possibility is licensing the trademark. However in most cases the latter requires a well-established international reputation. In December 2014 the Singaporean authority 'Spring' has approved the requested patents, which means PITT has obtained IPR within Singapore.

4.1.3 Human resources

PITT's staffing counts 8 employees at this time. 3 of these employees can be characterized as production workers, from which 1 employee is able to and in charge of producing finished products, whereas the other 2 production workers perform supporting activities. Besides the production workers that are responsible for the physical production, the company's staff consists of a director, a marketing and communication associate, a financial associate, a product development associate and an account manager for the Dutch market. These associates all are active in their own type of specialization.

4.1.4 Resource commitment factors

Resource/commitment factors are about a company's resources in management, capital, technology, production skills, and marketing skills and the extent to which they are committed towards a region or certain activities. The idea here is that a company with limited resources is constrained to choose an entry mode that calls for only a small resource commitment, whereas a company with more abundant resources is less constrained and therefore may have more entry mode options. The size of the company is frequently a critical factor in the choice of entry mode. When we look at PITT cooking, we can conclude that the company is a small starting company. As is described before the core competencies of the company lie both in the company's Intellectual Property Rights (IPR), as in the way the company organizes its business activities through partnerships and contracts. Because of the current size of the company we can conclude that the company has limited resources in management, capital, and production workers. According to the director the production workforce can easily be enlarged, and this will be realized in the coming year. Resources in management and capital are limited which supports an entry mode that calls for a small resource commitment, as was suggested by Root, (1994). The choice for export by an export partner is in accordance with this.

Besides the availability of resources, the willingness to commit these resources to foreign market development influences the choice of entry mode. A high-commitment company is more likely to choose equity entry modes. According to Root, for most companies international commitment grows along with international experience over a lengthy period of time. In the case of PITT cooking we see that the company sees a serious potential of its international business activities. This is supported by the vision of the director. He has the belief that within two years the company's total revenues for 70% will stem from export. As he believes that also the revenues on the Dutch market will growth in the coming period, a serious growth in export should be expected. His view is that the main expansion will stem from export, which will eventually mean that at least 95% of the revenues are export based. Together with export growth, the resources will be committed more and more to export. Taken into account the company's vision about the expected growth within the next few years, it may be assumed that PITT requires to expand its staffing team in order to be able to handle the extra workload.

4.1.5 Financial Resources

PITT cooking was established in May 2009 (about 5 years ago). In order to realise its establishment, PITT cooking was in need for investments. The cost structure of the company teaches us that the company is financed partially by shareholders equity, and partially by borrowed capital. The shareholders equity concerns investments by the three shareholders of the company. Besides this first investment the company's shareholders (3 men) invested in the company by use of subordinated loans, which both are posted on the company's financial statements. The borrowed

capital concerns an arranged current account ratio with the bank. According to the director of the company, there is little room for investment, i.e. the financial resources are limited.

4.2 Orientation/Philosophy, Management competences

Pitt cooking produces and offers integrated cooking systems, a concept in which gas burners are integrated in the working top of a kitchen. In the kitchen market this is perceived as a unique concept, as it unites the kitchen working top and the traditional gas hob into one. This results in unique aesthetics (figure 5). PITT positions itself as a high-quality and innovative producer that focuses at the high-end segment of the market. Porter (1985) classified such a strategy as differentiation focus strategy, i.e. offering distinctive products on one or a few segments of the market.

4.2.1 Target Customer

PITT cooking has positioned itself in the market as a brand that offers high-quality products and brings a new dimension of cooking to the market. PITT positions itself as a luxury brand that offers products for private users. The company aims at serving the luxury segment of the consumer market. Its target customers are private users that value the product for its high-quality, unique design, functional capabilities, or the fact that the PITT cooking systems fully work on gas. Despite the focus is not on the hotel and catering sector, the PITT cooking systems may be useful for this market segment as well. Especially the XL models, and/or professional line may be interesting for this segment.

4.2.2 Distribution Channel

PITT produces a consumer product, but their business model is not based on a direct selling point between the company and its end-consumers. The company cooperates with 'partners', that are classified based on the turnover they realise for the company. On the Dutch market these partners are producers of kitchen working tops, but also other types of partners may be possible as for example distributors and/or retail companies. Through these partnerships PITT cooking makes use of the distribution channels of its partners to get the product to the customers.

For its export activities PITT has the vision to link its products to an 'OEM' partner. The logic behind this business strategy is that PITT cooking makes use of the reputation, and promotion activities of the 'OEM partner'. PITT has found an 'OEM partner' in the company Reginox B.V. for export to the Asian market. This means the products are introduced under a 'PITT by Reginox' label on the Asian market. The activities will be arranged in such a way that Reginox is responsible for the physical transfer from the products to Singapore. Once arrived in Singapore, the products are stocked by Reginox Far East and from here Reginox Far East is responsible for the sales and distribution activities within Singapore. More on Reginox and the partnership with Reginox can be found in Appendix A.

4.3 Objectives

PITT cooking is currently in the stage of international expansion. An export partner is found, the first international contacts are there, and even the first international orders have been delivered. The first aim is to establish a market share in Singapore. The main short term goals for the company are: enlarging the sales on the Dutch market, introduction on the Singaporean market, enlarging the

brand-awareness and a further development of the products. One of the goals for the coming years is entering the Singaporean market, which is seen as the gateway to the Asian market. Besides the Asian market, the company sees also opportunities in establishing market share on the European market (Germany, Russia united Kingdom), North America, and Australia. By promotional activities as for example international kitchen fairs, as also partnerships with 'OEM partners', PITT cooking tries to realise this international expansion.

The vision of the company's director is that within 2 to 3 years 70% of the company's total revenues must stem from international business activities. The organisational goal is to have established a turnover of €10 million at the end of 2019 (5 year period), which means a total sales of about 10.000 cooking systems. Taken into account that total sales over 2014 are about 1300 cooking systems, this means a serious growth (750%). During this chapter I will outline on organisational growth and describe what the implications of organisational growth may be for PITT cooking.

4.4 conclusions internal analysis

| Conclusions internal analysis factors | |
|---------------------------------------|---|
| Factor | Conclusions |
| Resources: | |
| Product factors | <ul style="list-style-type: none"> - PITT products do have high product differentiation - Need for pre- and post-services (service intensity) is limited, but will take some effort to arrange in Singapore - PITT should extent its product range with 2 Asian specific models, and relocate the gas knob on the 1PITT model (Azuma) |
| Human resources | <ul style="list-style-type: none"> - PITT's staffing counts 8 employees (3 production workers) and 5 office associates, who all are active in their own type of specialization. - PITT's workforce approaches maximum capacity |
| Financial resources | <ul style="list-style-type: none"> - PITT is financed partially by shareholders equity, and partially by borrowed capital - The financial resources (room for investments) are limited |
| Technology distinctiveness (IPR) | <ul style="list-style-type: none"> - PITT cooking concept is patented on technological competences, aesthetics and trademark - PITT's IPR is registered in several regions/countries including Singapore |
| Resource/commitment factors | <ul style="list-style-type: none"> - PITT can be considered as a small company with limited resource capacity - PITT's export activities will increase the coming years. The company's vision is that within a few years 95% of turnover will be contributed by export - More resource commitment towards export activities will be required |
| Philosophy | <ul style="list-style-type: none"> - PITT positions itself as a high-quality and innovative producer that focuses at the high-end segment of the market (differentiation focus strategy) - PITT's business model is based on partnerships |
| Objectives | <ul style="list-style-type: none"> - PITT has the vision that international expansion will |

| | |
|--|---|
| | contribute 70% of total revenues within a few years. - Besides the Asian market, the company sees also opportunities in establishing market share on the European market), North America, and Australia. |
|--|---|

Table 4: Conclusions internal analysis PITT

5. External analysis

In this chapter the external environmental analysis of the Singaporean market will be performed. The first step in this process will be an initial market screening in which the factors potential attractiveness, accessibility and the psychic distance are evaluated. In the second part an in-depth external analysis will be performed by looking at the factor competition and describing the competitive rivalry within Singapore.

5.1 Market screening → Potential attractiveness/accessibility

The market screening will describe the accessibility, potential attractiveness, and psychic distance by taking into account political, economical, socio-cultural and legal characteristics.

5.1.1 Political

The political target country environmental factors are evaluated by looking at two dimensions: political risk (stability), government policies and regulations.

Political situation and political risk

Singapore was founded as a British trading colony in 1819. In 1963 Singapore joined the Malaysian Federation, but in 1965 it separated and became independent. Since its independence in 1965 The Republic of Singapore is a nominally democratic state. The country is ruled by the People's Action Party (PAP), and the Chief of State is President Tony Tan Keng Yam (since 1 September 2011). The Chief of State (President) is elected every six years. According to the Index of Economic Freedom Singapore is a political stable country which is lauded for its low tolerance of corruption. Singapore is very pro international trade, and is ranked as the 2nd freest economy in the 2014 index of economic freedom. Overall Singapore is described as a political stable country and the political risk for business activities within Singapore seems to be low.

Government policies and regulations

The leading party (PAP) in Singapore has embraced economic liberalization and international trade. The government's policies are aimed at positioning Singapore in the market as an interesting party on the global market. The government tries to create a business environment that supports international business. Characteristics as low tax rates, a corruption-free environment and an advanced infrastructure makes Singapore interesting for investors and one of the most friendly business environments worldwide. That Singapore is very eligible for international business activities is supported by several indexes. Singapore was even ranked as world's most conducive economy for doing business by the World Bank. Starting business activities in Singapore is relatively easy. According to the numbers of the World Bank, the number of start-up procedures to register a business in Singapore is only 3 (2013) (relatively low). In comparison: other ASEAN countries as China (13) and India (12) score much higher here. Further Singapore is characterized as a country that preserves the rule of law. Contracts are secure, there is no expropriation, and commercial courts function well. Singapore has one of Asia's best intellectual property rights regimes.

Whereas Singapore is a member of the Association of Southeast Asian Nations (ASEAN), the influence of this authority is limited. The member countries do share some common goals, but still every country has its own specific regulations. This has some consequences for PITT, for example concerning their Intellectual property rights. As there is no uniform authority within Asia, it requires PITT to register its IPR in all countries separately. Besides the disadvantage of high costs it has the consequence of different policies towards IPR within different countries.

5.1.2 Legal situation

Although Singapore is described as one of world's most open economies, PITT experienced a hard struggle with getting access to the Singaporean market. Within Singapore there is strict provision on products that are new on the market. Before a company is allowed to offer their products on the market, it needs a certification provided by a governance instance. This protocol for certification is very strict, especially on gas appliances, and requires a company to submit several documents and tests that attest the products meet the requirements. According to Larry Tan the thing here is that the Singaporean government wants to be sure about the safety of the products, and because PITT products are perceived to be very unique, it has raised several question marks. This has led to many problems with the test reports, required PITT to do product modifications and deliver test reports again and again. In November 2014, PITT finally obtained the certification from the government instance Spring. This Spring label gives PITT the right to offer the certificated products on the Singaporean market and some South East Asian countries around Singapore. Not all countries do have their own provision system and therefore some countries recognize the Spring label.

Another requirement Spring has set is working with gas appliances, i.e. processing or installation, should be performed by a Spring certified assembler. As the PITT cooking systems need to be processed in a kitchen working top, PITT by Reginox needs to hire an employee that is certified by Spring and therefore allowed to install the PITT systems in kitchen working tops. This means that when a kitchen with a PITT cooking systems is being installed, the installation of the cooking system needs to be done by this certified assembler. This assembler can possibly also be used as service and maintenance worker for PITT by Reginox within Singapore.

In general Singapore is perceived to be a country in which the rule of law is strictly preserved. As described above this may lead to difficulties, but it offers also some advantages. The Singaporean IPR policy is characterized as one of the strictest in Asia, which means that we can assume that PITT's IPR within Singapore will be respected.

5.1.3 Economic

Several economic environmental factors can be of influence on a target country's attractiveness and so on the entry mode decision. In order to assess the economic situation in Singapore, several economic factors will be evaluated here: economic structure, the level of performance (GDP, GDP per capita), dynamic factors as the growth rate of GDP per capita, rate of investment, and external economic relations by looking at the value of exports and imports, the balance of payments.

Economic structure

The economic structure is one the most important economic factors. In general two extreme forms

of economic structure can be distinguished: market economy and the centrally planned economy. Market economy is a structure type in which market forces shape the economy and the intervention of government is minimised. In contrast, in a centrally planned economy the government is regulating the market and intervenes a lot.

When we take a closer look at the Singaporean economy, we can characterize the Singaporean economy as a free market economy, but one in which the government still intervenes, or at least has some linkages. Government-linked companies, known as GLCs are partially or fully owned by a state-owned investment company, play a substantial role in Singapore's domestic economy. Also the government influences certain policies in such a way that positions Singapore as an interesting party in the global market. Singapore's economy depends heavily on trade. Singapore is the 14th largest exporter and the 15th largest importer in the world, and has the highest trade-to-GDP ratio in the world. The economy depends heavily on trade, with its expertise in consumer electronics, information technology products, and a growing financial services sector as main reasons for its positive trade balance. Over 2013 29,4 % of Singapore's GDP was added by the Singaporean manufacturing industry. The other 70,6 % was added by services, which are the country's main value adding business.

When we look at the structure of the kitchen market, we see also here an international character. According to Larry Tan the structure of the market is so that 30% of the kitchen market can be considered as lower range, 50% of the market is of the mid-range and 20% can be considered as being the high-end market. Especially in the mid- and high-end range of the market, the vast majority of products are imported and stems from European producers. The Singaporean kitchen market is characterized as a market in which there is a strict separation between the lower (low- range and bottom part of mid-range) kitchen market and the high-end (upper part mid-range and high-end) kitchen market.

Economic performance and dynamics

The next elements to consider are the economic performance and dynamics. In order to get insight in these elements, the economy size, its economy's absolute level of performance, and the economy's dynamics will be highlighted here.

The economy's size of Singapore, expressed by the gross domestic product (GDP), was \$297,941,261,088 over 2013 Singapore's economy's absolute level of economic performance, expressed by the gross domestic product per capita over 2013 was \$55,182. When we look at the economic performance of Singapore, and compare this with other countries, we can conclude that Singapore is one of the leading countries in Asia, and even can compete with most Western countries on economy size and economy performance. In comparison the GDP per capita in countries as Japan and the Netherlands, which are known as well-developed countries are respectively \$38492 and \$47617. Singapore has a Gross National Income (GNI) per capita of \$54040 over 2013, which ranks the country as the third highest per-capita GNI in the world. Based on these numbers Singapore can compete with most developed countries.

The dynamics show that the Singaporean economy is growing and in an upward trend. Since its independence the country's GDP grew with an average of 7.7% per year. Also more recent numbers show that economic situation in Singapore is improving. The growth rate of Singapore's economic

size (growth of GDP) over the last three years (2011-2013) was 4,2 %. In comparison the growth rates of economy's size from countries as the Netherlands and Germany were respectively -0,7 % and 1,46% over the same period. Further Singapore shows a growing GNI per capita and a Purchasing Power Parity (PPP), which is gross national income (GNI) converted to international dollars using purchasing power parity rates.

Singapore has developed from one of the first Newly Industrialising Countries in Asia (NICs, Asian Tigers), to one of the most successful economies worldwide. The economy nowadays enjoys a remarkable open and corruption-free environment, stable prices, and a per capita GDP higher than that of most developed countries. The numbers show that Singapore is a healthy growing economy, in which welfare seems to develop. The numbers described suggest a growing welfare among Singaporean inhabitants. According to Larry Tan Singaporean people are very advanced and enthusiastic for innovations and unique products as a result. He states that the improving economic welfare will enlarge the demand for luxury products on the kitchen market. This would mean for PITT by Reginox that the potential market within Singapore would grow.

External economic relations

The external economic relations will be measured by foreign direct investment, value of exports and imports, balance of payments and cash surplus.

Indicators as foreign direct investment (FDI), current account balance, and cash/surplus deficit show that Singapore is external oriented. The foreign direct investment (FDI) shows inflows of investment in a country's economy from foreign investors. The total foreign direct investment inflows in Singapore were \$63.772.316.791 over 2013, which make Singapore one of the major FDI outflow financiers in the world. In comparison the total foreign direct investment in for example Germany is only half of this amount (\$32.627.493.896). Further the growth of FDI is remarkable, since it was only \$23.821.209.700 over 2009. Based on this it may be assumed that the amount of FDI will continue to grow.

The total value of Singapore's exports over 2013 were \$410,3 billion, whereas the total value of imports over 2013 was 373 billion. Singapore's current account balance, which is the sum of net exports of goods and services, net primary income, and net secondary income, over 2012 was \$51.437.244.151. The account balances over the last couple of years show that the Singaporean economy is healthy and relatively stable. This is supported by the cash surplus/deficit (% of GDP), which shows that Singapore has a cash surplus of 8.7 % of its GDP.

The Singaporean economy can be characterized as very international oriented. Thereby the government policies are aimed at creating an environment that is very attractive for international businesses, and these conditions seem to be advantageous for the Singaporean economy when we consider the described numbers. As a consequence the kitchen market within Singapore is very internationally oriented, which means also international competition. According to Root (1994) substantial one-way changes in external economic relations as for example a persistent weakening of a country's balance of payments, may lead to changes in government policies on import restrictions and/or payments restrictions. Such arrangements could have enormous consequences for PITT, but in the view of the current developments and numbers this is not expected.

5.1.4 psychic (socio-cultural) distance

Another element that is perceived to have influence on the choice of entry mode is socio-cultural factors. Of general significance is the cultural distance between the home country and target country societies. Great cultural distance in cultural values, language, social structure, and ways of life within the target country usually requires high cost of information acquisition. In practice cultural differences may mean that adaptations of the product/service and/or the marketing approach are required. The cultural distance will be evaluated by using the cultural dimension indexes of Hofstede (2012). In this part only the relevant information will be outlined. A greater explanation of the numbers is outlined in Appendix C

Hofstede (.....) identified six indexes that distinguishes country cultures from each other. These dimensions are: Power Distance (PDI), Individualism versus Collectivism, Masculinity versus Femininity (MAS), Uncertainty Avoidance (UAI), Pragmatic versus Normative (PRA), Indulgence versus Restraint (IND). A comparison between the Netherlands and Singapore on these dimensions shows that the Dutch and Singaporean cultures are diverse. The main differences are on the Power distance index, Individualism vs Collectivism, Masculinity vs Femininity and Uncertainty Avoidance. The Netherlands are a country in which power is decentralized and control is disliked, whereas in Singapore much more unequal relationships exist. The individualism vs Collectivism index shows that the Dutch society is characterized as individualistic, whereas Singapore is characterized as a collective 'We' society. The Uncertainty Avoidance index shows the Netherlands score average, which means there is a slight preference for avoiding uncertainty, whereas Singapore scores very low on this dimension, meaning that in Singapore people abide to many rules not because they have need for structure but because of the high Power distance index.

However based on Hofstede's dimensions can be concluded that the Dutch and Singaporean cultures are diverse on at least some dimensions, this doesn't has real practical relevance for this research. A difference that does have some practical implications is language. Whereas in the Netherlands the native language is Dutch, in Singapore people speak diverse languages. Approximately one-third of the people speak English, half speak Mandarin Chinese, whereas the rest speaks mutually unintelligible Chinese languages. As a consequence of the international character of the economy, English is the main language in doing business, so when it comes to business activities in Singapore the language used is English. Besides language, Larry Tan described habits towards food and cooking as totally different. Whereas in the Netherlands most people do not exceed 1 -2 hours of cooking a day, in Singapore preparation of some meals requires literally a day of cooking, and the cooking of a simple dish as soup requires in most cases already 2 to 3 hours of cooking. Further Asian people like stir-frying, and prefer cooking systems with only 2 or 3 PITTs, whereas in the Netherlands mainly different cooking techniques are used and the PITT systems with 4 and 5 PITTs are most popular. These cultural differences have led to some difficulties by tests during the certification process and introduction of PITT by Reginox on the Singaporean market. As a consequence of the different cooking habits within Asia, PITT needed to do some product modifications, as for example repositioning of the gas taps. Because of the long cooking time, and high degree of stir-frying more

heat is transmitted to the gas taps, with the consequence that sometimes such a degree of heat is transmitted that make the gas taps too hot to touch. More about product modifications will be outlined in chapter 7 Marketing

5.1.5 Conclusions market screening

| Conclusions market screening factors | | |
|--|---|--|
| Factors | Factors - Indicators | Outcomes |
| Potential attractiveness/Accessibility | Political: Political stability, corruption, international trade policy | <ul style="list-style-type: none"> - Singapore is a political stable country - High control on corruption - A very open international trade policy - The influence of regional authorities (ASEAN) is limited |
| | Economical: Economic performance indicators, economic dynamics, economic structure | <ul style="list-style-type: none"> - Singaporean economy functions as a free market economy, but government intervention occurs - Singapore is one of the leading Asian countries and even in the world in terms of economy parameters as GDP and GDP per capita - Singapore has a Gross National Income (GNI) per capita of \$54040 (2013), the 3rd highest in the world - Singaporean economy is growing and in an upward trend - Singapore is a very international oriented economy |
| | Legal: Legal regime, intellectual property | <ul style="list-style-type: none"> - Singapore is characterized as a country that preserves the rule of law (strict regime) - Singaporean authorities preserve strict policies concerning gas appliances - Singapore has one of Asia's best intellectual property rights regimes. |
| Psychic distance | Socio-cultural: Cultural distance | <ul style="list-style-type: none"> - Singapore is characterized as a collective 'we' society in which many unequal relationships exist - In Singapore people speak diverse languages: English (33%), Mandarin Chinese (50%), unintelligible Chinese languages (rest) - Singaporean people do have totally different habits towards food and cooking |

Table 5: Conclusions market screening

5.2 In-depth external analysis

The in-depth external analysis will give a description of the current and projected market size in Singapore and an outline on the competitive rivalry within the Singaporean market will be given.

5.2.1 Current and projected market size

In order to get an insight into the current and projected market size several factors will be described and considered here. When we look specifically at the size of the kitchen market I couldn't get statistics about the number of kitchens or cooking systems that are sold each year. Larry Tan talked about 10.000 – 20.000 families that were renovating their kitchen every year, and of several thousand new housings that are realised each year. According to Larry Tan therefore we can assume that several tens of thousands cooking systems are sold each year within Singapore. The percentage of Singaporean inhabitants that cooks on gas is at least 80%, so we can assume that at least 80% of the cooking systems sold are systems that work on gas. This makes PITT cooking systems attractive within this market. As PITT is a luxury product we cannot consider the total market of cooking systems that works on gas as a potential market for PITT cooking. According to Larry Tan the Singaporean market can be divided in different segments: approximately 50% of the market can be classified as the mid-range, 30% is of the lower range, and 20% as the high-end market. PITT is aiming at this 20% market, but so does also competition that is active within the high-end segment.

To get an insight into possible development within the kitchen market, also other factors should be considered. The first factor to consider here is the population. Singapore counted 5.399.200 inhabitants at the end of 2013. The numbers show that the population in Singapore is growing. Over the period 2009-2013 the population grew on average 2, 2% annually, which means a growth of over 400.000 inhabitants in absolute numbers. Based on these numbers we can assume that the population will grow in the coming years. Also the economic numbers show that the economy is growing, which leads to growth of economic wealth both on a national and an individual level. The economic situation, described in paragraph 3 of this chapter showed that the economic situation in Singapore is developing in an upward trend. Based on these numbers we may assume that the total market, as also the kitchen market within Singapore will grow the coming years. Besides this the expectations are that the luxury segment within the kitchen market will further grow because of the growth in economic growth. Thereby PITT products are perceived as very unique and innovative products, and Singapore is classified as a country that is very advanced and in which it is very likely that people accept innovative and unique appliances. Besides this Singapore is a well-known 'design hub', with thousands of designer outlets. These designers have projects and entrance all over Asia, so think about the possibilities that may arise when PITT by Reginox succeeds in generating enthusiasm among such designers. Then you're talking about big orders.

As in every country introduction of new products take a certain incubation time. According to Larry Tan they need at least a year to create product- and brand-awareness for PITT by Reginox. This will mainly be done by marketing activities. Although I don't have exact numbers about the current market size within Singapore, we can conclude out of the numbers that every year several thousand kitchens are sold within the luxury segment within Singapore. This maybe doesn't sound magnificent, but as we consider the growth potential of the market, and the possibilities a success in Singapore may provide for other Asian countries, establishing a market share in Singapore can be seen as key and very hopeful.

5.2.2 Competition

In this paragraph the five elements that determine the competitive rivalry within a country will be described.

Substitutes/ main competitors

Despite the fact that PITT is characterized as unique there is always competition and substitutive products are offered on the market. When we talk about substitutes when it comes to cooking systems, all types of cooking systems could be classified as substitutive products. But as PITT aims at the luxury segment of the private user market, it will be more relevant here to look at competition within this luxury segment. According to Larry Tan there are a few competitors within this market segment, which are mainly international companies. Two of these companies are from Germany (Miele, Gaggenau), and several companies from Italy that use the same gas burners in their products. Especially the two German competitors: Miele and Gaggenau are considered as serious competitors by Larry Tan. These companies are characterized as aggressive competitors that maintain a competing strategy.

When we compare the companies we can conclude that the competitors described are big companies that all are offering multiple products within the kitchen market. In the kitchen market it is very common that companies offer a complete product range for kitchens. When we look at a company as Miele, we see that they are offering a complete package of electronic kitchen appliances as dishwashers, cooking systems, fridges, refrigerators and ovens. PITT cooking offers just one product of this total kitchen appliance package, namely cooking systems. According to Larry Tan this sometimes is a disadvantage for PITT cooking, as customers and/or designers have the tendency to choose 1 brand for the total package of kitchen appliances within a kitchen. In most cases this yields cost advantages for the buying party, and in such case it is hard for a company as PITT cooking to sign deals. PITT cooking must convince parties of the distinctive character of their products, or try to cooperate with other parties that also offer just one or a few products within the package of kitchen appliances.

Bargaining power of buyers

In chapter 4 was outlined that PITT's business model is not based on a direct selling point between the company and its end-consumers. This means that within Singapore kitchen companies/retailers/distributors need to be found. Within Singapore there is a strict separation within the kitchen market between low-end and high-end kitchen retail shops. These luxury retail shops are shops from European kitchen companies like Poggenpohl, Buttol and Siematic, who offer complete kitchens including appliances as cooking systems. To a certain extent these European kitchen companies do have bargaining power, but in general they will be interested in innovative products as PITT cooking. Within Singapore Reginox Far East will be responsible for the sales activities. These employees have years of experience within the market and have established a countrywide network and connections with such European kitchen companies. Further PITT can benefit from Reginox' reputation and its connections with many parties.

Another possible road to market is through designers. Singapore is known as a 'design hub', with thousands of designer outlets throughout Singapore. Such designer outlets are in many cases responsible for the ground plan or interior design of new housing complexes within Singapore and other Asian countries. Most of these architect companies have their own in-house designers, responsible for different segments as interior or sanitary. These designers do have a high extent of bargaining power as there are a lot of substitutes available.

Bargaining power of suppliers

PITT's key activity is the production of the cooking systems, which consists of assembling the multiple components into customized cooking systems. All components are high-quality components that are among the best in their product group, and are fully tested and certified among the required conditions. Therefore PITT is to a certain extent dependent on their suppliers, which gives them a certain degree of bargaining power. But there are alternative suppliers for most components, which limits their bargaining power. Davendi, the supplier of the gas burners can be considered as being a key supplier and with a certain extent of bargaining power

threat of new entrants

Singapore is described as a very open economy in which it is easy to offer products and to start-up a business, both for national and international parties. However within the high-end kitchen market there are several entry barriers for new entrants. As main barriers for new entrants within the high-end market segment can be considered brand-reputation, customer loyalty and access to distribution channels.

Competitive rivalry

Another dimension of the target market is its competitive structure: markets can range from atomistic (many non-dominant competitors) to oligopolistic (a few dominant competitors) to monopolistic (a single firm). An atomistic market is usually more favourable to export entry than an oligopolistic or monopolistic market, which often requires entry via equity investment in production to enable the company to compete against power of dominant firms. In target countries where competition is judged too strong for both export and equity modes, a company may turn to licensing or other contractual modes.

Overall we can say here that PITT is perceived as being very innovative and unique, but that there is serious competition within the market.

5.2.3 Conclusions in-depth external analysis

| Conclusions in-depth market screening | | |
|--|--|---|
| Whitelock factors | Factors/indicators | Conclusions |
| Growth size | Current and projected market size | <ul style="list-style-type: none">- The percentage of Singaporean inhabitants that cooks on gas is at least 80%- the Singaporean market can be divided in different segments: mid-range (50%), lower-range (30%) and high-end market (20%)- Singapore can be seen as a key market in establishing market share on the Asian market |
| Competition | Competitive rivalry: | <ul style="list-style-type: none">- Miele and Gaggenau can be considered as the main competitors within the high-end market segment in Singapore- In the kitchen market most companies offer a complete package of kitchen appliances- Brand-reputation can be considered as a major competitive advantage within the high-end segment in Singapore- Davendi, the supplier of the gas burners can be |

| | | |
|--|--|---|
| | | considered as being a key supplier - As main barriers for new entrants within the high-end market segment can be considered brand-reputation, customer loyalty and access to distribution channels |
|--|--|---|

Table 6: Conclusions in-depth market screening

6. Choice of entry mode

This chapter is about answering the question mark of finding the most appropriate entry mode for PITT cooking to enter the Singaporean market. The internal analysis (see appendix A) learns that PITT has found an export partner in Reginox B.V., and export by use of Reginox seems to be the intended way for PITT to start business activities within Singapore. During this chapter it will be analysed whether this is a feasible entry mode, and if there are possibly also other feasible entry modes. First of all, this chapter has the aim to provide an insight in possible entry modes. In chapter 2 four groups of entry modes: wholly-owned subsidiary, joint venture, contractual agreements, export were already introduced, but in this chapter I will outline variations within these groups. Further I will analyse for each outlined entry mode whether it is a suitable entry strategy for PITT on the Singaporean market at this moment, and what the advantages and/or disadvantages are of a certain entry mode. By analysing whether a certain entry mode is considered to be suitable or not, the company's internal characteristics (chapter 4) and the target market's characteristics (chapter 5) will be considered. In the final part of this chapter I will come to an overall evaluation of the most feasible entry mode(s)

6.1 Equity modes

According to Pan & Tse (2006) equity entry modes can be distinguished in two groups: wholly-owned subsidiary and joint ventures.

Wholly owned subsidiary

Wholly owned subsidiary is a mode of entry form in which a foreign target market is entered by ensuring full control (100%) of ownership. Wholly owned subsidiaries are perceived to be attractive in markets where competitive advantages are sufficiently broad to depend on local partners, but where nonetheless transport difficulties rule out simple export.

The internal analysis shows us that this is not the case, as PITT offers a distinctive high-end product, that is not ruled out by export costs. Further it shows that PITT simply lacks the resources to acquire a subsidiary within Singapore. Besides this the external environmental analysis shows us that Singapore has several environmental characteristics that do not support a wholly owned subsidiary as high operation costs, a great cultural distance, and a sales potential that is not directly impressive. Overall it can be concluded that a wholly-owned subsidiary is not a feasible entry mode for PITT cooking to enter the Singaporean market at this moment.

Joint ventures

Joint ventures are created when two or more parties create a new company (venture) by

contributing equity, which mean they share profits, losses, and control of the enterprise. In order to agree, both firms need agreement about their respective investment in the venture and how they will share the profits (Boddy, 2011) Joint ventures work where competitive advantages are narrow, but local licensees or franchisees cannot be trusted with intellectual property or long-term performance.

Depending on the equity share of the international company, joint ventures may be classified as majority, minority, or 50-50 ventures. This means that depending on the chosen form possibly less equity investment is necessary. However less investment may be necessary, the difficulty of joint ventures lies in finding an appropriate partner, and to come to an agreement about the conditions. A minority agreement for PITT may mean less investment, but this normally means also less control about business operations. Taken into account that PITT wants to persist its Intellectual Property Rights and a certain control over its business activities, it seems to be unlikely that PITT will find a joint venture partner against these conditions.

As the external environmental analysis shows us that Singapore has a very strict IPR policy, characterized as one of the best in Asia, we may assume that contractual forms within Singapore are safe. Together with a high cultural distance between the Netherlands and Singapore, and the internal factors that show there is less room for investment, we can conclude that a joint venture is not a feasible entry mode for PITT to enter the Singaporean market.

Assessment equity entry modes

Equity entry modes can provide several advantages as control, and fast market entry. In general equity entry modes are considered for any of several reasons or mix of reasons: product diversification, geographical diversification, the acquisition of specific assets (management, technology, distribution channels, workers, and others), the sourcing of raw materials or other products for sales outside the host country, or financial (portfolio) diversification (Root, 1994). As PITT has the clear vision to produce its products within the Netherlands, the only logical reason for PITT to consider an equity entry mode would be the acquisition off or cooperation with a company that possesses the distribution channel or workers with the knowledge to make the marketing of PITT products within Singapore a success.

Acquiring of equity in the foreign target country makes it very costly, and therefore risky, but is also time consuming as an entry decision is a complex process that requires an evaluation of both the investment climate in the target country and the intended investment project. Because of the demanding information requirements of investment entry and high risks, it is usually unwise for a company to make its first entry investment abroad without a prior penetration of the target country through exports (Root, 1994).

Overall we can conclude that equity entry modes at this moment are not feasible for PITT cooking. The internal analysis learned us that PITT cooking lacks the required resources necessary to be able to realise an equity entry mode. Further it shows that the company has a clear vision that production within the Netherlands is a key element for the success of the company. The environmental analysis made clear that Singapore is a country with several environmental characteristics that do not require a high degree of control, as strict monitoring of IPR rights. Off course local market knowledge will be

required for the successful introduction of PITT on the Singaporean market, but equity entry modes are not the only way to obtain this.

| Assessment equity entry modes | | | |
|-------------------------------|-------------------------------------|---------------|-------------------------|
| Mode of entry | | | |
| Assessment criteria | Indicators | Joint venture | Wholly-owned subsidiary |
| Feasibility | Can it be financed (costs) | -- * | -- * |
| | Realizable (internal factors) | -- * | -- * |
| | Business strategy | + | +/- |
| Suitability | Accessibility | + | + |
| | Realizable (environmental factors) | +/- | +/- |
| Acceptability | Return (in-depth factors) | ++ | ++ |
| | Risk | -- | -- |
| Overall assessment | | - | - |

Table 7: Assessment equity entry modes

* Dependent on the form of wholly-owned subsidiary or joint venture (majority, minority, 50/50)

6.2 Contractual agreements

Contractual entry modes are long term non-equity agreements between an international company and an entity in a foreign target country that involves the transfer of technology or human skills (Root, 1994). Besides the most well-known forms of contractual agreements licensing and franchising, I will outline also co-marketing and R&D projects.

International Licensing

Licensing includes a variety of contractual arrangements whereby domestic companies (licensors) make available their intangible assets (patents, trade secrets, know-how, trademarks, and company name) to foreign companies (licensees) in return for royalties and/or other forms of payment (Root, 1994). Commonly, the transfer of these intangible assets or property rights is accompanied by technical services to ensure the proper use of the assets. According to Root (1994) the most obvious advantage of licensing as an entry mode is the circumvention of import barriers that increase the cost (tariffs), as licensing involves the transfer of intangible assets and services, which are in comparison to physical products not subject to import restrictions. In some situations licensing may be the only viable entry mode, as a target country restricts both import and investment entry modes. Also internal company factors may favour licensing over other entry modes. In case a manufacturer's product requires substantial physical adaptation to meet the needs of a target market, licensing may be advantageous because it can transfer much of the adaptation cost to the foreign licensee and, at

the same time, avoid the higher resource costs and risks of equity investment.

Clearly a necessary condition for licensing as an entry mode is that a company possesses technology, trademarks, or a company name if it can secure legal protection of its industrial property rights. Further a party must be found that is attractive to pay for this property. Such rights can be obtained for a particular country only by applying for them in that country. Another disadvantage is the absolute size of income from a licensing arrangement as compared to that from exporting to, or investing in, the target country. The foremost disadvantage of licensing from an entry strategy perspective is the licensor's lack of control over the marketing plan and program in the target country. A second disadvantage of licensing is the risk of creating a competitor in third markets. Armed with the licensor's technology, the licensee may become a formidable competitor in world markets. Manufacturers can minimize this risk by restricting the licensee to sales in his own country and/or by contractually binding the licensee to discontinue use of the licensed technology after termination of the contract. Further licensing is characterized by its exclusiveness, which means the licensor cannot use

Franchising

Franchising is a specialized form of licensing in which the franchiser sells intangible property to the franchisee and insists on rules to conduct the business. In the case of franchising, the service element is particularly prominent, because it includes general management and marketing assistance as well as technical assistance in operations. As franchising is a specialized form of licensing, it is characterized by the same advantages and disadvantages, which are described under licensing. Because franchising includes the service element it means that the licensor can control the marketing plan and program in the target country to a certain extent. A close working relationship may enhance the influence, however it can never be fully controlled.

Co-marketing

Co-marketing refers to agreements among a number of companies to jointly market their products and services. Advantages are the capability to reach more customers and to link your products to well established brands with a certain reputation in the market. Disadvantages are limited control and coordination because every issue has to be negotiated between all players (Peng, 2006).

In fact the brand-name PITT by Reginox is an example of co-marketing as PITT cooking and Reginox B.V. join forces to sell PITT products on the Asian market. For PITT cooking the partnership with Reginox may offer further possibilities, as also co-marketing with third parties may be an option. PITT offers only one appliance in the total package of 'kitchen appliances'. According to insiders in the kitchen industry it is unusual and sometimes even adverse when companies offer just one product. It is common that the total package of kitchen appliances is offered by one brand. In order to be competitive with these big brands, PITT can use co-marketing. In the case of PITT cooking co-marketing can be used as an instrument to educate the Singaporean how PITT can be used in combination with other products/brands and offer a complete package of kitchen appliances together. Even though co-marketing offers some potential advantages, PITT needs to be aware of some the difficulties. Co-marketing requires to find parties that are interesting and willing to collaborate. Further it means that together with these partners consensus need to be reached about

how to structure their joint activities. In most cases co-marketing limits a company's degree of control over its marketing activities.

R & D contracts

Research and Development (R&D) contracts refer to outsourcing agreements in R&D between companies. The idea behind R&D contracts is that companies join forces and make use of each other's resources and expertise, in order to come together to great results. Advantages may be outraging results and the ability to tap into the best location for certain innovations at low costs. A disadvantage is the risk of losing unique technology and to create competitors out of these clients (Peng, 2006)

PITT's partnerships with producers of kitchen working tops can be viewed as kind of R&D contracts. PITT cooking has used its partners on the Dutch market to evaluate and optimize integration of the cooking systems in the working tops. Where PITT's IPR can be seen as a key competence, it is unlikely that PITT is willing to join projects in which it risks its IPR. On the other side, the internal analysis showed that PITT's success on the Dutch market can be contributed to partnerships with producers of kitchen working tops in the form of R&D partnerships and the external analysis showed that Singapore has a strict policy concerning IPR. Further, the company has the vision that joining forces with the 'right' parties is the way to success. Hereby it is unlikely that PITT will agree R&D contracts with competing firms or unknown parties. R&D contracts may belong to the opportunities as long as agreement can be reached on terms and conditions that are in accordance with PITT's vision.

Assessment contractual agreement entry modes

The internal analysis learns us that PITT cooking has succeeded in registering several intellectual property rights (IPR) within Singapore. Hereby PITT meets the first and most important requirement for the contractual agreement modes licensing and franchising. Nonetheless, when we look at the appropriateness of these forms of contractual agreements, we can conclude that there are several elements which exclude these forms of contractual agreements as suitable entry mode for PITT in Singapore at this moment. The external analysis of Singapore taught us that Singapore is a country that is very conducive for international businesses, and does not preserve import tariffs. Further the country is characterized as a very secure environment concerning IPR. This makes Singapore an environment (market) in which contractual agreements may be seen as suitable.

When we look at the internal factors and consider the practical consequences of licensing and/or franchising as entry mode for the Singaporean market there are several reasons why these entry modes will not be the most viable option. PITT cooking has invested a lot in IPR within Singapore and some other countries in Asia, with the intention that these countries will generate a remarkable input for the companies. Based on these facts we can conclude that it isn't logical to choose for entry modes that limit the maximum potential income. Thereby the company is just a young company that is new on the international market, and therefore it could be questioned whether there will be parties that are interested to pay for a license contract. Further PITT has the vision to establish a strong international brand, and it wants to remain a high control on the marketing activities. Together with the director's statement that licensing is not being considered before PITT has established a strong international brand-name, we can conclude that licensing and/or franchising is not a serious option at this moment. But, having regard to the fact that the director has thought about this possibility says me that this is something that seriously will be considered in the future.

Adversely R&D contracts and co-marketing can be regarded as types of contractual agreements that are more suitable for the company PITT cooking. The internal analysis shows that PITT's business model on the Dutch market included partnerships that were based on such types of contractual agreements, and that PITT has the vision to use a comparable business model for export. These contractual agreements enclose characteristics of both R&D contracts as also co-marketing. PITT and its partners (Dekker B.V., Arte and Lion-Stone) agreed that PITT was offered on the market by use of the distribution channel of these partners, and that these partners in turn received preferred customer condition and the right to sell the unique PITT products and to integrate PITT systems in their working tops. Besides this PITT also used the knowledge of these partners to realise the concept of integrated cooking. Also for export PITT has the vision to use the expertise of other parties. Hereby both R&D contracts, as also co-marketing seem to be viable options. The external analysis taught us that sociocultural differences between Europe and Asia are significant, and that PITT's lack of knowledge about the Asian market has led to several problems by introduction in the Singaporean market. In order to prevent further problems and to modify its products to the Asian cooking habits, collaboration relating to R&D with local parties, which possess inside market knowledge, seems to be a viable option. Further the external analysis taught us that the structure of the kitchen market in Singapore is slight different, which weakens in some cases the position of PITT as supplier of just one 'kitchen appliance'. Co-marketing can be an appropriate form to join forces with other parties in the market. Hereby the primary function for PITT is to educate about and to show the market the possibilities in which PITT can be combined with other brands in one kitchen. While R&D contracts and co-marketing offer advantages and seem to be in accordance with PITT's vision, the search for appropriate partners and the willingness to collaborate with PITT on their terms and conditions can be seen as an obstacle in realizing these forms.

Overall we can conclude that licensing and/or franchising are not a viable entry mode strategy for Singapore at this moment, whereas R&D contracts and/or co-marketing may offer opportunities within the market.

| Assessment contractual agreements entry modes | | | | | |
|---|------------------------------------|------------------|--------------------|---------------------|--------------------------|
| Assessment criteria | Indicators | Mode of entry | | | |
| | | <u>Licensing</u> | <u>Franchising</u> | <u>Co-marketing</u> | <u>R&D contracts</u> |
| Feasibility | Can it be financed (costs) | + | + | ++ | ++ |
| | Realizable (internal factors) | + | + | + | + |
| | Business strategy | - | - | ++ | + |
| Suitability | Accessibility | + | + | + | + |
| | Realizable (environmental factors) | - | - | +/- | +/- |
| Acceptability | Return (in-depth factors) | - | - | +/- | +/- |
| | Risk | + | + | + | +/- |
| Overall assessment | | +/- | +/- | + | + |

table 8: Assessment contractual agreement entry modes

6.3 Export

Export is the baseline option, and is suitable where the product or services are easily transported from country to country and where the home-based competitive advantages are sufficiently broad to minimise reliance on local companies (Johnson et al., 2011).

To get its products into a foreign target market, a company can use several export modes or channels. The most well-known forms will be outlined in this paragraph.

Direct export

Direct export is a form of export in which a company sets up its own export organization within the company and has direct contact with parties in the target country, possible with and without intermediaries. In general direct exporting relies on two principal channels: the foreign agent/distributor channel or the branch/subsidiary channel. A third way of direct export, which is less common, is direct contact between the manufacturer and final buyers in the target market through mail-order exporting, or the use of company representatives working out of the home country.

Direct exporting offers several advantages to the manufacturer. Direct exporting permits the manufacturer to maintain partial or full control over the foreign marketing plan. Further, direct exporting has the advantage of quicker and more direct feedback of market information, which can improve the marketing plan, and may result in better protection of IPR. On the other side, direct exporting brings in some disadvantages and difficulties. Direct exporting requires the manufacturer to learn the procedures and documentation of export shipments and international payments, thus it has greater information requirements over indirect forms of export. Further direct marketing has higher start-up costs, and higher risks than indirect exporting. Thereby direct marketing involves the comprehensive decision about which channel type (agent/distributor, or branch/subsidiary) to choose, and to select individual channel members that are able to perform all needed activities. The export channel should be considered as the full marketing channel, rather than as a channel that stops with the foreign distributor or agent. Dependent on the product it may include promotional activities, physical storage and/or shipment, and pre- and post-purchase services (Root, 1994)

The external analysis shows us that the structure of the kitchen market in Singapore is different than in the Netherlands. Further it shows that it is hard for new young brands in the kitchen market to be accepted and establish market share, especially for PITT as they accrued some image issues because of the difficulties in the certification process. These facts make it very challenging for PITT to establish and manage its own direct export channel. Further the internal analysis shows that it will be difficult to manage the extra workload with the current amount of employees, and there is little room for investments which make a direct exporting unlikely. Thereby it shows that the company's vision is to become successful by joining forces with external parties. Other less costly and less risky forms of export seem to be more viable.

Indirect export

Export is perceived to be indirect when a manufacturing firm uses domestic agencies. In case of indirect export, the manufacturing firm does not undertake exporting on its own, but makes use of another party in the home country that performs these activities for them. Examples of such intermediaries are trading houses, sales agents, a broker, or an export management company.

Indirect exporting offers several advantages over direct exporting. Indirect exporting does not require incremental investment in fixed capital, it requires just low start-up costs, and is characterized by few risks. Further the need to obtain market information is lower, as a company can make use of the experience and knowledge of the indirect channels. At the same time it insulates the manufacturer at least partially from foreign markets, and does not allow manufacturing firms to have its own international market entry strategy (Root, 1994).

The internal analysis teaches us that PITT cooking does not possess the required market knowledge, and the capital needed to establish its own direct export channel. Further the external analysis showed that it will be hard for PITT to establish a market share on its own efforts. Therefore indirect export seems to be a suitable entry mode to enter the Singaporean market. But PITT abides a certain amount of control over its marketing policy. This may be difficult in indirect export.

Cooperative export

In addition to direct and indirect export, Kotabe and Helsen (2001) mentioned a third form of exporting; cooperative export. This entry mode is characterized by an agreement between the manufacturing company and another local or foreign company. Cooperative export seems to be a good choice for companies that lack the resources, but take the advantages of cooperation and exploit other's resources.

The internal analysis teaches us that PITT lacks the required resources to manage its foreign activities, and therefore the company's intended strategy for export is to realize export through partnership(s) with OEM partners. In 2013 an agreement with Reginox B.V. was agreed, which resulted in the establishment of the label 'PITT by Reginox'. The parties agreed that Reginox will arrange physical transport (export) of the PITT cooking systems towards its subsidiary Reginox Far East in Singapore. In Singapore Reginox Far East is responsible for promotion and sales of the PITT by Reginox products. The big advantage for PITT cooking lies in the reputation and network that Reginox already has established on the Singaporean market. By linking the company to a well-known brand in the market, PITT hopes to promote itself as a high-end brand on the Singaporean market, and to benefit from the network Reginox has established. For Reginox the advantage lies in the exclusive right to sell PITT products under the 'PITT by Reginox' label and in linking itself to an innovative concept.

Besides these advantages, practice shows us that there are some difficulties. The external analysis showed us that PITT has had difficulties in the certification process within Singapore, required to offer its products on the Singaporean market. Now PITT has obtained the required documents and the involved parties (PITT, Reginox, Reginox Far East) need to agree on the marketing plan. Practice shows us that there are some difficulties in agreeing about elements as pricing and promotion. Overall cooperative export seems to be a reliable entry mode, however also here some difficulties need to be overcome.

Overall feasibility assessment export

To go international for the first time, a company must overcome anxieties about its ability to compete in foreign markets. Given this situation, exporting will usually appear to the manufacturer as the best entry mode to international business activities. Exporting can become an international

learning experience, a development process that takes the firm toward more and more international sophistication and commitment (Root, 1994)

However not all forms of export seem to be valid for PITT as entry mode for the Singaporean market. The internal analysis shows us that PITT is a young company with no experience in exporting activities, and so no internal market knowledge. Further it shows that PITT has limited available resources, which means there is little room for investment, and limitations towards the extra workload PITT can manage internally. The external analysis shows us that the structure of the kitchen market in Singapore is different than in the Netherlands. Further it shows that it is hard for new young brands in the kitchen market to be accepted and establish market share, especially for PITT as they accrued some image issues because of the difficulties in the certification process.

Whereas direct exporting offers several advantages to the manufacturing, the facts described above make it very challenging for PITT to establish and manage its own direct export channel. As is outlined a direct export entry mode has higher start-up costs, is more risky, and has greater resource commitment requirements over forms of indirect exporting. Thereby it seems to be in line with PITT's vision to use the expertise of external parties, and to join forces in order to strengthen each other and to become successful together. Together these factors make that indirect export seems to be suitable for PITT as an entry mode.

A special form of indirect export is cooperative export. As is outlined in the paragraph cooperative export PITT has found such an export partner in Reginox B.V. The cooperation offers advantages for both parties, and overall cooperative export seem to be the most viable export option for PITT to introduce its products on the Singaporean market. However practice shows that also this form of entry mode has its difficulties. The consequence of this cooperation is that Reginox Far East is responsible for promotion and sales activities within Singapore. As there are more parties involved, PITT doesn't have full control over the marketing plan, but because of the agreements PITT has reached with Reginox they are able to have high control on the activities within Singapore. Overall cooperative export seems to be the most reliable export entry mode.

| Assessment equity export modes | | | | |
|--------------------------------|-------------------------------------|---------------|-----------------|--------------------|
| Mode of entry | | | | |
| Assessment criteria | Indicators | Direct export | Indirect export | Cooperative export |
| Feasibility | Can it be financed (costs) | +/- | + | ++ |
| | Realizable (internal factors) | ++ | ++ | ++ |
| | Business strategy | + | ++ | ++ |
| Suitability | Accessibility | ++ | ++ | ++ |
| | Realizable (environmental factors) | + | + | ++ |
| Acceptability | Return (in-depth factors) | + | + | + |

| | Risk | + | ++ | ++ |
|---------------------------|------|----------|---------------|-----------|
| Overall assessment | | + | + / ++ | ++ |

Table 9: Assessment export entry modes

6.4 Most feasible entry mode Singapore

Based on the negative screening method and the feasibility analysis that have been performed during this chapter, I can conclude that cooperative export is the most feasible entry mode for PITT to introduce its products on the Singaporean market. Cooperative export is characterized by low costs, a low dissemination risk, low resource commitment, and because of its relationship with its intended export partner Reginox, PITT will be able to control the international activities within Singapore for the greatest part. Co-marketing and R&D contracts came also forward as possible attractive entry modes, but the choice of these entry modes has the consequence of a higher dissemination risk and a lower extent of control. Further it requires partners that are willing to cooperate. For now cooperative export is the viable feasible entry mode.

Besides the feasibility on the company's internal factors and the external environmental factors, literature shows that export is generally perceived to be a feasible entry mode for companies that start their international activities. *At the start, the company has no experimental knowledge of foreign countries and markets, and this felt ignorance generates uncertainties that cause managers to perceive foreign business risks as far higher than domestic business risks. But as the company gains knowledge and confidence from actual export experience, perceived foreign risks decline to approach the level of perceived domestic risks* (Root, 1994)

Important to mention here is that external factors are perceived to be the most influential forces shaping a company's entry mode decision for a specific product or target country. Changes in external factors in the foreign target country may encourage or force a company to revise its entry mode. Therefore, it is vital for PITT to continually monitor external factors in the target country and be prepared to revise its entry mode in order to sustain or strengthen its market position (Root, 1994). This means that when environmental factors in Singapore change, or when another target market has different environmental characteristics another entry mode may be more appropriate.

Overall we can conclude that cooperative export seems to be the most suitable entry mode to successfully introduce PITT on the Singaporean market.

7. Marketing approach Singapore

This chapter is about the marketing approach and answers the last sub-research question. In the first paragraph will be outlined how PITT should position itself on the Singaporean market, before the structuring of the marketing elements is outlined in the final paragraph.

7.1 Marketing Approach (Positioning)

In chapter 2 is described that developing an international strategy involves a marketing plan, which outlines how a foreign target market will be entered. The marketing mix model will be used to describe how PITT should structure its marketing plan in order to successfully introduce its products on the Singaporean market. This will be outlined in the next paragraph (7.2). According to Doole & Lowe (2008) three types of international marketing approaches could be identified (see chapter 2.5), which is dependent on the chosen market entry mode in combination with a company's internal strengths and weaknesses and the external opportunities and threats determine a company's position in the market and so it's marketing approach. The selected entry mode cooperative export enables PITT to control the marketing policy to a great extent, but the external analysis teaches us that the Singaporean and Dutch environment differ on some points. To speak in terms of Doole & Lowe (2008) a domestic (export) marketing approach seems to be suitable here. A SWOT analysis will be used here to bring forward strengths and weaknesses out of the internal analysis and the opportunities and threats out of the environmental analysis. These should be considered as influential on the Marketing mix elements.

| SWOT Analysis | | |
|----------------------|---|---|
| Internal environment | Strengths | Weaknesses |
| | <ul style="list-style-type: none"> - PITT products do have distinctive characteristics - PITT's IPR (registered in Singapore) - PITT has found an export partner in Reginox B.V. - PITT has a clear vision | <ul style="list-style-type: none"> - PITT's workforce approaches maximum capacity - Financial resources are limited - PITT aims at the high-end segment (niche market) of the market |
| External environment | Opportunities | Threats |
| | <ul style="list-style-type: none"> - Singaporean economy is growing and in an upward trend - The percentage of Singaporean inhabitants that cooks on gas is at least 80% - Singapore can be seen as a key market in establishing market share on the Asian market - Singapore has one of Asia's best intellectual property rights regimes | <ul style="list-style-type: none"> - Singaporean people do have different habits towards food and cooking - Singaporean authorities preserve strict policies concerning gas appliances - Competition within the high-end segment is high - Singapore has a very open international trade policy - PITT has accrued brand-damage within Singapore |

Table 10: SWOT analysis

7.2 Marketing mix

In this paragraph will be outlined how PITT should structure its marketing mix elements, considering the strengths, weaknesses, opportunities and threats presented in table 9. This means that by structuring the marketing mix variables both the internal analysis and external analysis will be evaluated in order to structure the concerning elements in an appropriate and suitable way.

Product

Product refers to the range of goods and services which the company offers on the target market. As is described in the internal analysis part, PITT cooking offers a dozens of cooking systems, ranging from cooking systems that contain 1 gas burner to systems that contain 6 gas burners. However for the Asian (Singaporean) market a selection has been made. First of all it is financially not attractive to offer the whole PITT product range in Singapore, because of the size of the stock that is required, and the investment that is required to realise certification and registration for a model. Together with Reginox the choice has been made for a selection of 5 models (Azuma, Baula, Cusin, Dempo, Enep), which still required an investment of €50.000 for certification and registration of IPR. The selected models for Singapore are: Azuma, Baula, Cusin, Dempo, Enep. Besides this, cultural differences between the Netherlands and Singapore make that Singaporean people do have substantial different cooking and eating habits than Dutch people. Whereas among Dutch people the models with 4 and 5 PITT's are most popular, a preliminary market screening by Reginox Far East learned that the models with 2 and 3 gas burners are more common in Singapore.

Besides the current 5 models, Reginox Far East has denoted that PITT's current product range should be expanded with two more models. During the preliminary market screening Reginox Far East approached many potential partners, dealers, designers, developers and kitchen companies. Many of these contacts liked the new fresh, innovative and trendy concept, but there were also some critical responses about the incomplete program (without hood, oven and others), and there were doubts whether PITT products were able to withstand heat from Asian cooking. One of the interested parties (the Taiwan firm Shi Lei) performed some tests by themselves. During these tests PITT systems were exposed to Asian cooking conditions (cooking for several hours at high temperature). The results showed some irregularities under Asian cooking conditions: the temperature of the gas-knobs became too high, and the working top in which the PITT system was integrated ripped. Together with the duration of the certification process this has resulted in negative feedback and rumours on the market that PITT is unsafe and not suitable for the Asian market.

In order to make PITT products resistant to Asian cooking conditions and suitable for the Asian market, Reginox Far East has advised PITT to apply some product modifications. For the Asian market the choice has been made for the professional series. The original burners, made of aluminium, are not approved in combination with some sorts of gas that is used in Asia. Therefore the choice has been made to explicitly use the professional series, which means burners made of brass for the Asian market. Further Reginox Far East has advised PITT to adjust the product range on the Asian market, concerning relocating the gas knobs, and modifying the location of the gas burners on the 2 and 3 PITT models. As a response to this, PITT is in the process of developing two specific 'Asian models'. Images of these Asian specific models are depicted in appendix B. The concerning models are respectively a 2-PITT model and a 3-PITT model in which the gas-knobs are repositioned in the middle of the two burners (in order to increase the distance between the burners and the gas-

knobs), and at which the distance between the gas burners is greater. Another suggestion for product modification is to relocate the gas knob for the model Azuma with the knob located besides the gas burner instead of in the middle. A product enlargement that has already been introduced is the PITT stir-frying ring. As stir-frying is a cooking technique that is frequently used in Asia, this can be considered as a positive development in the process of modifying PITT to Asian standards.

As PITT is curious about how its product range relates to competitors in the market, I scanned the high-end competitors in the Singaporean market. This study of websites and product catalogues of several brands and retailers active on the Singaporean market gave the opportunity to benchmark PITT's product range to competitors. This learned us there are many competitors that offer several models on the Singaporean market, ranging from models with 1 gas burner to models with 5 gas burners. Remarkably is that almost all brands offer models comparable to the Asian PITT models, except for some high-end European brands as Miele, Gaggenau and Wolf, which stick to their European product line. The 2 and 3 PITT 'Asian' models with the knobs located in the middle can according to Larry be considered as most popular models on the market. The benchmark of PITT by Reginox' product range, including the Asian models, against competitive brands, learns us that PITT by Reginox has a comprehensive product range, both including 'Asian' specific models, as its own unique models.

Besides offering a physical product, part of PITT's product package is offering a maintenance and repair service. PITT offers its consumers a 5 year full guarantee service. In the Netherlands this service is arranged in such a way that the company sends a production worker to solve in-functionalities and/or defects at location. As this service is something that is part of the company's vision, and which they will offer all customers worldwide, PITT is seeking for a partner that may fulfil this service on behalf of PITT.

Due to regulation Reginox Far East is not allowed or licensed to install PITT in Singapore. Spring requires that gas appliances are installed by a Spring licensed associate. Therefore Reginox Far East is, on behalf of PITT, looking to hire a licensed contractor or professional engineer (PE) who has to install every system Reginox Far East sells to a dealer or end user. The ideal situation would be that this partner performs both installations as also maintenance & repair service. Meanwhile Reginox Far East has found a candidate and the idea is that this candidate will visit PITT cooking in January 2015 to follow a training

7.2.2 Price

Price refers to the value placed upon the goods, services and ideas exchanged between organisations and consumers, so in the case of PITT it is the amount of money that is placed upon the cooking systems. As was outlined in paragraph 2.5.2 there are several factors that should be considered in order to come to a well-considered pricing policy.

One important aspect is that a company's pricing strategy is in consistence with the objectives of the overall international marketing plan. A company may have other objectives than just profit maximization within a target market, as for example 'buying' market entry, establishing market share, quick profits, or enhancing a high-quality image. So pricing is not just the value a company demands for its product(s), but it is also a mechanism to create a certain image. The internal analysis

teaches us that PITT cooking aims at positioning itself as a high-end brand in the market with an accompanying pricing policy. The company is convinced that it has developed a unique and qualitative product that changes the dimension of cooking. The company has the vision that an associated pricing policy that emphasizes the high quality character of their products is suitable. PITT is aware of the relatively high price, but believes that people are willing to pay this price for qualitative, unique and distinctive products. Root (1994) states that for such a strategy to work, a company must serve a market segment that is willing to pay for high quality, and it must be able to persuade consumers/users that its product has that quality. Thereby he emphasizes it is a mistake for a company to believe that its high-quality image in the home market can be easily transferred to a foreign target, and that in general this only can be achieved through marketing effort in that market (Root, 1994). More on this will be outlined in the paragraph promotion.

Whereas PITT has the vision to maintain a comparable high pricing policy in Singapore, it is important to realize that prices could differ in different countries/markets. It is important for PITT that its prices are in relation to current market prices and Singaporean conditions. Therefore I investigated prices of several competitive brands on the Singaporean market. In-side information teaches us that the high-end market segment is dominated mainly by German and Italian brands, in which especially the German brands Miele and Gaggenau are seen as the premium brands. To benchmark PITT by Reginox prices, I collected information on Singaporean retail prices of competitive brands on comparable models, and compared them to PITT prices. An overview of this can be found in appendix D. By constructing these prices, I have taken into account the structure of PITT's distribution channel and used relevant and realistic margins. Export is arranged in such a way that Reginox Holland transports the products to Reginox Far East. From here Reginox Far East tries to sell to retailers/dealers/designers, before the product reaches the final customers. Each different channel wants to benefit, has its own margin, and costs to make. In the appendix is outlined what conditions are taken into account by calculating prices.

Another factor that should be taken into account is the impact of reputation and brand image. Whereas PITT has the vision they can compete on quality with the premium brands and even out-compete them on aesthetics and uniqueness, Larry emphasizes that these German brands have established a reputation by being active on the market for several decades. These brands are considered as premium brands. As PITT is new on the Singaporean market, the company has to prove it is able to compete with these premium brands. Thereby Larry states that PITT has accrued some image damage since its introduction about two years ago. The long certification process, Shi Lei tests, and rumours spread by competitors have according to Larry caused doubts in the market about PITT's safety. PITT has to prove itself as being a high-end qualitative brand.

7.2.3 Promotion

According to Root (1994) it requires a comprehensive approach to develop the appropriate promotion strategy for a target country. To deal with several obstacles as cultural differences, development of a promotion strategy requires answers on the following questions: How much to say?, Whom to say it to and why to say it?, What to say?, Which channel to say it through? And How to say it?

How much to say

Every product introduction in a new target market requires promotion activities. Not only to inform the market about the new products, but also to create a desire among potential customers to buy the products. Besides these standard reasons, PITT has faced several events that impact the required promotional efforts.

About two years ago PITT was firstly introduced on the Singaporean market. By that time many potential partners, dealers, designers, developers and kitchen companies were approached by Reginox Far East and informed about this new concept. Since then several things and events have happened that influenced PITT's image on the market. The first thing to mention is the certification process that took about two years. Another event that influenced PITT's image is the tests performed by Shi Lei. This kitchen retailer company was curious whether PITT systems were feasible for Asian cooking, and tested PITT systems under Asian cooking conditions. The tests showed that PITT's integrated cooking systems were not resistant to Asian cooking conditions. As a result of these events, PITT's competitors started to spread rumours that PITT is unsafe and therefore couldn't get Spring certification. Further they faced criticism of customers that already ordered PITT systems, because they were still not able to sell.

These events have caused some image damage for PITT within Singapore. In order to inform the market they have obtained the required Spring certification by now, to introduce their products again, and to convince the market PITT has modified its products in such a way it suits the Asian market now, several marketing activities need to be undertaken.

Whom to say it to and why to say it

The next step in the marketing plan is to specify the audience the company wants to reach through their promotional activities. For PITT yields the aim of their promotional activities is to reach both the end-customers, as also their channel members. In order to be specific about the latter, we need to consider PITT's distribution channel.

Reginox Far East is responsible for the actual marketing of PITT by Reginox on the Singaporean market. The external analysis learns us that the usual road to market from Reginox Far East towards the end-customers is through retailers/dealers/kitchen companies, in some cases preceded by a distributor. Another possible road to market is through designers. So the target audience is dual: the first group are the end-customers (actual users of the products), and the second group are the channels in the distribution channels that are active in the process of getting PITT by Reginox products to the end-customers.

Promotion activities can have multiple goals. Boddy (2011) referred to promotion (marketing communication) as the element of the marketing mix that involves informing customers about the merits of the product, and persuading them to buy. In order to convince potential customers, promotional activities can help realise this in several ways. First of all promotion is a way to introduce a brand/product and to create brand/product-awareness on the market. For PITT it is also a way to educate the market about the new concept integrated cooking, and how this concept can be used and combined in different kitchen settings and/or in combination with different brands. Further it is of interest for PITT to use promotion activities as a way to polish its brand/image. A way to do this is to re-introduce its products among retailers/dealers and to emphasize the fact PITT has

been certified by Spring now. Promotion can be an instrument to create enthusiasm and goodwill among these channel members, for example by providing them extra discounts and/or free show models.

The message to deliver (What to say)

No we have considered the audience and the aim of PITT's promotion activities, the next step is to define the buying proposition, the idea of how the buying proposition is to be presented (Root, 1994). Important here is that management considers how they want the promotion activities to be perceived by the audience. As PITT wants to present itself as an innovative and high-quality brand that aims at the high-end market segment, PITT's promotional activities should try to create an accompanying image that reaches the intended segment.

Which channels to say it through

In order to realise this, it is important to choose the appropriate channels. Different communication channels can be identified (Root, 1994): personal selling (face-to face channel), advertising (magazines, trade journals...), and sales promotion, which covers all promotion intended to supplement or strengthen personal selling, advertising, and publicity (displays, gifts, demonstrations....). Besides the channels mentioned by Root there are several other forms of promotion channels, as for example internet marketing and word-of mouth advertising among end-customers.

For PITT it is important to use the right channels and methods in order to reach the different types of customers. In order to reach the actual end-customers, PITT needs to find channel members within Singapore enable PITT by Reginox to get their products to the end-customers. For PITT by Reginox this means they have to find retailers, kitchen companies, dealers, distributors or other parties that are willing to offer PITT by Reginox products and/or can provide the distribution channel necessary to sell and deliver their products to the end-customers. In order to reach such potential channel members and to convince them personal selling seems to be the appropriate channel here. As the activities are arranged in such a way that Reginox Far East is responsible for the actual marketing, personnel selling will be performed by their sales associates. In order to convince retail partners, it is advisable to support personnel selling by sales promotion, offering them show-models on discount, and advertising in order to show them the possibilities PITT has to offer.

In order to reach the designers PITT by Reginox needs to talk to these designers and convince them about their products. According to Larry this will not be easy as architects normally like to use one brand for all the appliances within a kitchen. However he is convinced that some designer like the distinctive character of PITT products, and therefore are willing to push us together with other brands.

Besides finding and convincing potential channel members, PITT aims for several other promotional goals. PITT has the aim to position itself on the Asian market as a high-end brand that delivers qualitative and innovative products. In order to realise this product- and brand-awareness of PITT by Reginox should be realised, to start on the Singaporean market. Several methods can be used for this: advertising, internet marketing...

Ways of advertising - How to say it

Finally for effective promotion a company needs a full understanding of the foreign target audience. This means the buying proposition should address the needs and motivations of that audience, and should take account of for example the culture (Root, 1994).

The external analysis showed that European brands are considered as being high-end on the Singaporean kitchen market. In order to emphasize their exclusive character, PITT should bring forward the identity 'Made in Holland' in their promotional activities. As Root (1994) stated, a high-quality image can only be achieved through marketing effort in that market. So it will be important for PITT to invest in marketing during the introduction period

Based on the things described above we can conclude that promotion will be an essential element for PITT to realise a successful introduction on the Singaporean market, and to position itself as a premium brand on the market. The following ways of promotion can be considered:

- Personal selling: In order to realise dealer/retailer contracts and/or designers of projects, PITT by Reginox needs to promote their products to potential dealers/retailers/designers. Activities are arranged in such a way that this is the responsibility of Reginox Far East.
- Advertising: In magazines as kitchen trade magazines, kitchen/bathroom magazines and home/lifestyle magazines. Whereas PITT is involved in the design of such advertisements, the responsibility for execution lies at Reginox.
- PITT leaflet: PITT has developed an inspiration leaflet in which it depicts on a graphical way how PITT products can be applied and combined in different settings. Besides an inspiratory function, this leaflet could have an educational function in teaching and showing how PITT can be used in different circumstances.
- Video: According to Larry the best way for PITT to show the uniqueness of their products is to make a video in which PITT is installed in various nice designs of kitchen, and that shows cooking features, cleaning and if possible installation guides. The best strategy in the video is to show a worktop with traditional hob and same worktop with Pitt. A nice example of how such a video can be realised is the example of bora <http://www.bora.com/en/movies/>
- Trade shows: Kitchen trade shows are 'the place' for companies active in the kitchen market to present products/features, to network, and to meet new potential contacts. Each year several 'international' kitchen shows are organised. PITT is presenting their new 'Asian models' at the trade show 'Living Kitchen' in Germany (January 2015).
- Internet marketing: The influence of the internet in the kitchen market is growing. The internet provides many opportunities for PITT by Reginox to promote the brand and products. Internet marketing opportunities are: website, social media, internet advertising.

Place (distribution channels)

The element place can refer to the physical location of a company, as well as to the structure of the company's distribution channel. In this paragraph I will address both issues of this element. The home base of PITT cooking is Amersfoort in the Netherlands, where both the production facility and the office is located.

In order to get its products to the end-customers, and more important to realise actual sales within Singapore, PITT needs to establish a distribution channel consisting of channels that are necessary to get the products to the end-customers. For reaching the Singaporean market, PITT cooking has chosen for an export partner, namely Reginox. Reginox Holland takes care of the physical transportation (export) of the PITT by Reginox cooking systems. From Holland the products are transported to their facility in Singapore, known as Reginox Far East. From here Reginox Far East is responsible for the actual marketing of PITT by Reginox within Singapore. From here Reginox Far East tries to find kitchen companies/retailers/designers that are willing to offer PITT by Reginox within their shops and/or want to act as intermediary between Reginox Far East and the actual users of the products, the consumers. Such potential channel members are the parties that will actually generate income for PITT, as they are PITT by Reginox' actual customers. These parties can be seen as the crucial channel, as they generate income for PITT and are the essential channel in getting PITT by Reginox products to the actual end-customers.

Based on the preceding chapters we can conclude that there are several roads to market, in other words several potential channel members that can facilitate in getting the products to the end-customers and therefore can be considered as customers for Reginox Far East. The several channels can be considered as potential channel members:

- Local retailers/kitchen companies: On the Singaporean market there are some local parties (kitchen companies, kitchen appliance retailers) that can be considered as active in or aiming at the high-end segment of the kitchen market. During a first market screening several local parties have shown their interest in PITT by Reginox products. Possible candidates are: Rinal electrical, Watelier, Mudian, Harvey Norman.....
- International kitchen companies: Several international kitchen companies (manufacturers of kitchen frames) as Poggenpohol, Siematic, Boffi, Aclinea.... do have their own retail shops/showrooms within Singapore. Especially the German and Italian brands are considered as high-end and could be interesting parties for PITT by Reginox. However due to company-suppliers policies with companies as Miele, Siemens, Gaggenau.. these parties are hesitating to display PITT in their showrooms. A possibility here is to use Reginox' international contacts to get in contact with the parent company and to discuss the possibilities.
- Designers: Singapore is known as a design hub, with multiple architect companies responsible for new building projects within Singapore and Asia. Most of these architect companies have their own in-house designer(s) responsible for interior, sanitary and kitchen etc. Reginox Far East needs to promote PITT by Reginox products among such designers and convince them to use PITT by Reginox cooking systems in their design projects.
- Distributor: Another possible customer for Reginox Far East could be a distributor that functions as an intermediary between Reginox and retailshops/dealers. Because of the market structure this seems to be less likely, but it shouldn't be excluded

8. Discussion

In this final chapter I will present the conclusions and give a reflection on the research. In the first paragraph I will describe conclusions, and provide answers on the research questions that were introduced in chapter 1.4. In the second paragraph I will give a reflection on the research. Further I will discuss theory vs practice and discuss some limitations of the research, before I will conclude this research with some recommendations.

8.1 Conclusions / Answering the research questions

Conclusions are described by the individual steps of the research. Each step will provide an answer or answers about one of the research questions.

research framework

The first sub-research question is about what 'internationalization' is, and what steps are involved in developing an organisation's international strategy. A literature study taught us that development of an international strategy is a comprehensive research and that researchers within the field do have different interpretations and ideas about what internationalization involves and what factors do have an influence on this. The framework presented in chapter 2.7 is based on Whitelock's (2002) model of international market entry, in which he describes the key factors (elements) of four dominant theories in the field of research. Whereas Whitelock (2002) identified factors to consider in the process of internationalization, the model lacks to describe what steps it does involve and how to perform these steps. Further it can be concluded that Whitelock's model is based on 'traditional' theories that have outlined internationalization from the perspective of MNEs. This research places the internationalization process in the light of small firms, and presents a case of a small firm that is developing an international strategy. The model provided in chapter 2.7 can be used by small firms in developing internationalization strategies.

Internal analysis

This analysis gave insight in the company's resources, the business orientation/philosophy and the company's goals and objectives. PITT cooking is producing PITT cooking systems that can be seen as qualitative and innovative products for the high-end market segment. PITT can be considered as a small company with limited resources in human capital, financial capital and management competences, which supports entry modes that call for small resource commitment. Despite its limited resources, PITT has serious international growth ambitions. In order to realize this, the company has found an export in Reginox B.V. This strategy corresponds with PITT's philosophy, which is based on partnerships and bundling forces.

External analysis Singapore

The external analysis described different aspects of the Singaporean external environment. The external analysis shows that Singapore is a relatively small market, but that it is a market in which about 80% of all cooking systems sold are gas cooking systems. Further it shows that PITT by Reginox provides the required infrastructure and it learns that the Singaporean market has several other positive elements: a growing wealth among citizens, a substantial high-end market, Singapore is a design hub, has a stable political situation and an environment that is very conducive for

international business. However there are also some elements which may hamper a successful introduction of PITT by Reginox on the Singapore market. There is a lot of competition on the market and some dominant players within the high-end segment of the market. Further the geographical and sociocultural distance are great and this has resulted in some difficulties. Within Asia people have different cooking habits, and the initial introduction has led to some introduction problems.

Choice of entry mode

In this chapter the different entry modes were outlined, was described what advantages these entry modes could offer and was analysed what the most suitable entry mode(s) are for PITT to enter the Singaporean market. While out of traditional theories can be concluded that export entry modes are considered as the most viable entry mode for businesses that start international businesses activities, this research concludes that this view is too narrow and not applicable to all organizations today. This does not mean that the research of traditional theories is useless. It just requires to integrate views on small firm internationalization and more recent research. There doesn't exist a roadmap or single model for internationalization of small firms. The choice of entry mode decision should be analysed by assessing both the internal and external analysis, and so is dependent on the specific case.

During this research a well-considered analysis based on both an internal and external analysis has been performed in order to identify suitable entry modes. Cooperative export came out as the most feasible entry mode for PITT cooking to enter the Singaporean market, as it best suited external environmental factors and company's internal factors. Other possible entry modes that would be suitable for PITT to enter the Singaporean market are co-marketing, and R&D contracts.

It is clear that this doesn't mean that cooperative export would be the only suitable entry mode in Singapore or in other potential target markets. The research just tells us that cooperative export is most suitable for Singapore at this time. A change in internal capabilities or a different environmental context could mean that other entry modes come forward as complementary or even alternative entry mode.

Marketing

This chapter outlined the marketing approach Singapore. In this chapter the marketing mix elements (product, price, promotion, place (distribution channel)) are described and is outlined how the marketing mix elements should be structured in order to realise a successful introduction of PITT by Reginox on the Singaporean market. An outline of the element product learned us that PITT is planning on enlarging its product range in Asia by developing 2 new 'Asian specific models', and it should consider whether the other models should be modified to Asian cooking conditions. Further a local repair & maintenance service employee should be trained by PITT. Whereas PITT has a clear vision that it wants to position their products on a price range within the high-end segment, the parties involved need to reach agreement about appropriate pricing level. Competitive market prices, margins, introducing price and/or introducing discount are elements that should be leading in this discussion. Describing of the element promotion made clear that PITT by Reginox needs to invest seriously in promotion and marketing activities in order to polish their image and to enlarge product- and brand-awareness. An important event will be 'Living Kitchen' in January 2015, at which PITT wants to introduce the 2 new Asian models. Promotion is also an element that should be used in the process of attracting the right retailers/dealers. PITT by Reginox needs to promote their products

among retailers/dealers active on the Singapore market and strict the right parties. Another possible road to market are designers.

8.2 Reflection

8.2.1 Reflection of the research

This study can be assumed as an expansion to the current field of research on 'internationalization', as it reviews the field of research, develops a modified 'internationalization' framework, outlines how organisations should perform the different steps, and provides an outline of the company PITT cooking that is developing an international strategy for Singapore.

There are previous studies that have investigated, outlined and/or developed models that describe the process of developing an international strategy. But researchers differ in their interpretations of which variables influence the issue of market selection and the choice of entry mode selection (Sakarya et al., 2006). Whitelock (2002) reviewed the field of research, and found a diversity of opinions on the internationalisation process of the firm among different researchers over time. He constructed a model of international market entry based on four dominant theories in the field of research, in which he mapped the key elements into two categories of variables: market factors (environmental), and firm (internal) factors. Whitelock's findings are to a great extent in accordance with Root's factors in the entry decision mode model, and both can be assumed as tools that describe what factors are involved in a firm's market selection and entry mode selection process. Clear is that literature emphasize both the influence of external (market) and internal (firm specific) factors, and that both categories of factors are influencers in the market selection and entry mode selection process.

Whereas literature provide studies that describe what elements are involved in developing an international strategy (Whitelock 2002; Root, 1994), these lack to describe accurately how to perform these steps, especially the market selection and entry mode selection process. Koch (2001) developed the eclectic market and entry mode selection (MEMS) model, in which he outlines how to come to a well-considered assessment of the market and entry mode selection, by following the three stage logic (Cavusgil, 1985; Kumar et al., 1994; Root, 1994; Johanson et al., 1997).

The literature review learned me that while there has been done lots of research within the field of international strategy, it lacks a model that describes accurately what it involves to develop an international strategy in practice, a model that is up-to-date and incorporates recent trends as the internet, a model that views the process of 'internationalization from the perspective of the organization, and that describes how these steps should be performed. This research contributes to literature in providing such a framework and description. In chapter 2.7 a modified framework is presented based on the literature review. This model gives a clear and comprehensive picture of what it involves to develop an internationalization strategy. Unlike other theories in the field of research the model does not only picture the factors that are of influence on the internationalization process, but it also outlines the steps to perform and how these steps can be performed. Thereby the looks at the internationalization process from the perspective of small and medium-sized enterprises. The model presented can be used as a roadmap by companies that are in the process of developing an internationalization strategy or strategies.

The choice of target market and choice of entry strategy includes consecutively initial market screening, in-depth market screening of attractive market(s) (external analysis), and eventually market and entry mode selection. The fourth step in the framework is about determining the marketing approach. As a final step I added a step of. It should always be evaluated whether a chosen strategy meets the intended organisational goals and what entering new markets would mean for the company.

Another part I want to discuss here is whether the research reached its intended goals the former best can be answered by looking back at the main research question of the research. In chapter 1.4 the following main research question was formalized: *What would be a suitable internationalization strategy for PITT cooking to introduce its products on the Singaporean market?*

All the topics that underlie the sub-research questions have been processed in such a way that they correspond to literature or were in the best interest of this research. For answering the different research questions I looked at what information was required, and based on the information needs, I have selected the most appropriate information sources. Especially the interviews provided me with in-depth information that contribute to the reliability and validity of this research. More on this will be outlined in the next paragraph. The result is a comprehensive and well-considered marketing plan that concludes with actions points on all of the 4 P's (product, price, promotion, place), and which will help PITT by successfully introducing its products on the Singaporean market.

8.2.2 Reflection: Theory vs practice

As can be drawn up from theory (chapter 2), the development of PITT cooking's international strategy during this research differs on some points from the general theoretical framework for developing an international strategy. During this research the choice has been made to focus solely on the market Singapore, which makes it superfluous to perform the initial market screening step and the market selection step. The in-depth market screening, performed by an external analysis of the Singaporean market (chapter 5), and the entry mode selection (chapter 6) were necessary steps in this research to get the required information and to handle all the required topics. Important to mention here is that the model depicted in chapter 2.7, as also other theories in the field of research are based on the assumption that developing an international strategy requires an assessment of multiple target markets. In some situations, as also was the case during this research, companies are in the situation that circumstances or decisions have selected one or more markets that have been pointed out as potential target market(s). In such situations the initial market screening phase may be superfluous, or may be limited to the selected number of target markets.

Further it is outlined that during this research the choice has been made for an extensive internal analysis by use of Osterwalder's nine building blocks (2005). Although Whitelock suggest only 3 firm factors that are of influence on the internationalization process, I performed a more comprehensive internal analysis. The reason for this is that I as an outsider of the company didn't had any knowledge of the company's internal organization, and a description of the internal organization by use of Osterwalder's nine building blocks gave me an insight into PITT's internal organization.

An additional step that is performed during this research is to provide some extra practical relevance for the company, by adding a chapter in which the implications of the international ambitions for the

company PITT are described. In consultation with Maikel Bink (director of PITT cooking), the choice has been made to add this step in order to give him an insight in what the international ambitions of PITT cooking may mean for the company. In order to structure this chapter I have chosen Henry Mintberg's (1979) multi perspective approach, which views the growth and development of an organisation from four different perspectives: financial, strategic, structural, and organisational. During this chapter I imagined PITT cooking at the end of 2019 (5 year period), based on the assumption that by then PITT cooking has grown to a turnover of €10 million, which means a total sales of about 10.000 cooking systems. As it is outside the scope of this research, this chapter will not be added in this Master Thesis, but it may provide organizations an insight in what the internationalization plans will mean for the company.

8.3 Limitations

Some limitations can also be detected for this research. The first thing that may be questioned is the research strategy and whether the research reached its intended goals. Whereas the intended goal for the company PITT cooking was to identify the best opportunities for international expansion within Northern-America, Europe and Asia, the research was focused solely on the country Singapore in order to give more depth to the research. However the research indeed provides an in-depth and comprehensive international strategy plan for Singapore and has turned out to be very relevant at this moment, it doesn't provide a complete assessment of the company's best opportunities for international expansion in Northern-America, Europe and Asia.

Also from an empirical point of view the quality of the research may be questioned. Babbie (2007) mentions two criteria of measurement quality: 1) Reliability is described as the measurement method that suggests that the same data should have been collected each time in repeated observations of the same phenomenon, 2) Validity is a measure that accurately reflects the concept it is intended to measure. As is outlined in chapter 3, the data that is used during this research is carefully selected by making use of both desk research and interviews. Desk research was especially used during chapter 4 and 5 of this research in which main data sources were the PITT cooking business plan, and well-known data sources as the World Bank. Interviews were used to obtain knowledge that couldn't be obtained by desk research and/or in order to get more in-depth information. The interviewees were selected based on their expertise and the interviews were structured around the selected factors, outlined in chapter 2. These factors have been selected based on a thoroughly theoretical analysis and therefore can be assumed as being appropriate criteria for this research. The outcome of this research is an in-depth and comprehensive research that outlines and describes all the elements of the international framework of chapter 2.7. In this light I can state that the research reflects the concept it is intended to measure and is performed in a well-considered and reliable way.

Another point that may be questioned is that the research contains a case study. One of the limitations of theory development from case studies is that one may be developing specific explanations for narrow phenomena that cannot be generalized to a higher level (Eisenhardt 1989). Indeed it may be questioned whether the case study is generalizable to a higher level. Whereas parts of the outline research may be generalizable for the company PITT cooking in such a way that it might provide input for international strategies in other target markets, we can assume that the results of the case study are useless for other companies. However the research also consists of a

research design step in which a new internationalization framework is developed from a company perspective. This framework may be very useful for companies that are in the process of internationalization. The chapter theory (chapter 2) gives an outline of the different elements and provides an outline of how the different steps could be performed. The generalizability of these parts of the research may be considered high. Further the case study provides an elaboration of a company that actually performs the development of an international strategy. A limitation in this is that not all the steps of the framework are fully executed during this research.

8.4 Recommendations

Now this research has been completed I will conclude with some key recommendations that came forward out of this research. First of all I want to highlight some recommendations that may help the successful introduction of PITT on the Singaporean market and to manage the international growth of the organisation.

PITT cooking

- Continue and further intensify the partnership with export partner Reginox B.V. Cooperative export turned out to be the most viable option for PITT cooking to successfully introduce PITT cooking on the Singaporean market at this moment.
- Develop and introduce 2 new 'Asian specific' PITT cooking systems. Also a relocation of the gas knob concerning the model Azuma should be considered.
- Adapt the pricing policy on the Singapore market. Market research showed that a different pricing policy may enhance PITT by Reginox' competitive position on the Singaporean market.
- Intensifying and expansion of marketing efforts. The research learned us that PITT by Reginox has accrued image damage within Asia over the last two years. Promotional activities are key in proving the market that PITT by Reginox has done modifications and now is suitable for the Asian market. A first key event is the living kitchen trade fair (January 2015).
- Finding the right distribution partners. Hereby PITT by Reginox should aim at local retailers, international kitchen companies, as also designers.

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World Bank

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competitors/retailers

<http://www.tecnogas.com.sg/Product/ProductList.aspx?catId=1#>

<http://www.turbo-italia.com/#>

<http://www.elba.com.sg/>

<http://www.ef.com.sg/>

<http://designforlife.miele.sg/sg/en/products/>

<http://www.gaggenau.com.sg/> <http://www.siemens.com/answers/sg/en/#-2491430> <http://www.bosch-home.com.sg/> (belong to same holding company)

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<http://www.rinnai.sg/products.php>

<http://www.teka.com.sg/>

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<http://subzerowolf.com.sg/>

Appendix A: Complete Internal Analysis

In this part the internal organization of the company will be outlined by use of the nine business model building blocks (Osterwalder et al., 2005), as this gives a comprehensive picture of the company's business model, by describing different pillars of the internal organization.

4.1 The Business model, by use of the nine building blocks

Value Proposition

Pitt cooking produces and offers integrated cooking systems, a concept in which gas burners are integrated in the working top of a kitchen. This revolutionary concept changes the dimension of cooking, as it unites the kitchen working top and the traditional gas hob into one. PITT cooking changes the traditional kitchen design and is characterized by its unique aesthetics.



Figure 11: traditional cooking vs integrated (PITT cooking)

Besides its unique aesthetics, PITT cooking is characterized by its functionality because of the distance between the gas burners and the quality of the burners, and its wide product range. PITT cooking offers in total 22 models, ranging from cooking systems that contain just 1 gas burner to cooking systems that contain 6 of them. The different models show a variety in line-up of the gas burners and the power the gas burners are able to deliver (2KW, 3KW, or 0,2-5 KW combi burner). Special variants are the XL-line, in which more space is created between the gas burners, and the 'Professional line' (gas burners made of messing). Further PITT cooking offers accessories as a stir-frying ring. The PITT cooking systems can be integrated in a wide variety of kitchen working tops: composite, granite, concrete, terrazzo, glass, ceramics, Corian, LG Hi-Macs, Green Core, Top Core and stainless steel. All together this means that PITT cooking systems can be fully customized to the wishes of its customers, and therefore can be suited for every type of kitchen. As an additional service PITT cooking offers its customers a 5 year guarantee service, which means that the company takes full responsibility for in-functionalities of the PITT cooking systems, and offers full service to resolve possible in-functionalities and/or defects. The service means that when customers face in-functionalities or defects of the cooking system, within 5 years after purchase, one of the PITT production workers will visit the customer and solve the problem at location against no extra costs.

Target Customer

PITT cooking has positioned itself in the market as a brand that offers high-quality products and brings a new dimension of cooking to the market. PITT positions itself as a luxury brand that offers

products for private users. The PITT cooking systems can be fully adapted to the wishes of every customer, so in fact all private users that are in need of a cooking system may be potential buyers. However the company preserves a relatively high price basis, which highlights the character of the products. The company aims at serving the luxury segment of the consumer market. Its target customers are private users that value the product for its high-quality, unique design, functional capabilities, or the fact that the PITT cooking systems fully work on gas. Despite the focus is not on the hotel and catering sector, the PITT cooking systems may be useful for this market segment as well. Especially the XL models, and/or professional line may be interesting for this segment.

As is outlined the company focuses on the luxury segment of the consumer market. Although PITT produces a consumer product, the company uses 'partners' to bring the product to the end-consumer. Within the business model, these 'partners', which in fact are parties that serve as intermediaries between PITT and the end-consumer, can be considered as the company's customers.

Distribution Channel

PITT produces a consumer product, but their business model is not based on a direct selling point between the company and its end-consumers. The company cooperates with 'partners', that are classified based on the turnover they realise for the company. On the Dutch market these partners are producers of kitchen working tops, but also other types of partners may be possible as for example distributors and/or retail companies. Through these partnerships PITT cooking makes use of the distribution channels of its partners to get the product to the customers. As part of the partnership, the partners will get preferred customers conditions. PITT distinguishes several types of 'partners'(customers) :

- Official Partner: This type of partners are producers of kitchen working tops that are active on the Dutch market, and generate a turnover \geq € 50000
- Selected Partner: This type of partners can be any party that has an interest in selling the product, and generates a turnover \geq € 25.000.
- Random Partner: This type of partner can be any partner that is interested in selling the product, but generates a turnover below € 25.000.
- OEM: This type of partners are original equipment manufacturers (OEMs) of complementary products, that have a certain level of experience and an international reputation. PITT seeks such 'OEM partners' that are willing to introduce and promote the product PITT to their contacts, in order to get international brand-awareness.

A type of partnership that deserve some extra attention here are the 'OEM partners'. Whereas the partners outlined under 'target customer' are partners on the Dutch market, 'OEM partners' are partners on the international market(s). These 'OEM partners' are responsible for the export of the products. Hereby PITT does not only use the distribution channels of these partners, but also chooses to offer their products under a 'PITT by Label', that carries the name of the 'OEM partner'. The logic behind this business strategy is that PITT cooking makes use of the reputation, and promotion activities of the 'OEM partner'. PITT has found an 'OEM partner' in the company Reginox B.V. for export to the Asian market. This means the products are introduced under a 'PITT by Reginox' label on the Asian market. More on this will be outlined in the paragraph 'Partner network'.

Relationship

As is outlined there is no direct selling contact between the company and its end-customers. The partners are crucial in the current business model, as they function as intermediaries in the process of getting the product to the end-customer, and also deliver the working tops in which the cooking systems are integrated. Without these partners it would be much more challenging to get its product to the market. Also in the development of creating brand awareness for PITT cooking and promotion of its products, the partners perform a crucial role. By linking the PITT cooking products with its partners, who are parties with a certain reputation in the market, PITT creates a certain image. PITT understands the value of their partners, and therefore maintains a close and intensive relationship with its partners. The company sees the partnerships as mutual influencing relationships that offer advantages for both parties. PITT makes use of the distribution channel, promotional activities, and reputation of its partners, whereas the advantages for the partners lie in offering unique high-quality and innovative products against preferred customer conditions. In order to exploit the possibilities the partnerships may offer for both parties, close and intensive links are maintained and possibly further intensified.

Despite the fact that there is no direct 'selling contact' between the company and the end-users of their products, the company values direct contact with the end-consumers. The company sees internet marketing by use of an interactive website and social media as tools that can be used to realise a direct contact with the end-customers. Such a direct customer approach enables the company to create brand-awareness among its customers, enables the company to talk directly with its customers, and offers opportunities in using the customer in peer-to-peer-marketing (using the customer as an ambassador of the product). PITT is convinced that the provision of information by the internet has a growing influence on the consumer decision making process, and therefore invests in internet-marketing. Another point at which the company has immediate contact with the end-customer is the repair and maintenance service. When customers experience in-functionalities and/or defects they can contact the company by phone call or e-mail for a service appointment. This means that one of the company's production workers will visit the customer at location to solve the problem. On this way PITT tries to minimise discomforts for the end-customers that may arise by using the product.

Value configuration

PITT cooking develops and produces integrated cooking systems. PITT cooking's main activity is the development and production of the cooking systems. The production process is characterized as very labour intensive and consists of assembling the multiple components into customized cooking systems. All components are high-quality components that are among the best in their product group, and are fully tested and certified among the required conditions. All units are made at the production facility in Amersfoort, the Netherlands by internal trained employees.

Besides the production workers that are responsible for the physical production of the PITT cooking systems, the company's staff consists of a director, a marketing and communication associate, a financial associate, a product development associate, an account manager for the Dutch market and three production workers. These associates that all are active in their own type of specialization, together are responsible for the daily operations and a further growth of the company. The main short term goals for the company are: enlarging the sales on the Dutch market, introduction on the Singaporean market, enlarging the brand-awareness and a further development of the products. One

of the goals for the coming years is entering the Singaporean market, which is seen as the gateway to the Asian market. Besides the Asian market the company sees also opportunities in establishing market share on the European market, North America, and Australia. By promotional activities as for example international kitchen fairs, as also partnerships with 'OEM partners', PITT cooking tries to realise this international expansion.

Core competency

PITT cooking succeeds in developing and manufacturing high-quality and unique cooking systems. When we look at the core competencies that are necessary to execute the company's business model, several competencies can be identified. First of all the physical products: the PITT cooking systems. The company has developed a product that brings a new dimension of cooking to the market, known as 'integrated cooking'. PITT products differentiate itself in aesthetics, quality, ease of use and uniqueness, and this distinctive character can be considered as one of the core competencies.

Besides its distinctive character, the company's Intellectual Property Rights (IPR) can also be considered as a core competency. The PITT cooking design is a unique concept that is patented on concepts as technology competences, aesthetics and trademark in several regions around the world. This makes PITT the only party that is allowed to produce the products against captured conditions, within the registered regions. Besides the exclusive right to produce and sell the product, granted by the patent, PITT possesses the knowledge necessary to produce and further develop the product. This knowledge is partly incorporated in the employees of the company. However these associates are according to the director at least partly replaceable, it takes time to replace people and/or hire new people. These associates have knowledge about the product and the operations, and also experience with them and therefore also should be seen as a core competence.

Further the way PITT organizes its activities and the partnerships with different types of partners are crucial in this process and can be seen as a core competency. PITT has agreed contracts and partnerships that give the company exclusive advantages. An example is the contracts with the suppliers of the components, which enable the company access to the necessary components against agreed conditions. Another example are the partners on the Dutch market, which enable PITT to offer a high variety of sorts of kitchen working tops in which the cooking systems can be integrated. Further the partners provide the distribution channel that bring the products to the end-consumers and create the image that makes the products a success. These partners are key for PITT in organizing its business activities and therefore are a core competency for the firm.

Partner network

As was described in the paragraph 'target customer', PITT identifies different types of partners (customers). In this part I will describe the company's partner network and the conditions that are agreed with these partners.

- Official Partner: PITT has found 'official partners' in: Dekker B.V., Arte and Lion-Stone, which are all producers of kitchen working tops on the Dutch market. PITT gives these partners the right to sell its product against preferred customer conditions (discount rates of 45 -48 % on gross price, showroom 60%, and payment discount of 8 days 6%) when they generate a turnover \geq € 50.000 for PITT. All of these partners are producers of working tops that are

active on the Dutch market. PITT recognizes these partners as crucial for their success on the Dutch market, and wants to intensify these relationships.

- Selected Partner: Any party that generates a turnover \geq € 25.000. PITT offers these 'selected partners' preferred customer conditions (discount rate of 35% on gross price, showroom 60%, and payment discount of 8 days 6%)
- Random Partner: any partner that is interested in selling the product, but generates a turnover below € 25.000. PITT offers these 'random partners ' preferred customer conditions (20% discount on gross price).
- OEM: International active partners that will perform the roll of export partner. PITT sets the condition that an OEM partner must sell at least 500 systems in the first year, 1500 in the second year, and 3500 in the third year. Dependent on the kind of partner and the type of contract, PITT makes individual agreements with these OEM partners. The aim of cooperation's with OEM partners is to introduce the PITT cooking label on foreign markets, by making use of the distribution channel and network of these contacts. The benefit of cooperation's with established OEM partners is that these partners have established a certain market share in the target area, and they take are responsible for the physical export of the products. This means they have built up a network and a certain reputation. The idea behind this concept is to create a win-win situation. PITT offers the OEM partner a market advantage, by providing the right to sell an innovative and high-quality product against preferred customer conditions, whereas the advantage for PITT lies in the fact that they use the reputation and contacts of the partner to successfully introduce its product in a certain market. The initial idea was to search for local distributors that are willing to introduce their label. However they started a special type of cooperation with the company Reginox B.V. The cooperation with Reginox B.V. has resulted in the emergence of the label 'PITT by Reginox' for the Asian market.

Reginox B.V. is a producer of sinks, working tops and complementary kitchen accessories. The company is active in the Asian kitchen industry for several decades, and has established a reputation as a producer of high-quality products, both on a national as on an international level. Especially in the Asian market, where an established reputation is seen as important, the concept seems to work. The label 'PITT by Reginox' has led to several contacts and positive reactions. Because of the starting success of the 'PITT by Reginox' label on the Asian market, the companies are planning to use this label also on other international markets.

Important to mention here is that the choice for Reginox B.V. has been a well-considered decision. According to Maikel Bink, Reginox is a party that fits PITT cooking, because the character of both companies matches. Both companies aim at offering qualitative and innovative products within the same market and therefore strengthen each other's character and position in the market. The agreement basically gives Reginox B.V. the exclusive right to sell PITT products within Asia and other export markets. Thereby PITT is conscious of the fact that Reginox possibly would not be able to reach 100% of the market by now, but the idea is to realise a stable growth curve together. According to Maikel Bink this enables the company to realise a steady growth of the company PITT cooking. Besides Reginox also partnerships with other 'bigger' parties have been considered, but at this moment the company is not prepared for a party that directly guarantees sales of 10.000 to 15.000 units. Although Reginox B.V. in principal has the exclusive right to export PITT products, the companies have agreed that PITT cooking is allowed to use its own trade name 'PITT cooking' in

countries where the company succeeds to introduce the products by themselves. This has happened in the United States and seems to happen in Australia as well. Besides this, agreements have been made with Reginox that PITT cooking has the right to consider possible other cooperations in the future, but Maikel Bink emphasizes that they have confidence in Reginox as 'OEM partner'.

Cost structure

PITT cooking was established in May 2009 (about 5 years ago). In order to realise its establishment, PITT cooking was in need for investments to realise this. When we look at the cost structure of the company, we can conclude that the company is financed partially by shareholders equity, and partially by borrowed capital.

The shareholders equity concerns investments by the three shareholders of the company. The first investment, which concerned the materials that were necessary to produce the first 500 PITT cooking systems, was financed by one of its shareholders. Besides this first investment the company's shareholders (3 men) invested in the company by use of subordinated loans, which both posted on the company's financial statements.

As is outlined before, the company's cost structure is also partially based on borrowed capital. This part of the cost structure concerns an arranged current account ratio with the bank.

Revenue model

As is described in the paragraphs above, PITT's business model is structured in such a way that its partner are responsible for the actual sales. PITT categorizes its partners into different categories against conditions that are determined in advance.

The 'partners' function as intermediaries between PITT and the end-customers, and are therefore the parties that generate incomes for the company. These partners are the parties that actually sell the integrated cooking systems on the Dutch market, and therefore generate the cash-inflows for PITT cooking. For export to Singapore PITT has arranged a partnership with Reginox that makes Reginox B.V. the party that realizes sales in Singapore and generates income out of Singapore. Possible other partners will generate incomes on the same way. By expanding its partner network, especially seeking opportunities to introduce its product to the international market, the company hopes to realize a five-fold increase of its revenues in the coming two years.

Appendix B: Asian specific PITT models

2 PITT model



3 PITT model



Appendix C: Comparison of potential PITT prices against competitive models

| | | Minus 45% to 24 pieces | Minus 52 % > 25 pieces | Minus 56% > 50 pieces | Minus 58% > 100 pieces | Minus 60% > 250 pieces |
|-----------------------|------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|
| 1 PITT (Azuma) | | € 1.002,77 | € 875,08 | € 801,84 | € 766,16 | € 728,61 |
| Miele CS1018G | € 1.824,21 | | | | | |
| Miele CS 1028 | | | | | | |
| Miele CS 1011G | | | | | | |
| Gaggenau VG 414 | € 3.550,48 | | | | | |
| De-Dietrich | € 1.098,00 | | | | | |
| 2 PITT (Baula) | | € 1.706,97 | € 1.489,14 | € 1.365,20 | € 1.303,23 | € 1.241,26 |
| Miele CS1012-1G | € 1.781,36 | | | | | |
| Miele CS1013G | € 1.591,60 | | | | | |
| Miele CS1014G | | | | | | |
| Gaggenau VG 424 | € 3.516,07 | | | | | |
| 3 PITT (Cusin) | | € 2.307,88 | € 2.014,93 | € 1.845,93 | € 1.763,30 | € 1.678,80 |
| Miele KM 3014 G | | | | | | |
| Bertazzoni | € 1.041,00 | | | | | |
| 4 PITT (Dempo) | | € 2.366,09 | € 2.366,09 | € 2.168,92 | € 2.069,39 | € 1.971,74 |
| Miele KM 3464 | | | | | | |
| Miele KM 2014 G | | | | | | |
| Gaggenau CG 207 | | | | | | |
| 5 PITT (Enep) | | € 3.012,07 | € 2.628,99 | € 2.409,28 | € 2.300,37 | € 2.189,57 |
| Miele KM3054 | € 2.932,21 | | | | | |
| Miele KM 2052 G | | | | | | |
| Miele KM 3054 G | | | | | | |
| Bertazzoni | € 1.777,00 | | | | | |
| Wolff | € 3.458,72 | | | | | |

Numbers are inclusive marges RFE, dealer, installation costs and GST based on:

RFE margin 30% (including installation costs, delivery, repair & maintenance service)

Dealer/retailer margin 35%

GST (Goods and service tax) 7%

Appendix D: Framework Interview Maikel Bink

Interview Maikel

Introduction

Wie is Maikel Bink?

Leeftijd:

Wat heeft hij in het verleden gedaan?:

Functie binnen PITT cooking:

Hoe is PITT cooking ontstaan en zijn betrokkenheid hierin?

Ontwikkelingen PITT cooking door de jaren heen

Zou je in het kort een beschrijving kunnen geven van het begin van PITT cooking tot aan nu en even stilstaan bij belangrijke gebeurtenissen/ontwikkelingen?

Patent PITT cooking? Betrekking op technologie / trademark? Welke gebieden?

Situatie Nederland

Hoe staan de zaken ervoor op de Nederlandse markt?

Groeipotentieel op de Nederlandse markt en doelstellingen? Accountmanager aangesteld met als doel verdere groei te realiseren?

Doelstellingen

Partnerships met verwerkers van aanrechtbladen. Blijft business model hier op gericht of zijn er verdere mogelijkheden/andere kanalen waar PITT cooking zich op wil gaan richten.

Situatie Internationaal

Reden om internationale markt te betreden? Verzadiging NL markt? Potentieel?

Status internationale ontwikkelingen? Wat speelt er? Waar geïnvesteerd?

Wat zijn doelstellingen voor internationale markt? Omzet percentages/ verhouding nationaal/internationaal? Landen/markten waar Singapore potentieel ziet?

Doelstelling is om Singapore te veroveren als opstap naar rest Aziatische markt. Waarom Singapore?

Hoe zit het met verkrijgen van licentie voor Singapore? Status?

Visie op uitbreiden internationale activiteiten

Hoe positie veroveren op internationale markt? Voor toetreding tot Aziatische markt gekozen voor 'OEM partner' PITT by Reginox label? Waarom? Wat voor voordelen biedt dit?

Logische vorm is via Reginox → Vorm van indirect export. Is dit meest logische 'entry mode' om Singaporese markt te betreden, of zijn er andere mogelijkheden? Direct export, andere kanalen? Welke tussenkanalen? Waarom?

Partnerships met aansprekende internationale partijen? Porselynosa....

PITT is Bereid aanpassingen te doen → andere gaskranen. PITT cooking is bereid ver te gaan om toch zaken te kunnen doen in Singapore. Dit geeft aan hoe graag Singapore zaken wil doen in Singapore. Heeft dit te maken met potentie Singapore? Hoe ver bereid aanpassingen te doen in product?

Speciale lijn in gedachten voor Azië of complete arrangement aanbieden?

Visie op prijsbeleid in Singapore? In Nederlandse markt strak prijsbeleid. Is PITT cooking bereid hierin aanpassingen te doen als prijsbeleid in ander land hier om vraagt?

In Singapore liggen de lonen hoger dan in NL, dus outsourcen lijkt niet logisch. Wordt het serieus overwogen om bijv. productie te outsourcen naar lagelonenlanden?

Wanneer middelen beschikbaar zijn is het dan een serieuze overweging voor PITT cooking om equity entry modes te overwegen? Inkopen in bedrijf, samenwerken? Acquisitie (overname)

Hoe ziet hij dit als succes Aziatische markt succes wordt? Mogelijkheid om deel van productie te verplaatsen? Equity entry modes (overname bladen producent bijvoorbeeld)?

Service is onderdeel van het takenpakket. Op Nederlandse markt worden deze uitgevoerd door medewerkers PITT. Hoe dit in Singapore te doen? Outsourcing?

Hoe wordt in markt aangekeken tegen outsourcing van bijvoorbeeld service of deel productie? Minder garantie voor kwaliteit?

Wat is zijn kijk hier op?

Is licensing van technologie/trademark iets wat serieus overwogen wordt? Op den duur?

Marketing

Hoe verlopen marketing activiteiten op dit moment? Via partners of zelf promotie maken? Via magazines/vakbladen?

Er wordt geld in marketing gestoken → nieuwe brochures. Meer geld aan marketing?

Hoe internationaal marketing uitvoering geven? Via OEM partners?

Internet

Wat is de rol van het internet in marketing? Hier meer uit halen?

Is er toenemende trend waarneembaar binnen keukenmarkt richting gebruik internet? Web-shops?

Hoe wordt er aan gekeken tegen web-shops? Mogelijkheid als extra kanaal om consumenten te bereiken?

Appendix E: Framework interview Larry Tan

Interview Larry Tan

Introduction of myself and the assignment

Who is Larry Tan?

Name:

Nationality: You were born and raised in Singapore?

Age: According to my dad you're the same age as him. Is this true?

Function: I know you're the director of Reginox Far East, and that you have your own business as well. Could you tell me something more about your working career so far?

Political

Singapore is known as a country that is very pro international trade, however it took PITT cooking two years for the first model to be registered (was approved this week). Is it normal that foreign businesses struggle with obtaining the required documents? Why did it take so long? Did it take PITT cooking longer because they are a young company and their products needed to be tested?

Singaporean economy is characterized as a very open trade-oriented market economy, with still some government intervention within the market. Would you classify the Singaporean economy as a totally free market economy? Or does the government still intervenes (controls the market) in some way? Is this procedure of registration a way of regulating access to the Singaporean market?

Is it thinkable that competition has had an influence in hindering PITT cooking in the process of obtaining the legal documents?

How are the policies towards Intellectual property? Are intellectual property rights strictly preserved in Singapore? Does the government preserve strict policies on issues as patent infringement? How would you assess the chance that PITT cooking's patents will be infringed?

Singapore is a member of Association of Southeast Asian Nations (ASEAN). How big is the influence of this authority? National regulations before ASEAN regulations? Is this influence growing? The same regulations for all its members?

The next topic is about sociocultural differences between the Netherlands and Singapore.

psychic (sociocultural) distance

The geographical distance between the Netherlands and Singapore is quite big. Besides this there are also cultural differences between Netherlands (Europe) and Singapore. What are according to you the main cultural differences between the Netherlands and Singapore? Language.....

When we look at sociocultural differences related to PITT cooking products. What are the main differences in for example cooking habits? Do Singaporean people cook a lot? Big kitchens? Small or big cooking systems (number of pit's)? Do they cook on gas?

Are there other differences PITT cooking should take into account when approaching the Singaporean market?

Economic

Singaporean economy shows a growth over the last couple of decades. Can we expect that the Singaporean economy will further grow in the upcoming years?

What does this mean for the kitchen market? Can we expect a tendency towards a greater demand in luxury kitchen products, as for example PITT cooking systems?

When we look at the Gross Domestic Product (GDP) per capita of Singapore it is remarkable that Singapore scores number 3 in the world, higher than for example the Netherlands and Germany. What do you see as the reasons for this economic success?

Current projected market size

When we talk about the current market size. Could you give an indication of the market size → number of kitchens/cooking systems that are sold each year? Is this growing?

What part (%) of the market are cooking systems that work on gas? Is this growing?

Do you see PITT cooking products as products with high potential on the Singaporean market?

How would you assess the potential for PITT cooking on the Singaporean market? What is the potential for PITT cooking during the first 1 to 5 years? Number of unit sold? Could you give an indication?

The same for when sales is expanded to other Asian countries as Taiwan? Do you see potential for PITT cooking in other Asian countries?

Competitive structure

How is the kitchen market in Singapore structured? When we look at the process from production towards selling a kitchen to the end-customers? Who produces.., who sells the kitchens? In Holland we have for example retail shops, at which we buy complete kitchens. How is this in Singapore? Are the kitchens sold as complete kitchens, or made up of different components? What about the cooking systems?

Who are the competitors for PITT cooking? How many competitors (few, many..), and who are dominant players in the market? Where do they come from (Europe, Asia...)?

Marketing infrastructure

PITT cooking chooses to export its products by making use of Reginox's distribution channel. Could you give me an indication of what this distribution channel looks like? Which parties are involved in getting the product to the end consumer? What is the influence of producers, wholesalers, distributors in the kitchen market?

Does PITT by Reginox possess the right marketing infrastructure?

Are there local parties that could be crucial for further expansion within Singapore? Which parties?

Materials/labour

How would you assess the quality of production facilities and/or labour in Singapore? Are there parties available that possibly could perform part of PITT cooking's production activities?

Part of PITT cooking's product offerings is its repair. Which parties could possibly perform such repair services in Singapore? How is this normally arranged? Which parties?

What is the cost of labour?

Economic infrastructure

Energy infrastructure? Is there a gas connection in every house/kitchen?

Is there a tendency to consume more gas? A tendency to cook more on gas? For example because of its sustainability?

How are the costs of gas compared to other energy resources?

Marketing

Product/price policy

Do you think PITT cooking offers products that suit the Singaporean market, or does the company require to do product adjustments in order to be more successful? I heard there were for example difficulties with the position of the buttons? Heat ?

PITT cooking aims at positioning itself as a luxury brand and chooses an associated pricing policy. How do PITT products relate to competitive products on the market? Do you see this as a suitable pricing policy, or would you advise a different pricing policy?

PITT cooking has chosen to introduce itself on the Asian market under a PITT by Reginox label. Do you think this is the right way? Is Reginox seen as a brand with a certain reputation? Does this enhance the reputation for PITT products?

On the Dutch market PITT cooking has chosen to introduce itself through cooperation's with producers of kitchen working tops. What are according to you the right parties to cooperate with on the Singaporean market? How to get access to them? Role of architects?

promotion

What would be the right way for PITT cooking to promote itself on the market? Does it has value to link strongly to Reginox when it comes to promotional activities? Is it advisable to link PITT to popular local brands? What would you consider as the best channels for promotional activities? Magazines, trade fairs...? Are there certain messages that are valued among Singaporean people? Should PITT for

for example emphasize the higher sustainability of their cooking systems?

What is the influence of internet on the market? Is internet used as a channel for promotional activities? Is it common on the Singaporean market to offer products on Web-shops? Is there a chance this will happen in the future?

Appendix F: Framework interview Arold Korst

Introduction

Introductie opdracht

Doel interview

Wie is Arold Korst?

Wat is zijn functie? Functies uitgevoerd in het verleden?

Wat is uw relatie met PITT cooking en wat zijn uw ervaringen met het product?

PITT op NL markt

Hoe zit de Nederlandse keukenmarkt in elkaar? Hoe verloopt de productie/verkoop van keukens? Via welke kanalen? Hoe/waar wordt de keuze voor een PITT toestel gemaakt?

Wat vindt u van het huidige business model (partnerships met producenten werkbladen)? Is dit juiste manier om te introduceren op de markt als producent van slechts klein onderdeel keukens? Andere mogelijkheden? road to market, andere inrichting business model / andere partners?

Hoe presteert PITT op de Nederlandse markt? Kunt u wellicht een indicatie geven van de omvang van de markt? het aantal verkochte keukens/kooktoestellen/werkbladen per jaar?

Kunt u een indicatie geven (%) van het deel van verkochte keukens / mensen dat op gas kookt? Wat is aandeel PITT? Is dit gegroeid de afgelopen 5 jaar? Is PITT uitgegroeid op NL markt?

Wat zijn voornaamste concurrenten voor PITT cooking? Veel/weinig concurrenten? Wat zijn dominante spelers? Lokale producenten of ook buitenlandse? Zijn dit recente concurrenten of waren die er 5 jaar geleden ook?

Vragen met betrekking tot PITT cooking

Als we kijken naar het product PITT. Wat maakt PITT onderscheidend? Is dit onderscheidend vermogen groot? Hoe verhouden PITT cooking producten zich ten opzichte van concurrenten als Icooking? Kwaliteit/prijsbeleid/varieteit aanbod?

PITT heeft gekozen voor duidelijke strategie als luxe product. Slaagt dit? Waar liggen kansen/mogelijkheden tot groei? Samenwerken met andere partijen? Uitbreiding assortiment?

Is er een trend waarneembaar op keukenmarkt (zowel nationaal als internationaal?) dat mensen kiezen voor koken op gas? Zo ja, waarom kiezen mensen hiervoor? (milieubewust, uitstraling)?

Internationale keukenmarkt

PITT cooking heeft de ambitie om internationale markt te betreden. Is er sprake van een 'internationale keukenmarkt'? Is de markt per regio (Europa, Azië,...) of per land verschillend? Wat zijn de voornaamste verschillen? Andere road to market?

Zitten 'andere markten' wezenlijk anders in elkaar? Vergt een andere structuur van de markt in andere landen (markten) een andere opzet van het business model? Samenwerkingen met ander

soort partijen? Andere road to market?

Wat vindt u van de keuze voor de Aziatische markt? In potentie interessant (qua omvang) maar past een 'luxé product als PITT cooking daar ook?

Wat vindt u van de keuze voor een PITT by Reginox label voor de Aziatische markt? Is het in deze markt verstandig om samen te werken met een partij als Reginox die in Aziatische markt reputatie en netwerk opgebouwd heeft?

Is Reginox naar uw mening een passende partner? Presenteren zichzelf beide als producenten van hoogwaardig en innovatieve producten. Was bewuste keuzen → Passen qua cultuur/grootte bij elkaar? Had een grotere internationale partner niet meer kunnen betekenen?

Andere mogelijkheid zou zijn direct export. Is het moeilijk in de keukenmarkt om zelf export op te zetten, reputatie te veroveren? Is PITT nog te 'nieuw' om dit zelf te kunnen?

Lonen in Singapore zijn hoog. Stel dat PITT aanslaat op Aziatische markt, zou het verstandig zijn om (deel) productie te verplaatsen naar Azië? Hoe wordt in de markt aangekeken naar verplaatsing hiervan? Worden Europese producten als meer hoogwaardig aangezien dan bijvoorbeeld Chinese producten? Geeft dit PITT extra image?

Is licensing iets wat (veel) voor komt inde markt? Liggen hier mogelijkheden voor PITT?

Wanneer we kijken naar potentiële markten voor PITT cooking. Ziet u meer heil in markten dichterbij huis (Europese markt) (Duitsland) of is in principe elk land een potentiële markt?

Denkt u dat PITT potentie heeft om internationaal succesvol te zijn?

Marketing

Product

Aziatische consumenten hebben verschillende kookgewoonten. Marktonderzoek geeft aan dat PITT aanpassingen vereist. Is het normaal dat Europese producenten andere productlijn introduceren? Verstandig om hierin mee te gaan? Gaat dit niet ten koste van identiteit?

Pricing policy

PITT heeft voor Nederlandse markt gekozen voor high pricing policy, met name om product ook neer te zetten als hoogwaardig product? Is dit gelukt?

Wanneer we internationale keukenmarkt bekijken, kunnen we dan stellen dat ieder land weer verschillend prijsniveau heeft? Betekent dit dat een andere markt ook een ander pricing policy verlangt?

Entrance prijs om marktaandeel/bekendheid te verwerven? Is dit iets wat normaal is in keukenbranche?

marketing infrastructuur

PITT kiest met Reginox voor export partner, en is daarmee eigenlijk beperkt door contacten/netwerk

van Reginox. Is het voor PITT cooking van belang om via andere kanalen aan te bieden?

Veel voorkomend dat keukens elektronical appliances hebben van 1 merk? Verandering hierin? Zie je dat eenlingen hierin gaan samenwerken?

promotie/Internet

Wat is de invloed van het internet op de keukenmarkt? Promotie/social media?

Worden er keukens aangeboden/verkocht via web-shops? Is dit aantal groeiende?

Zowel nationaal als internationaal?