Master's thesis

NTNU
Norwegian University of Science and Technology
Faculty of Economics and Management
Dept. of Industrial Economics and Technology Management

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Entering Emerging Industries in Developed and Emerging Economies

Master's thesis in Industrial Economics and Technology Management

Supervisor: Arild Aspelund

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PREFACE

This Master's thesis is associated with the Master of Science programme in Industrial Economics and Technology Management at the Norwegian University of Science and Technology (NTNU). The authors Ingrid Aamnes and Mari Dahl Benum are specializing within the field of Strategy and International Business Development. The study is in collaboration with a research project called Internationalization of Norwegian Offshore Wind Capabilities (InNOWiC). InNOWiC's main aim is to develop new knowledge regarding opportunities and barriers for Norwegian Offshore Wind firms to succeed in international markets. In the process of writing this thesis, several people have contributed. Above all, we would like to thank our academic supervisor Arild Aspelund for excellent guidance and feedback throughout our working process. Furthermore, we are grateful for the interviewees' contributions through providing valuable insights in the global offshore wind industry. Lastly, we would like to thank Jon Dugstad for sharing the Norwegian Energy Partner's (NORWEP) annual market report as well as helpful information about different OW markets on his conference in Trondheim, September 2019.

Trondheim, 16th June 2020

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ABSTRACT

Over the years, institutional theory has shown to be a widely applied theoretical framework when studying firms' entry strategies into new markets. Regarding this literature, scholars have provided variations of insights on the impact of institutional distance and uncertainty on firms' strategizing. Related to the latter attribute, especially emerging economies as opposed to developed economies have received increased attention. Meanwhile, there has been a growing interest in how firms should enter emerging industries in particular. Yet being in a nascent stage, scholars have shown interest in applying institutional-based perspectives also within this literary field. Despite the increasing interest in institutional impacts on both country and industry level, little research has been conducted on the comparison of emerging industries in emerging and developed economies in particular. From a qualitative and multiple case study on firm entry into three different emerging offshore wind markets, we aim to fill the above research gap. In this thesis, we will investigate central strategic challenges and strategies when entering emerging industries in different host country institutional environments.

While considering both the impact of institutional uncertainty and distance, we find that central strategic challenges concern the process of gaining institutional knowledge and legitimacy. Correspondingly, our findings highlight collaborative strategies as means to overcome these challenges. While shared ownership, acquisitions and corporate political activity strategies have been applied in order to gain institutional knowledge, legitimacy has been achieved through corporate social responsibility as well as governance strategies towards suppliers. We also find that the level of such strategies vary across different host country institutional environments. For gaining legitimacy and formal institutional knowledge, our findings imply that these strategies should to a relatively similar degree be adopted by firms when entering emerging industries in both institutionally distant developed and emerging economies combined with decreasing formal institutional uncertainty in the latter. Moreover for informal institutional knowledge, firms should adopt shared ownership to a higher extent when entering emerging industries in emerging economies with high informal institutional uncertainties and distances than developed economies. For such markets, governance strategies should also to a higher extent be performed in order to handle increased risks for agency problems.

SAMMENDRAG

Opp gjennom årene har institusjonell teori vist seg å være et hyppig brukt teoretisk rammeverk for å studere selskapers inngang i nye markeder. I forbindelse med dette har forskere bidratt med ulik innsikt i påvirkningen av institusjonell avstand fra hjemmemarkedet og usikkerhet i vertslandet. Når det gjelder det sistnevnte, har spesielt fremvoksende økonomier fått mye fokus. Parallelt med dette har forskere også vist stor interesse for hvordan selskaper skal gå inn i voksende industrier. Selv om denne litteraturen fortsatt er relativt lite utviklet, har forskere også her benyttet seg av et institusjonelt perspektiv. Til tross for denne økende interessen, er det gjort lite forskning som sammenligner voksende industrier i fremvoksende og utviklede land spesielt. Gjennom et kvalitativt case-studie på ulike inngangsstrategier i tre forskjellige voksende havvind markeder, ønsker vi å fylle dette forskningsrommet. I denne masteroppgaven skal vi undersøke sentrale strategiske utfordringer og strategier ved inngang i voksende industrier i forskjellige vertsland med ulik institusjonelle miljø.

Gjennom å både ta hensyn til påvirkningen av institusjonell usikkerhet og avstand, finner vi at prosessen om å skaffe institusjonell kunnskap og legitimitet er sentrale strategiske utfordringer. Funnene våre fremhever også samarbeidsstrategier som tiltak for å håndtere disse utfordringene. Imens selskapene benyttet seg av delt eierskap, oppkjøp og bedrift-politisk aktivitet for å skaffe institusjonell kunnskap, har legitimitet blitt oppnådd gjennom samfunnsansvarlige strategier i tillegg til styringsstrategier overfor leverandører. Vi finner også at omfanget av disse strategiene varierer mellom de ulike institusjonelle miljøene i vertslandene. For å skaffe legitimitet og formell institusjonell kunnskap, impliserer funnene våre at strategiene ovenfor burde benyttes i relativt lik grad ved inngang av voksende industrier i både fremvoksende og utviklede økonomier med høy institusjonell avstand, kombinert med avtagende formell institusjonell usikkerhet for sistnevnte. Videre, for uformell institusjonell kunnskap, burde selskaper benytte delt eierskap i høyere grad når de går inn i voksende industrier i fremvoksende økonomier med høy uformell institusjonell avstand og usikkerhet sammenlignet med utviklede økonomier. For slike markeder, burde styringsstrategier også benyttes i større grad for å håndtere høyere risiko for agent-problemer.

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Part I

INTRODUCTION

INTRODUCTION 1

One of the most studied topics within International Business Research is how firms should successfully enter new markets (Carlson, 1966; Griffith, Cavusgil, & Xu, 2008; Miravitlles & Zhang, 2016). While several theoretical perspectives have been applied when discussing this issue, one of the main contributions has directed attention towards Institutional Theory (Griffith et al., 2008; Marquis & Raynard, 2015). These scholars view the firms' surrounding institutional environment, constituting to formal and informal "rules of the game" (North, 1990; Scott, 1995), as essential in order to understand firms' strategizing. Common aspects within this literature stream have therefore been on how host country characteristics such as institutional distances (e.g. Kostova & Zaheer, 1999; Eden & Miller, 2004; Campbell, Eden, & Miller, 2012; Mondejar & Zhao, 2013; Hilmersson & Jansson, 2012; Z. Yang, Su, & Fam, 2012; Davis-Sramek, Omar, & Germain, 2018) and uncertainties (e.g. Peng & Heath, 1996; Khanna, Palepu, & School, 2005; Peng, 2006; K. E. Meyer, Estrin, Bhaumik, & Peng, 2009; Jamali & Neville, 2011; Silvestre, 2015; Liedong, Aghanya, & Rajwani, 2020) impose challenges for entering firms and their entry strategies. Related to the latter aspect, the weak and uncertain institutional environment of Emerging Economies (EEs) as opposed to Developed Economies (DEs) has attracted special attention among scholars.

Meanwhile, a growing interest in how firms should enter Emerging Industries (EIs) has emerged among both researchers and practitioners (J. I. Miller, 2012; Gustafsson, Jääskeläinen, Maula, & Uotila, 2015; Aamnes & Benum, 2019). Yet still being in a nascent stage, scholars have also within this literature stream recognized the relevance of applying the theoretical framework of Institutional Theory (J. I. Miller, 2012; Gustafsson et al., 2015). These scholars have mainly discussed the impact of institutional vacuum on both industrial and individual legitimacy and correspondingly collaborative strategies to handle such problems (e.g., Aldrich & Fiol, 1994; Dobrev & Gotsopoulos, 2010; Déjean, Gond, & Leca, 2004; Bjørgum & Netland, 2016; Santos & Eisenhardt, 2009; Sine & Lee, 2009). However, despite the broad focus on Institutional Theory when analyzing challenges and strategies on both a country and industry level, little research has been conducted on EIs in different country level institutional environments in particular (Gustafsson et al., 2015). There has also with a few exceptions (e.g., Luo, 2003) been limited attention towards EIs in EEs specifically. Accordingly, current contributions within this field stem from single-case studies that do not relate the contingencies between the focal case and its institutional context and are mainly based on analyses of DEs over EEs (Gustafsson et al., 2015).

Due to the great impact of industry and country institutional environments on firms' strategizing, economic growth and performance, as well as the growing importance of EEs in the world economy, we therefore argue that this topic has not been represented sufficiently in the literature. In this thesis, we aim to fill this research gap by studying European firms' entry barriers and strategies when expanding their businesses to emerging Offshore Wind (OW) industries in one DE (the US East Coast) and two EEs (South Korea and Taiwan). By interviewing three OW developers on their most central strategic challenges and corresponding strategies when entering these markets, we provide implications on how firms should handle challenges caused by new industries in different host country institutional environments. Furthermore, we will in this thesis define the host country institutional environments to include both its degree of institutional uncertainty as well as the institutional distance from the case firms' home market, as will be further explained in chapter 2. This way, we add valuable contributions to the literature by conducting a cross-level analysis and suggesting further research objectives to gain a more comprehensive understanding within the field. Throughout this thesis, we therefore aim to answer the following research questions (RQs):

RQ1: From an institutional-based perspective, how do the most central strategic challenges vary across Emerging and Developed Economies when entering Emerging Industries?

RQ2: Based on the identified challenges, which strategies have firms adapted in order to enter such institutional environments successfully?

For the purpose of clarity, we will refer to the nascent OW industry within each case market as emerging OW markets while the host country institutional environments will be defined as EEs and DEs. Furthermore, in order to answer the above RQs, this thesis is structured as follows. Firstly, extant literature on the fundamentals of institutional environments as well as previous studied topics on both country and industry level institutional environments will be presented in chapter 2. While the country level includes extant literature on institutional distances and uncertainties, the industry level involves exclusively EI literature. After explaining the empirical methodology of the thesis, we will subsequently present the empirical background and findings in respectively section 4 and 5. By combining our research findings with the theoretical background in chapter 2, we will in chapter 6 discuss and answer the above RQs as well as present our research's theoretical and managerial implications, limitations, further research and some conclusive remarks. This structure can be summarized in Figure 1.1.

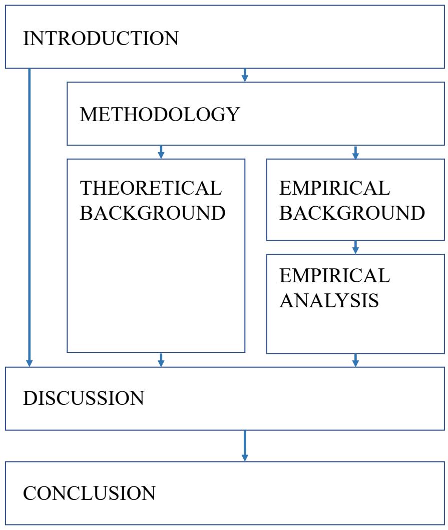

Figure 1.1: The overall structure of this thesis

Part II

THEORETICAL BACKGROUND AND METHODOLOGY

THEORETICAL BACKGROUND 2

As indicated in chapter 1, the theoretical background for this thesis combine extant literature on industry institutional environments of EIs and country institutional environments in terms of institutional distance and uncertainty (see illustration in Figure 2.1 below). Before doing this, however, we will in section 2.1 lay the foundation of an Institutional Theory perspective by deciding upon the fundamentals of institutional environments applied in this thesis. Furthermore, in section 2.2 and section 2.3, literature on respectively country and industry institutional environments will be presented, including both entry barriers and strategies. While the country and industry levels are interrelated, we will due to the lack of relevant literature (see chapter 1) contribute to the literature by considering them separately in this section while discussing their interrelations in chapter 6.

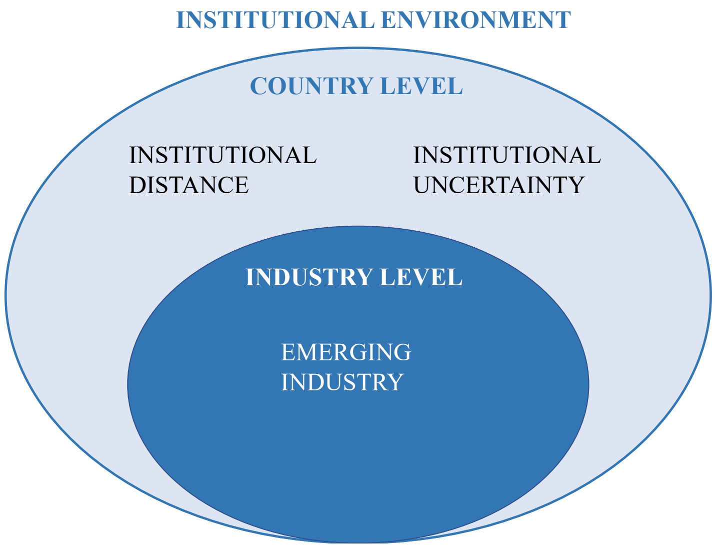

Figure 2.1: Levels of institutional environments applied in this thesis

2.1 Fundamentals of Institutional Environments

The fundamental of the Institutional Theory is that the behavior of individuals and organizations are embedded in and influenced by a broader environment, consisting of other organizations and governed by rules and norms (Sambharya & Musteen, 2014). This context can be referred to as the institutional environment, where the institutions are the "rules of the game" or the constraints that shapes the human interactions and the organizations are the players (North, 1990, 1993). North (1990) further divided institutions into formal (e.g. constitutions and laws) and informal (e.g. norms and self-imposed codes of conduct) constraints. Meanwhile, Scott (1995) distinguished between three pillars of institutional forces, that is cognitive, normative and regulatory. The cognitive pillar concern how people interpret and characterize the environment, while the normative is more culturally driven, involving social norms, values and beliefs (Kostova, 1997). Normative institutions are tacit, and may therefore be difficult to interpret, particularly by outsiders (Kostova & Zaheer, 1999). Lastly, the regulatory pillar is more formal and concerns the setting, monitoring and enforcing of rules (Xu & Shenkar, 2002). By comparing these pillars to the two constraints pointed out by North (1990), scholars have argued that the cognitive and normative pillar corresponds to informal constraints, while the regulative is corresponding with the formal constraints (e.g., Bae & Salomon, 2010). Following this research, we will therefore in this thesis refer to North's (1990) constraints and Scott's (1995) pillars interchangeably when referring to institutional environments, as illustrated in Figure 2.2 below.

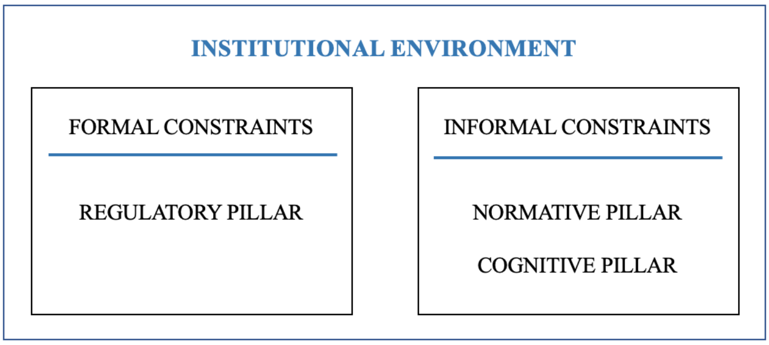

Figure 2.2: Fundamentals of institutional environments applied in this thesis

2.2 Country Level Institutional Environment

As indicated in chapter 1, scholars have over the years emphasized that institutional environments may differ across national borders (e.g., J. W. Meyer & Rowan, 1977; Rosenzweig & Singh, 1991; Westney, 1993). Consequently, institutional distances between countries have evolved to become a frequently discussed topic within International Business Research (e.g. Kostova & Zaheer, 1999; Eden & Miller, 2004; Hilmersson & Jansson, 2012). Meanwhile, scholars have also shown interest in understanding how the weak institutional environment of EEs affect firm strategy (e.g., Khanna & Palepu, 2000; Peng, Wang, & Jiang, 2008; Mair & Marti, 2009; Puffer, Mccarthy, & Boisot, 2010; Rottig, 2016; Doh, Rodrigues, Saka-Helmhout, & Makhija, 2017). Recognizing this, Phillips, Tracey, and Karra (2009) argue that when studying country level institutional environments, scholars should not only consider the institutional distance between countries, but also include the degree of institutionalization in the focal country.

Based on the above reflections, we will in the following sections include literature both related to institutional distance between countries and institutional uncertainty within the focal country. When considering institutional uncertainty, we will focus on comparing the specific institutional environment of EEs to DEs with a main focus on the first since the EI literature traditionally has investigated the host country institutional environment of DEs specifically. In addition to filling this research gap, this focus is considered as relevant since EEs' weak institutional environment causes greater degree of uncertainty, complexity and risk for international business (Phillips et al., 2009). In section 2.2.1, we will introduce literature describing how institutional distance and uncertainty poses entry barriers for foreign firms. Market and non-market strategies in order to overcome such barriers are furthermore presented in section 2.2.2. In this thesis, we define market strategies as actions taken in order to create value in terms of economic performance, while non-market strategies refer to actions in the social and political arrangement that evolve around the firm (Baron, 1995).

2.2.1 Entry Barriers

Impacts of Institutional Distance

Institutional distance on a country level has been categorized by scholars in several dimensions, including formal differences in political, regulatory, economic factors as well as more informal differences in terms of culture and cognition (Tihanyi, Pedersen, & Devinney, 2010). These dimensions has been argued to pose barriers on entering firms in several ways (Kostova & Zaheer, 1999; Eden & Miller, 2004; Hilmersson & Jansson, 2012). Related to this, Eden and Miller (2004) argue that institutional distance imposes three main hazards or costs on entering firms, that is unfamiliarity, discriminatory and relational hazards. Within the International Business Research, a combination of these is often conceptualized as firms' liability of foreignness (Hymer, 1960/1976; Zaheer, 1995, 2002; Denk, Kaufmann, & Roesch, 2012). Consequently, institutional distance is therefore often viewed as one of the main drivers of firms' perceived liabilities when entering foreign markets (Kostova & Zaheer, 1999; Eden & Miller, 2004; Perkins, 2014).

While the unfamiliarity hazard caused by high institutional distance involves lack of knowledge of and experience in the host country (Caves, 1971; Petersen & Pedersen, 2002; Zaheer, 1995; Eden & Miller, 2004), the discriminatory hazard means unfavourable treatment of foreign firms compared to local companies (Zaheer, 1995; Kostova & Zaheer, 1999; Henisz & Williamson, 1999; Eden & Miller, 2004). Unfavourable treatments can arise from governments, consumers, the general public or other firms in the host country and challenge the ability of obtaining external legitimacy (Eden & Miller, 2004). Finally, the relational hazards are caused by the management of the relationships involved in the process of doing business abroad (Caves, 1971; Buckley & Casson, 1998; Henisz & Williamson, 1999; Eden & Miller, 2004). This can include both intra-organisational costs related to managing operations at a distance and inter-organisational costs of negotiating, monitoring and trust-building towards its cross-border network (Eden & Miller, 2004). The latter aspect in particular can apply to both shared ownership and supplier contractual agreements (Luo, 2006). Specifically in the supply chain, such inter-organisational costs have been proven to involve misunderstandings (Z. Yang et al., 2012; Dong, Ju, & Fang, 2016), limited trust (Z. Yang et al., 2012; Dong et al., 2016), role ambiguity and role conflicts (Dong et al., 2016).

Impacts of Institutional Uncertainty

When it comes to institutional uncertainty, scholars have viewed the institutional environment of EEs as particularly weak compared to DEs. Related to this, institutional voids, constraints, changes and transitions in some or all of their regulatory, cognitive and normative institutions have been outlined. Regarding the first aspect, scholars argue that unlike DEs, EEs suffer from under-developed or missing institutions. This term has been used by scholars from different streams of research (North, 1990; Khanna & Palepu, 2000, 2010; Peng et al., 2008; Mair & Marti, 2009; Puffer et al., 2010). Khanna and Palepu (2000), for instance, emphasized mainly on formal institutional voids in product, capital and labor markets as well as regulatory and contractual systems due to absence of intermediaries connecting relevant actors. This might for instance include lack of information systems, financial intermediaries, contract enforcement, regulatory structures, well-qualified work force due to limited training and education, as well as product information and liability laws (Khanna & Palepu, 2000).

The lack of formal institutions described above often result in firms relying more heavily on social contracts and informal institutions (London & Hart, 2004), suggesting less reliable market regulation, corporate governance and transparency compared to DEs (Marquis, Zhang, & Zhou, 2011; Marquis & Qian, 2014). Scholars have also more frequently argued that Khanna and Palepu's (2000) conceptualization tend to ignore the impact of informal institutional voids in itself (Mair & Marti, 2009; Doh et al., 2017). These scholars typically draw upon Scott's (1995) normative and cognitive institutional pillars in order to fill the research gap. Based on this, they argue that informal institutional voids include the lack of standards and commercial agreements among business actors, as well as axiomatic beliefs and expectations of behaviour specific to a culture typically learned through social interactions (Doh et al., 2017). However, common for both reliance on informal institutions as well as formal and informal institutional voids is that they result in the market being inefficient, not allowing firms to engage in market transactions without experiencing high costs and risks (North, 1990; Khanna & Palepu, 2000; Peng et al., 2008; Doh et al., 2017).

In addition to institutional voids, scholars have also found higher levels of formal and informal institutional constraints in EEs compared to DEs (Bremmer, 2014; Wan, Williamson, & Pandit, 2020). Regarding constraints in their regulatory institutions, governments are often viewed with a strong social orientation and interference within the market (Glewwe, Aturupane, & Isenman, 1994). Consequently, they pose strict control over firm's actions, structures and strategies by deciding where to do business and where to allow capital investment (Boubaker & Nguyen, 2014; Cuervo-Cazurra, Inkpen, Musacchio, & Ramaswamy, 2014). Additionally, EE governments also often enforce discrimination through favoring and promoting local companies over foreign firms (Bremmer, 2014). Furthermore, normative and cognitive constraints can emerge in terms of norms, values and shared beliefs among stakeholders in the society (Scott, 2014), also often favouring locally owned firms over foreign ones (Peng, 2003). This might for instance be reflected by entering firms experiencing social legitimacy pressures from relevant stakeholders and on active involvement of the local community (Rottig, 2016).

Beyond institutional constraints and voids, EEs are unlike DEs also often characterized by their dynamic institutions in terms of change and transition (Hoskisson, Filatotchev, & Peng, 2013). These dynamic institutions can be understood both in the short and long term (Rottig, 2016). In the short term, EEs suffer from unstable, inconsistent and unpredictable formal and informal institutions (Nakata & Sivakumar, 1997; Zhao, Park, & Zhou, 2014) such as for instance political instability and uncertainty (R. Miller, 1998; Nakata & Sivakumar, 1997; Cauvusgil, Ghauri, & Akcal, 2013). In the long term, however, EEs are often associated with transitions in both regulatory, normative and cognitive institutions towards a more stable DE (Rottig, 2016). Common for both characteristics are nevertheless that they change the rules of the market's game (Peng, 2003), affect firms actions (Zhao et al., 2014) and reduce their economic advantages as assets can be lost, operations may be shut down or other inefficiencies can occur (Nakata & Sivakumar, 1997).

The above description therefore reflects that increased institutional uncertainty poses several barriers for entering firms. Beyond these contributions, scholars have been especially interested in studying the impact of EEs' uncertain institutional environment on supply chain development and other partner relationships in particular. By viewing supply chains as learning entities for instance, (Nelson & Winter, 1982; Hall, Matos, & Silvestre, 2012), Silvestre (2015) argue that EEs' uncertain institutional environment impact supply chain learning and collaboration. This is due to institutional voids such as inadequate infrastructure, overly bureaucratic governments and reduced transparency, as well as institutional constraints such as local job and operation legislation, increasing the complexity of supply chains. Similarly, institutional voids such as weak legal mechanisms to resolve disputes between parties (Dikova & Van Witteloostuijn, 2007), little protection of property rights leading to leakage of proprietary technology (Deng, 2001; Dikova & Van Witteloostuijn, 2007) and unstable rules and regulations has been proven to lead to increased opportunistic behaviour among partners in EEs (Luo, 2007a; L. Wang, Sheng, Wu, & Zhou, 2017). Based on the above presentation, a summary of important contributions represented in the literature regarding the impact of institutional distance and uncertainty on entry barriers is illustrated in Figure 2.3 below.

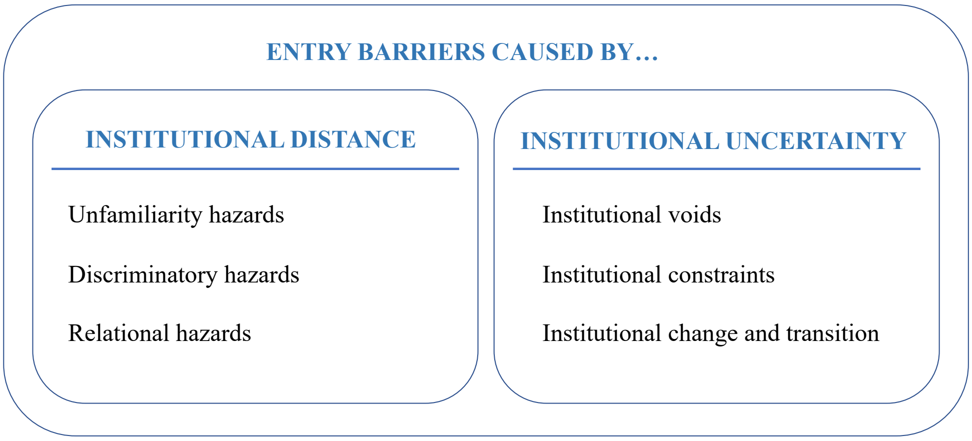

Figure 2.3: Entry barriers on a country level represented in the literature

2.2.2 Entry Strategies

When it comes to strategies in order to handle the entry barriers presented in the previous section, scholars have offered several suggestions. Despite this, the different topics of interest are covered with varying degree. While several scholars have shown interest in studying the impact of institutional distance (e.g., Xu & Shenkar, 2002; Eden & Miller, 2004; Ionaşcu, Meyer, & Estrin, 2004; Estrin, Baghdasaryan, & Meyer, 2009; Arslan & Larimo, 2011; Saka-Helmhout, 2020) and uncertainty (e.g., Peng & Heath, 1996; Khanna et al., 2005; Peng, 2006; Dikova & Van Witteloostuijn, 2007; K. E. Meyer et al., 2009; Slangen & Tulder, 2009; Peng, 2010; H. Yang, Sun, Lin, & Peng, 2011) on the choice of ownership and establishment strategies, literature on supply chain strategies is still in a nascent stage (Avittathur, 2016; Davis-Sramek et al., 2018). Finally, scholars have shown interest for non-market corporate political activity (CPA) and corporate social responsibility practices (CSR) both related to institutional uncertainty and distance with most focus on the latter (e.g., Hongjun, 2014; Marquis & Raynard, 2015; J. Yin & Jamali, 2016; Khojastehpour & Jamali, 2020; Liedong et al., 2020). In the following sections, extant literature covering the above market (supply chain, ownership and establishment strategies) and non-market strategies (CPA and CSR) will be presented.

Market Strategies

When entering foreign markets, important decisions are the choice of equity entry modes in terms of establishment-based and ownership-based entry strategies (K. Brouthers & Hennart, 2007; Schellenberg, Harker, & Jafari, 2017) as well as supply chain management (Gonzalez-Loureiro, Dabic, & Kiessling, 2015). As indicated above, research on the impact of institutional distance between and institutional uncertainty within countries on firms' supply chain strategies is still in a nascent stage of development (Avittathur, 2016; Davis-Sramek et al., 2018). However, some scholars have recognized the importance of institutions in supply chain management as they serve as protectors of bilateral contracts, providers of strong legal regimes for enforcement and execution (Williamson, 1985; Djankov, La Porta, Lopez-de Silanes, & Shleifer, 2008) and determinants on how firms understand the contracts (Granovetter, 2005; Dong et al., 2016).

Regarding establishment and ownership entry modes, the extant literature on the impacts of institutional distance and uncertainty is considerably more comprehensive. While establishment-based entry modes in general means that firms can invest abroad either through greenfield investments or acquisitions, ownership-based entry modes refers to the degree of capital participation in the foreign operation (Parietti, 2017). While some scholars have viewed this choice as separate and sequential (Hill, Hwang, & Kim, 1990; Barkema & Vermeulen, 1998; K. Brouthers & Hennart, 2007), others have argued that these stages often are blurred in practice (Estrin & Meyer, 2004; K. E. Meyer et al., 2009). Drawing upon the latter perspective, we will in this section view establishment and ownership strategies as interdependent and analyze them simultaneously. When considering this theory and although it will not be commented in the following paragraphs, it is important to recognize findings showing that market experience can decrease the need for accessing resources from collaborative entry strategies caused by high institutional distances (Arslan & Larimo, 2010; Parietti, 2017).

Impacts of Institutional Distance

Regarding the impacts of informal institutional distance on the choice of establishment and ownership modes, scholars have developed contradictory opinions. On the one hand, some scholars emphasis that the larger the difference in the informal institutions of the home and host countries, the greater the need for market-specific knowledge from an acquired company (Ionaşcu et al., 2004; Estrin et al., 2009) or local partner (Xu & Shenkar, 2002; Kittilaksanawong, 2009; Ando, 2012). By accessing tacit local resources through acquisitions, firms can easier understand and interpret cognitive and normative institutions while simultaneously gain external legitimacy (Ionaşcu et al., 2004; Estrin et al., 2009). This way, firms can also access the local partner's network and reduce its direct interfaces with the unfamiliar environment (Estrin et al., 2009). Similarly, shared ownership with a local partner can reduce institutional conflicts and risks by overcoming linguistic distances (Demirbag, Glaister, & Tatoglu, 2007), understanding host-country institutional practices, norms and guidelines (Kostova & Zaheer, 1999; Eden & Miller, 2004; Demirbag et al., 2007) and gaining local legitimacy (Zaheer, 1995; Xu & Shenkar, 2002; Lu & Xu, 2006).

Meanwhile, other scholars argue that high informal institutional distance also rises difficulties of cooperating with those holding the local knowledge (Kostova & Zaheer, 1999; Estrin et al., 2009). Consequently, they emphasize that firms should perform greenfield investments as acquisitions and JVs in markets with high informal institutional distance may lead to higher internal inconsistency and costs at entrance (Xu & Shenkar, 2002; Eden & Miller, 2004; Estrin et al., 2009; Arslan & Larimo, 2010, 2011). Such cooperation costs can be related to finding potential partners, integrating local operations with the investors' global operations and transferring organizational practices (Xu & Shenkar, 2002; Eden & Miller, 2004; Estrin et al., 2009). Especially for acquisitions, cultural distances might at worst lead to post-acquisition integration failures (Dikova & Van Witteloostuijn, 2007). Based on this, extant research indicates that collaboration with local partners in informal institutional distant markets can be both beneficial and costly as it might both reduce and be hampered by relational hazards.

While scholars seem to argue similarly as the above description on the impact of formal institutional distance such as regulatory differences on the choice of ownership modes (Xu & Shenkar, 2002; Lu & Xu, 2006; Eden & Miller, 2004; Kittilaksanawong, 2009; Ando, 2012), theoretical implications on establishment modes seems to be more consistent. These scholars argue that firms are more likely to enter by greenfield investments (Eden & Miller, 2004; Ionaşcu et al., 2004; Estrin et al., 2009; Arslan & Larimo, 2011) as regulatory institutions are more formalized, codified and transparent than informal institutions (Scott, 2008). This consequently reduces the need for local partners in order to understand and adapt to the host country's formal institutions (Ionaşcu et al., 2004). Despite this relative theoretical consensus, however, evidence of the opposite has also been found. Arslan and Larimo (2011), for instance, found that some of the practices of acquired subsidiaries could be useful in host countries representing high formal institutional distance as they are aligned with the institutional requirements.

When it comes to supply chain strategies, scholars have mainly focused on strategies to handle relational hazards caused by high institutional distances as presented related to shared ownership and acquisitions in the paragraphs above. Regarding this, both contract (Z. Yang et al., 2012) and relational (Z. Yang et al., 2012; Dong et al., 2016; Z. Wang, Ye, & Tan, 2014; Davis-Sramek et al., 2018) governance strategies have been outlined. By developing a customized contract, firms can learn about the institutional environment, legitimize the transaction with the host partner and avoid violation (Z. Yang et al., 2012). Additionally, relational governance mitigates legitimacy pressures and market ambiguity through information sharing, flexibility and solidarity (Z. Yang et al., 2012). This way, managers can handle relational hazards caused by high institutional distances by becoming insiders to gain both legitimacy and accurate market information (Z. Yang et al., 2012).

Impact of Institutional Uncertainty

In addition to studying the impact of institutional distance on ownership, establishment and supply chain strategies, scholars have also shown varying levels of interest in the impact of uncertainty. Related to the impact on establishment modes, scholars have viewed both acquisitions and greenfield investments as relevant strategies in strong institutional environments such as the ones in DEs (e.g., Papyrina, 2007; Sanchez-Peinado, Pla-Barber, & Hébert, 2007; K. E. Meyer & Nguyen, 2005). However, scholars have also found that the weak institutions of EEs presented in section 2.2.1 might pose extra challenges on the establishment strategies as opposed to DEs (e.g., Peng & Heath, 1996; K. E. Meyer et al., 2009; Dikova & Van Witteloostuijn, 2007). For greenfield investment, for instance, scholars put extra emphasis on institutional voids in terms of sub-optimal and inefficient local resource markets in EEs (Peng & Heath, 1996). Such inefficiencies can for instance involve information asymmetries on products. Scholars therefore argue that greenfield entry is hampered in EEs as their weak institutional frameworks make it more difficult to access resources via market transactions (K. E. Meyer et al., 2009). In order to build the adequate resources locally, the strategy consequently requires a longer establishment period (Dikova & Van Witteloostuijn, 2007).

Additionally, scholars have also been raising doubts about the potential of acquisitions in EEs. This is especially due to its sensitivity to capital market inefficiency (K. E. Meyer et al., 2009; Peng, 2010), including both certain institutional voids, constraints and changes. For instance, EEs often lack transparent information such as financial data (Khanna et al., 2005), is short in financial intermediaries (Khanna et al., 2005) and suffer from governmental interference (K. E. Meyer et al., 2009), restrictions against performing acquisitions (Slangen & Tulder, 2009) and volatile stock markets (K. E. Meyer et al., 2009; H. Yang et al., 2011). These characteristics rise costs and risks perceived by the entering firm due to complications in the information search, reductions in due diligence performance and challenges in the facilitation of the transaction (Peng, 2006; K. E. Meyer et al., 2009). Such EE-specific institutional environment therefore limits the potential benefits of acquisitions pointed out by Caves and Pencavel (1996) such as rapid local presence through access on established networks and market specific knowledge.

When it comes to ownership modes, shared ownership has been emphasized in both strong and weak institutional environments of respectively DEs and EEs (K. E. Meyer et al., 2009). However, the entry strategy has been especially highlighted related to EEs in particular (K. D. Brouthers, 2002; Demirbag et al., 2007; K. E. Meyer et al., 2009). Based on the reflections in the above paragraphs, scholars have argued that wholly ownership should only be encouraged at the expense of shared ownership when the institutional environment becomes strengthened (K. D. Brouthers, 2002; Demirbag et al., 2007; K. E. Meyer et al., 2009). The advantages of drawing upon resources of a local partner are especially essential in EEs as it contributes in overcoming institutional constraints such as normative barriers (Yiu & Makino, 2002), legal and political restrictions (K. D. Brouthers, 2002; Yiu & Makino, 2002; Demirbag et al., 2007; K. E. Meyer et al., 2009), as well as handling institutional uncertainty in regulations (Papyrina, 2007) and politics (Sanchez-Peinado et al., 2007). Shared ownership might therefore fill institutional voids in information systems such that firms avoid spending extensive resources on searching for information (K. E. Meyer et al., 2009).

Despite the above benefits and as mentioned in section 2.2.1, scholars have also outlined the increased collaboration costs in EEs due to its weak institutional environment. Based on this, scholars have proposed strategies to curb partner opportunism in both international JV and supplier relations. In addition to ensuring mutual motivation through shared ownership (Luo, 2007b), scholars have proposed a variety of contractual, structural and relational governance strategies within JVs. This includes developing pre-codified, comprehensive and obligatory contracts (Luo, 2007b; L. Wang et al., 2017), formalized and routinized procedures, rules and norms (Luo, 2007b) as well as mutual visions, understanding, trust and knowledge sharing (Luo, 2007b; L. Wang et al., 2017). Also when considering supply chain management, scholars have put special emphasis on the importance of relational governance in terms of trust to curtail opportunism in EEs (Mengyang, Zhang, Wang, & Sheng, 2016).

Non-market Strategies

In addition to considering the market strategies presented in section 2.2.2, Institutional Theory scholars have also shown interest in non-market strategies. As indicated in the introduction of this section, such strategies evolve around firms' actions to improve their organizational performance by managing political and societal contexts in which they operate (Doh, McGuire, & Ozaki, 2015; Shirodkar, McGuire, & Strange, 2020). Scholars have therefore referred to both CPA and CSR when studying strategies to counter pressures from non-market institutions (Mellahi, Frynas, Sun, & Siegel, 2016).

Impacts of Institutional Distance

Despite the increasing interest of CSR and CPA strategies in Institutional Theory literature, relatively few scholars have conducted research on the influence of institutional distance on such strategies in particular (Kolk & Tulder, 2009; Hongjun, 2014). In addition, their findings seem to be inconsistent. On the one hand, scholars argue that the greater the distance between countries, the larger the potential benefits of conducting CSR and CPA to reduce the liability of foreignness (Campbell et al., 2012; Mondejar & Zhao, 2013). By contributing to host-country economic growth and national welfare through CSR activities, firms can be viewed as cooperative rather than conflictual (Luo, 2001; Dunning, 2002), attain legitimacy (Gardberg & Fombrun, 2006; Adeola, Boso, & Adeniji, 2018) and achieve local support (Kostova, Roth, & Dacin, 2008) (Campbell et al., 2012). Similarly, government-relationship building can alleviate the perceived uncertainty and risks to large institutional distances through offering firms benefits such as navigating bureaucracy, accessing government-controlled critical resources and enjoying tax reductions (Mondejar & Zhao, 2013).

On the other hand, however, scholars have also adopted arguments suggesting that firms are reluctant to engage in foreign CSR and CPA when the host country is institutionally distant from their home market (Campbell et al., 2012; Hongjun, 2014; Iii, Boddewyn, Rajwani, & Hemphill, 2018). Firms are less likely to engage in CSR activities as they lack identification and become less empathetic with the host country (Campbell et al., 2012; Hongjun, 2014), view limited potential due to problematic knowledge transfer (Hongjun, 2014), high costs (Campbell et al., 2012) and consequently consider the return on the activities to be limited (Campbell et al., 2012). Increased strategic motivation for CSR at greater institutional distance between home and host country can therefore be off-setted by countervailing effects on the willingness and ability to engage in CSR investment (Campbell et al., 2012). Similarly for CPA, institutional distance might reduce the likeliness for firms creating political ties in order to reduce political pressure due to high costs associated with information search (Iii et al., 2018).

Impacts of Institutional Uncertainty

While literature on the impact of institutional distance on CSR and CPA is relatively scarce, there is a growing interest in how specific host country institutions affect such practices in particular. Although the importance of CSR and CPA has been highlighted in both DEs and EEs (Zhao, 2012; Voinea & Kranenburg, 2018; Khojastehpour & Jamali, 2020; Liedong et al., 2020), these strategies have attracted special attention related to the uncertain institutional environment of EEs. In order to respond to local and institutional pressures in EEs, scholars argue that firms perform on-going and extensive CSR strategies (Amaeshi, Adi, Ogbechie, & Amao, 2006; Visser, 2009; Jamali & Neville, 2011). By adapting its CSR practices to local realities, they are more likely to fill institutional voids (Su, Peng, Tan, & Cheung, 2014; J. Yin & Jamali, 2016), send signals to latent stakeholders and elicit positive responses (Su et al., 2014) and consequently obtain legitimacy (Ghauri, Elg, & Schaumann, 2014; J. Yin & Jamali, 2016; Khojastehpour & Jamali, 2020).

Also when it comes to CPA practices, scholars argue that political connections serve as substitutes for EEs' uncertain institutional environment in terms of voids (Amaeshi et al., 2006), constraints (Liedong et al., 2020), frequent political changes (Liedong et al., 2020; Nguyen, Nguyen, & Ly, 2020) and extensive governmental interference (S.-T. Chen, Haga Kai Yin, & Fong Cher, 2016; Nguyen et al., 2020). By cooperating with governments and other political actors in EEs, firms can shape and react to political institutions (Marquis & Raynard, 2015), gain access to rare resources and valuable information (Luo, 2003; Nguyen et al., 2020), adapt to changes in regulations (Xin & Pearce, 1996; Nguyen et al., 2020) as well as gain bargaining power (Nguyen et al., 2020), legitimacy (Xin & Pearce, 1996; T. Feng & Wang, 2010; Nguyen et al., 2020) and market acceptance (Melewar, Badal, & Small, 2006; Marquis & Raynard, 2015).

More specifically regarding the different types of non-market practices, scholars have traditionally distinguished between relational and transactional strategies (Hillman & Hitt, 1999; Kranenburg & Voinea, 2017; Voinea & Kranenburg, 2018). While relational strategies involve firms creating long-term and continuous relationships with non-market actors in the host country in order to predict, control, avoid or reduce non-market influences, transactional strategies are more short-term, sporadic, temporary and subject-specific actions performed after an issue occurs (Kranenburg & Voinea, 2017). Several scholars have shown interest in investigating the choice of these strategies in DEs (Hillman & Hitt, 1999; Rajwani & Liedong, 2015). Recently, Voinea and Kranenburg (2018) provided an extensive overview of the different strategies firms adopt towards specific institutions.

According to Voinea and Kranenburg, firms in DEs are more likely to pose transactional strategies towards regulatory and standard agencies in order to handle temporary issues, insufficient transparency and to reduce high costs to comply with imposed standards and permits. While such strategies are short-term and ad-hoc due to temporary issues and limited window of opportunity for relationship building, firms adopt a more relational strategy towards interest groups in order to augment their accountability with society and build a reputation for responsibility. When studying EEs, however, scholars find that relational strategies are even more prevalent (Luo & Zhao, 2009; Wu & Cheng, 2011; Rajwani & Liedong, 2015) as firms turn to social capital in order to overcome the weak institutional environment (Rajwani & Liedong, 2015). Firms in EEs therefore enter long-term and personal connections between managers and politicians or other stakeholders to influence institutions (Peng, 2000; Li, Poppo, & Zhou, 2008).

2.3 Industry Level Institutional Environment

In addition to country level institutional environments and as indicated in chapter 1, Institutional Theory has also been applied in order to study the emergence of industries in particular (J. I. Miller, 2012; Gustafsson et al., 2015). Hence, for the purpose of this thesis and the interest of research, we will in the following sections elaborate the institutional environment of EIs in particular. This is done by firstly presenting its characteristics and how these may pose entry barriers upon firms, followed by a presentation of the different entry strategies proposed by the literature. Before doing this, however, it should be noted that despite EIs' recent popularity among researchers, the available literature on the topic is scarce (Gustafsson et al., 2015; Forbes & Kirsch, 2011; Woolley, 2014), restricting the following literary findings to only include a limited amount of research.

2.3.1 Entry Barriers

As indicated above, scholars have frequently used Institutional Theory as a framework for characterizing EIs. Within this literature, authors have outlined that EIs' institutional environment involves institutional vacuums at best and hostile environments at worst (Aldrich & Fiol, 1994). Based on this, the EI institutional environment can therefore be considered as somewhat similar as for EEs in terms of institutional voids and constraints (see section 2.2). However, the underlying reasons differ in terms of concerning a new industry being introduced (Aldrich & Fiol, 1994; Dobrev & Gotsopoulos, 2010) rather than the structure of the country in general. This might for instance be expressed through the lack of clearly defined industrial rules and norms (Aldrich & Fiol, 1994; Déjean et al., 2004), the absence of renowned players as well as local stakeholder's limited knowledge about entering firms (Aldrich & Fiol, 1994). While hostile environments lead to impervious individual actions (Aldrich & Fiol, 1994), scholars have therefore pointed towards such regulatory, normative and cognitive vacuums as causing legitimacy disadvantages in EIs.

This way, entering firms might experience challenges related to obtaining both sociopolitical and cognitive legitimacy when entering EIs (Aldrich & Fiol, 1994). Accumulated, as the new ventures are experiencing problems with achieving legitimacy, this will also yield for the industry as a whole (Navis & Glynn, 2010). The problem of gaining legitimacy may further lead to lack of financial, human, material and regulatory support (Aldrich & Fiol, 1994; Bergek, Jacobsson, & Sandén, 2008; Markard, Wirth, & Truffer, 2016) as well as difficulty to form alliances and to access resources (Aldrich & Fiol, 1994; Déjean et al., 2004).

Furthermore, it can also contribute to firms experiencing challenges related to the development of supply chains, forcing companies to develop their supply chains in unstructured patterns (Bjørgum & Netland, 2016). Consequently, firms entering EIs may experience high levels of both technological and market uncertainties (Dobrev & Gotsopoulos, 2010). Based on the above literary contributions, the main findings on entry barriers into EIs are summarized in Figure 2.4.

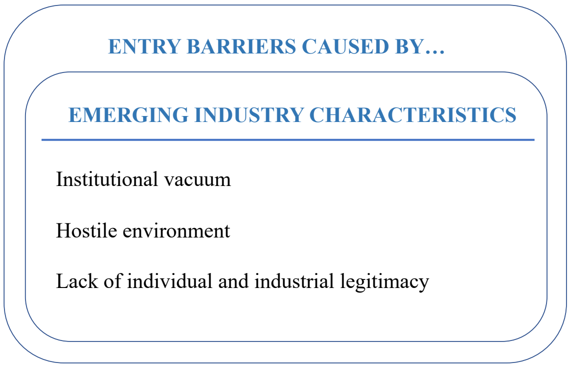

Figure 2.4: Entry barriers on an industry level represented in the literature

2.3.2 Entry Strategies

In order to handle the entry barriers posed by the specific characteristics of EIs, scholars have studied different types of entry strategies. As introduced in chapter 1, the majority of this research has with a few exceptions (e.g., Luo, 2003) studied strategies related to EIs from a theoretical perspective or in DEs as opposed to EEs. Generally, this literature emphasizes on collaborative strategies in order to shape institutions (DiMaggio, 1988; Aldrich & Fiol, 1994; Luo, 2003; Dorado, 2005; Hargrave & Van de Ven, 2006; Breukers & Wolsink, 2007; Walker, Schlosser, & Deephouse, 2014) and consequently gain industrial legitimacy (Aldrich & Fiol, 1994) while reducing uncertainties (Gustafsson et al., 2015). In the following sections, relevant strategies provided by the literature will similarly as for the institutional environment on country level be divided into market and non-market strategies, based on the strategies being purely economically-driven or not (Baron, 1995).

Market Strategies

Regarding market strategies for entering EIs, authors have outlined collaborations with strategic partners (e.g., Santos & Eisenhardt, 2009) and suppliers (e.g., Wade, 1995; Bjørgum & Netland, 2016) to cope with the challenges presented in section 2.3.1. Regarding the latter aspect, scholars have shown that close partnerships with suppliers can contribute to both shaping the evolution of technologies (Wade, 1995) and help to ensure legitimacy towards other actors such as policy makers, investors and partners (Bjørgum & Netland, 2016). Hence, close supplier relationships can help legitimate both industries and individual firms. Moreover, such strategies have especially been outlined for industries with high asset specificity (Bjørgum & Netland, 2016).

When it comes to strategic partners, Santos and Eisenhardt (2009) emphasize that EIs are best understood by integrating institutional and competitive strategies, as strategic actions often rests on the rationale of power. Related to this, they argue that by forming alliances with powerful parties, firms can define the industry's structure and roles for powerful players. Additionally, by making acquisitions of resourceful rivals the firms can expand their market share in order to increase their market control. This way, firms entering EIs will not only solve the barrier of legitimacy vacuum, but also be able to shape the industry. Despite these advantages, they also emphasize on some potential implementation pitfalls with using this strategy in EIs, such as choosing the wrong partners, failing to provide them enough incentives to stay loyal and lacking financial resources to buy the most threatening targets. (Santos & Eisenhardt, 2009)

Non-market Strategies

In addition to the market strategies presented above, scholars have also investigated non-market strategies in order to handle the challenges presented in section 2.3.1. Related to this, the major focus has been on collaborations with industry groups, social movement organizations (e.g., Aldrich & Fiol, 1994; Rao, 2004; Sine & Lee, 2009; Pacheco, York, & Hargrave, 2014) and governments to gain industrial legitimacy (e.g., Woolley, 2014; Gustafsson et al., 2015). Regarding governmental relations, these are most effective to gain legitimacy in order to drive regulatory changes in particular (Gustafsson et al., 2015). Furthermore, related to social movement organizations and industry groups, Aldrich and Fiol (1994) argue that industries which organize collective marketing and lobbying efforts will gain sociopolitical approval towards key stakeholders, the general public and government officials more quickly than others. More specifically, Pacheco et al. (2014) emphasize that these movements are prominent in renewable energy industries. For instance, Sine and Lee (2009) found that social movement organizations were able to transform the entrepreneurial opportunity set within the wind power industry by mobilizing resources, advocating for favorable legislation, and influencing cognitive valuation processes.

METHODOLOGY 3

In this chapter, the empirical research method conducted in this thesis will be presented. This involves a description of each step in the research process, meaning the research design, data collection and analysis. At the end of the chapter, a reflection on the quality of the research is given. Figure 3.1 shows an illustration of the research process described above as well as the last step of discussion and conclusion. The justification for the first three elements will be presented in the following sections, while reflections from the last step will be presented in chapter 6 and 7.

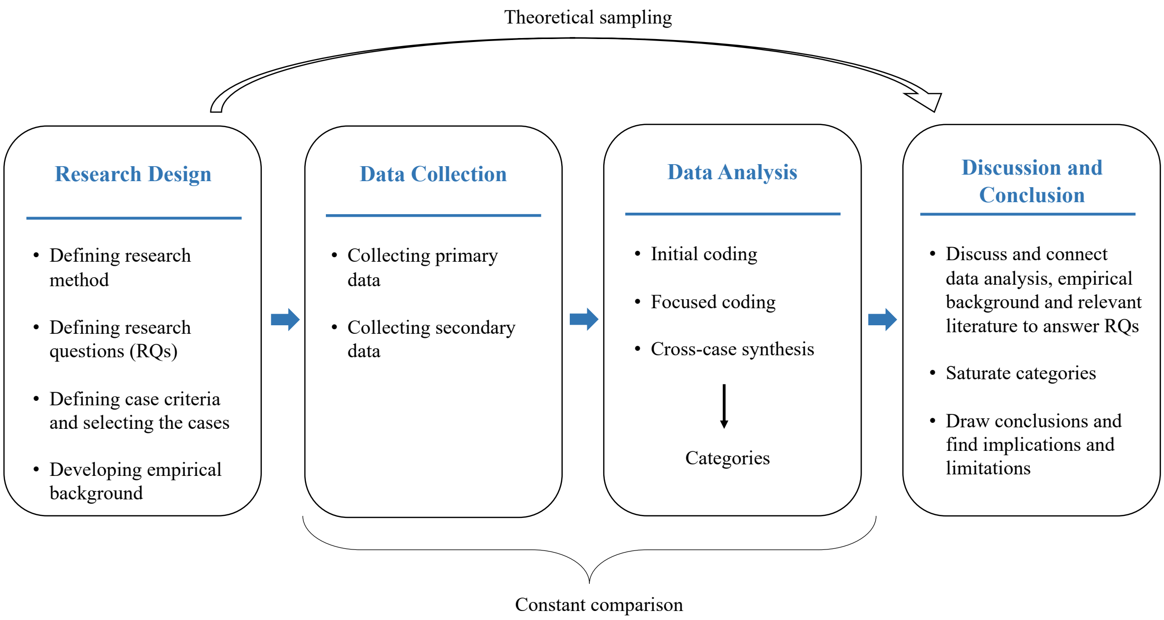

Figure 3.1: The research process of this thesis

3.1 Research Design

In the preparation process of this thesis and before starting with the data collection, we decided upon a research design. Based on a qualitative method in combination with a grounded theory approach and multiple case study, the process of designing the research involves defining RQs, setting case criteria and selecting the cases as well as developing a theoretical and empirical background. In the following sections, we will elaborate on each of the above steps.

3.1.1 Defining Research Method

As the purpose of this thesis is to investigate challenges experienced by and actions done by developers in emerging OW markets, it was considered as beneficial to conduct a qualitative research method. Qualitative research in general allows an inductive view as well as an interpretive epistemological and constructive ontological position (Bryman, 2012). This means that theory is generated out of research, the social world can be understood through an examination of the interpretation of its participants and that social properties are outcomes of the interactions between individuals, rather than being separate from those involved in its construction (Bryman, 2012). A qualitative research method therefore permits us to answer our RQs through gaining insights into considerations and reflections from firms with long-standing experience within the industry. We further believe that such reflections would not be possible to capture in a quantitative analysis, as quantitative research is deductive and characterized by objectivism (Bryman, 2012).

Beyond the research design being qualitative, we have also utilized grounded theory methodology. According to Bryman (2012), grounded theory is characterized by developing theory out of data through an iterative and recursive process. This means that data collection and analysis proceed in tandem and repeatedly refers back to each other, also referred to as theoretical sampling. This theoretical sampling will continue until theoretical saturation is reached (Bryman, 2012). The concept of grounded theory was originally developed by B. G. Glaser and Strauss (1967), but more recent approaches has arrived since then. According to Antony and Kathy (2019), the most widespread approaches to the grounded theory today are the Glaserian (B. Glaser, 1978; B. G. Glaser, 1998, 2005), Straussian (A. Strauss & Corbin, 1990, 1998; A. L. Strauss, 1987) and Constructivist (Charmaz, 2000, 2006, 2014) grounded theory.

The Glasserian theory includes that literature should not be reviewed before data collection and is characterized by positivism, meaning that the data is collected objectively. The Straussian theory however, argue that literature can be used more actively in the research since it enriches the analysis as long as it does not block creativity or obstruct discovery. This approach is also characterized by developing a well organized and detailed grounded theory (Kenny & Fourie, 2015). Lastly, the Constructivist theory is by its name rejecting claims of objectivity and argue that the analyzed data is an outcome of the researchers' interpretation and will reflect multiple perspectives (Kenny & Fourie, 2015). Similar to the Straussian theory, this approach supports that researchers should start with a preliminary literature review that is used critically and comparatively in the research, but unlike Straussian theory, the final literature review should be written after the analysis has been conducted in order to fit the specific aim. (Antony & Kathy, 2019)

For the purpose of this thesis, the Constructivist grounded theory is argued to be appropriate. Its characteristic of involving multiple perspectives is considered as relevant as we are investigating different firms' perceptions of challenges when entering different emerging OW markets and how they have reacted in order to overcome them. This way, the empirical data studied in this thesis is not necessarily fully objective, as perspectives may vary across the different firms and within the different markets. Literature is also used critically throughout the research, and the final review is written after the analysis in order to be as accurate and relevant as possible. It is however important to state that our way of applying such a Constructivist grounded theory is less conservative than what most scholars (e.g., Guba & Lincoln, 1989; Hayes & Oppenheim, 1997; Mills, Bonner, & Francis, 2006) associate with constructivism. This means that although our analysis is not fully objective, we are still able to draw upon some relevant implications from our data.

In addition to the research design being qualitative as well as following a Constructivits grounded theory methodology, it is based upon a case study. This approach is chosen in order to get a realistic view of how developers both experience and handle the challenges related to entering emerging OW markets. Moreover, multiple cases in terms of several OW developers and markets are used in order to increase the reliability of this thesis' outcomes (R. K. Yin, 2014). This approach adds to the research model that we have to define some case criteria (R. K. Yin, 2014), which will be presented in section 3.1.3.

3.1.2 Defining Research Questions

In accordance with this thesis' research design described above, the first step is to define the RQs (Bryman, 2012; R. K. Yin, 2014). According to Bryman (2012), the explicitness of these questions may vary across different qualitative research and the formulation of the questions is closely connected to the relevant literature. Hence for our thesis, we initially developed questions with the purpose of laying the foundation for our research which was later reformulated to be as corresponding to the relevant literature as possible. The basis for the initial RQs was our pre-thesis (Aamnes & Benum, 2019) which concerned industry evolution of OW, involving characteristics for the different evolutionary phases. This left us with several areas of interest for future research. One of these areas was to investigate the phase characteristics further in order to identify corresponding challenges that may be experienced by firms entering the different phases. Moreover, due to increasing attention and relevance of new industries in particular (Gustafsson et al., 2015), we narrowed the focus to only concern the first phase of industry evolution.

The initial RQs that laid the foundation for our research were therefore: (1) "What are the most central strategic challenges faced by firms entering EIs?" and (2) "How should firms handle these strategic challenges?". Later in the process, we figured that entry barriers and strategies in EIs might vary depending on the host country's institutional environments and that this specific topic is not represented sufficiently in extant literature (see chapter 1). This led us to revise the research focus from concerning entry into EIs in general to concerning entry into EIs in different host country institutional environments in particular. In addition, small adjustments were done throughout the research process in order to get the questions as interesting and as relevant to the literature as possible. This finally led to the current RQ formulation presented in chapter 1.

3.1.3 Defining Case Criteria and Selecting Cases

After defining the initial RQs, the next step was to select the units of analysis for the case study (R. K. Yin, 2014). In this process we initially chose the case industry, which constitutes to the case context. Moreover, the different cases were determined, involving both the case firms and the specific OW markets of interest. In line with R. K. Yin's (2014) case study approach, we constructed several criteria in order to choose the appropriate case industry, firms and markets. The process of defining these criteria and consequently selecting the case industry, firms and markets will be presented in the following sections.

Case Industry Criteria and Selection

In the process of selecting the relevant case industry for this thesis, different elements were considered. First of all, we wanted to investigate an industry that is global with a potential for high growth in several markets. This enable us to make a comprehensive analysis on markets in different institutional environments. Moreover, we were interested in investigating an industry that is currently gaining attention among several business actors and political entities, in order to increase the relevance of the research. Hence, the following criteria were considered when choosing case industry:

- Global industry with potential for growth in several markets
- Relevant industry gaining attention among business actors and political entities

Based on the above criteria, we therefore considered the OW industry as a relevant context for our case study. This is a global industry receiving a lot of attention among both business firms and political entities over the last years as the demand for renewable energy sources has increased (Aamnes & Benum, 2019). Moreover, our pre-thesis also confirmed that entering emerging OW industry markets is a relevant issue among practitioners (Aamnes & Benum, 2019). Further information about the chosen case industry will be presented in chapter 4.

Case Firm Criteria and Selection

When selecting case firms, we found it interesting to investigate OW developers as they are involved in all processes of developing a wind farm and are responsible actors when entering a new market. Moreover, we were interested in developers with prior experience from developing OW projects in different countries since the RQs focus on experiences from several markets with different institutional environments. The last criteria was regarding the developers having its headquarter in Europe as they would be easier to reach out to. This was also beneficial as they would most likely have experiences from developing projects in different markets as leading global OW developers often originate from Europe. Based on the above, the following criteria were considered when choosing case firms:

- OW developer
- Prior experience from developing OW projects in different countries
- Headquarter in an European country

After evaluating potential candidates based on these criteria, we ended up with three relevant firms. As all firms preferred the information to be anonymous, they will be referred to as Case Firm A, B and C for the rest of this thesis. Further information on the three case firms and how they fulfill the above criteria will be presented in the empirical background in chapter 4. This description was restricted to being broad and general, lacking details about each firm in order to respect the case firms' request of being anonymous (also see limitations in section 6.4).

Case Market Criteria and Selection

Related to the choice of markets, we performed a recursive process based on industrial research as well as the findings from our initial interviews with the case firms. From this evaluation we found that at least one of the case firms should have operations or planned projects in the markets in order to access reliable data. In line with our RQs, we were also interested in emerging OW markets which are expected to experience major market growth in the future, as well as being outside of Europe. While growth markets were considered as especially interesting since they suffer from higher uncertainties and more critical challenges, markets outside Europe were considered as extra problematic for the European case firms as they suffered from low proximity. Based on the above reflections, the following criteria were considered when choosing case markets:

- Emerging OW market which is located outside of Europe and is predicted to have a major market growth in the future
- At least one of the case firms have operations or planned projects within the markets

After evaluating the potential OW markets based on the above criteria, we were left with the choice between South Korea, Taiwan, the US East Coast and Japan. In order to limit the scope of the thesis, only three markets were chosen. While fulfilling all of the above requirements, the US East Coast and Taiwan was evaluated to be especially relevant due to Case Firm A and B having operations or planned projects within the markets (see section 4.3). Furthermore, Case Firm B showed interest in the potential of both the Korean and Japanese markets. As these markets are predicted to have somewhat similar market growth in the future (NORWEP, 2019), the choice was indifferent. Finally, we ended up with South Korea as the third and last market. Although Case Firm C is not present in any of the above markets, we still evaluate their insights and experiences as relevant for this thesis due to their experience from developing OW projects in Europe (see section 4.3).

3.1.4 Developing Theoretical and Empirical Background

As explained in section 3.1.2, the theoretical foundation of this thesis was based upon parts of our pre-thesis concerning the early phase of industry evolution. In addition to this, we conducted research on literature regarding both general Institutional Theory, institutional distance, EEs, EIs and other liabilities connected to entering a foreign market prior to data collection. Regarding our search on EEs, we included other terms such as developing, transitional and newly industrialized economies whenever considered relevant. When it comes to the types of collected articles, we focused on both empirical and conceptual studies, as well as literature reviews in order to gain an overview of different perspectives within relevant literature streams. This literature was collected from systematic search using relevant key words in different databases (Google Scholar, Scopus and Oria). As our research design is inductive and follows a Constructivist grounded theory, this literature was conducted in all steps of the research process. After the analysis was performed, relevant theory was written in chapter 2 contributing to our theoretical background. This background consists of literature on both country and industry level institutional environments and their impacts on firm strategies.

In addition to developing a theoretical framework, we also gathered empirical background information before collecting any data. This involved background information for the selected case industry, case firms as well as each of the specific markets from both an industry and country perspective. For the case firm background, the relevant information was mainly conducted from their most recent annual reports. Due to the case firms' request of being anonymous, this background is both general and broad reducing the quality of our empirical data presentation (see section 4.3 and 6.4). Moreover, for the case industry and the specific OW markets, several industrial reports, articles and research papers were reviewed. Finally, this information constitutes to the empirical background presented in chapter 4. Combined with the continuous theoretical sampling, this empirical background lied the foundation for our data collection process.

3.2 Data Collection

When it comes to the data collection process, our empirical analysis is based on both primary and secondary data. Following Bryman (2012), this indicates that we were directly involved in parts of the data collection process, concerning the primary data in particular. In the following sections, the collection process for both types of data will be further elaborated.

3.2.1 Collecting Primary Data

The primary data collection was based upon five conducted interviews on the three case firms. While three of the interviews were conducted on Case Firm B, Case Firm A and C was only interviewed once. The reason for this unbalance was due to variations in the availability of the firms. Furthermore, two of the interviews were conducted after the the outbreak of the Covid-19 pandemic, reducing the quality of data in terms of stricter time constraints (see section 6.4 for further description). Other than that, all interviews were conducted through Skype or Microsoft Teams, as it was evaluated as efficient and suitable for our case study. Moreover, all interviews were recorded after the interviewee's approval in order to more easily process the data afterwards. The duration of the interviews varied from 40 minutes to an hour, depending upon the interviewee's preference. Hence, the interviews can be characterized as shorter case interviews according to R. K. Yin (2014). An overview of the interviews can be seen in Table 3.1 below.

Table 3.1: Respondents and corresponding interview methods

Firm	**The interviewee's area of work**	**Date**	**Method**
Case Firm B	Corporate strategy within renewable energy	11.02.2020	Skype
Case Firm A	Strategy within offshore wind	13.02.2020	Skype
Case Firm C	Market development within offshore wind	19.02.2020	Skype
Case Firm B	Corporate strategy within renewable energy	12.03.2020	Skype
Case Firm B	Corporate strategy within renewable energy	02.04.2020	Microsoft Teams

When it comes to the interview format, we utilized what Bryman (2012) calls a semi-structured method by constructing an interview guide in advance while being flexible and not restricted to follow its exact schedule. This format is in line with our inductive research approach, as well as the purpose of gaining insight into the interviewees experiences and interpretations when entering the OW markets. The questions in the interview guide were sorted after its significance, in order to make sure that the most important questions were answered if time was inadequate.

Moreover, each interview guide was customized based on the case firms' background, as well as findings from the previous interviews and the corresponding theoretical sampling. Hence, for the first interview, the questions were more open-ended in order to investigate the most significant challenges and the most relevant markets for further research. For the later interviews however, we limited the scope of research based on the previous empirical findings and the relevant literature, in order to gain more in-depth information related to some specific OW markets, challenges and corresponding actions. This is both in line with our inductive research design and Constructivist grounded theory methodology. A general interview guide can be seen in Appendix A. However, this is a relatively stripped and insufficient version in order to respect the case firms' anonymity requirement.

3.2.2 Collecting Secondary Data

In addition to the primary data presented above, the secondary data collection was based upon two sources of evidence, that is documentation and interviews. The documentation was collected from annual or other relevant reports posted by the case firms, providing us with additional information about their operations. According to R. K. Yin (2014), such source of evidence is beneficial as the information is stable, specific and broad. However, as mentioned earlier, a limited amount of this data could be applied due to their request of being anonymous. The other source of secondary data was collected from two interviews with Case Firm A and B conducted by external authors in 2017 and 2018. The interviews were all focusing on different aspects within the OW industry, for instance the firms' motivation to enter the industry, their partnership strategies, their operations and strategies in different OW markets, and the the corresponding markets characteristics. Related to the format of the data, we got access to the interview transcriptions only.

3.3 Data Analysis

After the data collection process, we transcribed all primary interviews in order to analyze, structure and systematize our empirical results. Together with the secondary data, this was first anonymized and then collected in a temporary database in order to be analyzed by both authors. Moreover, it should be noted that the analysis of the interviews were not conducted at the same time as the process of collecting and analyzing data in grounded theory proceeds in tandem and repeatedly refers back to each other, earlier referred to as theoretical sampling (Bryman, 2012; Antony

& Kathy, 2019). In the process of analyzing, a constant comparison of initial and focused codes from both within and across the different case interviews was performed. However, seen from a static point of view, the process of data analysis can be illustrated in line with Figure 3.2 below. In the following sections, we will further elaborate on applied methodologies for coding, categorizing, cross-case synthesis and re-coding.

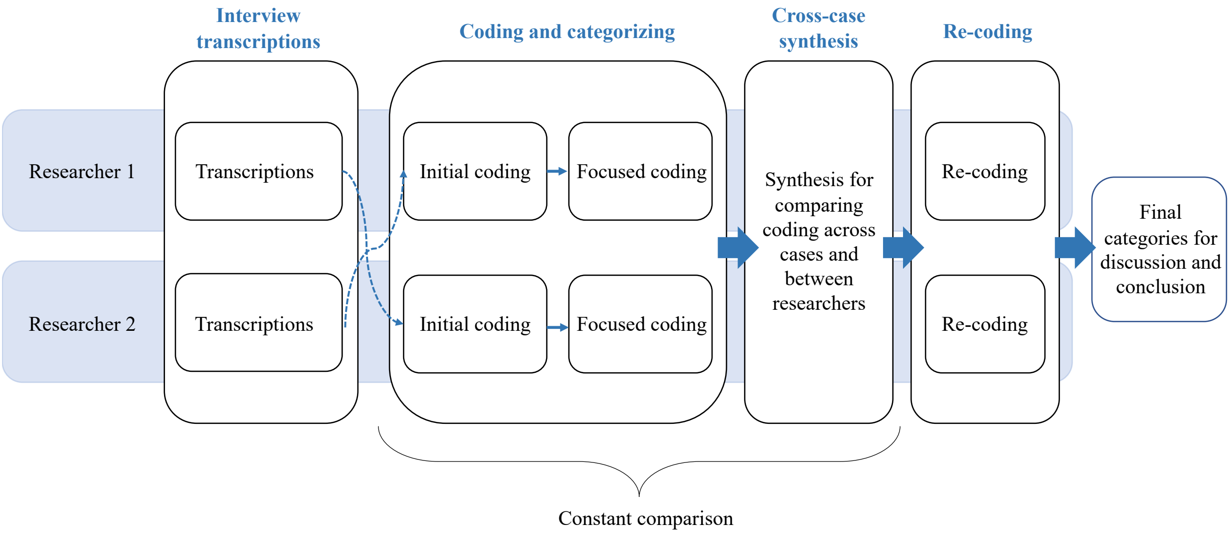

Figure 3.2: The data analysis of this thesis

3.3.1 Coding and Categorizing

All of the interviews were coded by both authors using Microsoft Excel and performed in line with the Constructivist grounded theory methodology. According to Charmaz (2006), this methodology involves performing initial and focused coding. For the initial coding, we defined codes for each line while having certain pre-defined criteria in mind. These criteria were based upon Charmaz's (2006) recommendations, involving that one should use simple and short codes that reflects actions or are expressed as in vivo words, and avoid using pre-existing conceptual words or words that just summarizes instead of analyzes. By in vivo words, it is meant codes of the participants' special terms, which helps preserve the interviewee's perceptions and actions in the coding itself (Charmaz, 2006). Based on the above, we ended up with the following criteria for initial coding:

- Simple and short codes
- Codes reflecting actions or in vivo words
- Avoid pre-existing conceptual words or words that just summarizes instead of analyzes

For the focused coding, more direct, selective and conceptual codes were conducted based on the initial coding (Charmaz, 2006). In this process, both authors constructed new codes from the initial coding describing larger segments of the data. This was also done by both researchers and through several iterations. Throughout both phases of coding, memos were written simultaneously. These are notes for personal use rather than public consumption (Charmaz, 2014), and can serve as reminders of what is meant by each code (Bryman, 2012).

3.3.2 Cross-Case Synthesis and Re-Coding

After performing both initial and focused coding for each of the interviews and by both researchers, we conducted a cross-case synthesis process. This synthesis approach was chosen due to the research being a multiple case study (R. K. Yin, 2014) and involved a comparison of codes and categories both between the researchers and the different case interviews. The different codes were also compared to the secondary data collected by documentation, as well as the relevant theoretical literature. This resulted in a process of re-coding, which finally led to some significant categories reflected in the main topics of the empirical analysis in section 5. These topics are divided into regulatory, cultural and legitimacy problems when entering the different OW markets as well as strategies to handle such barriers.

3.4 Quality of Research

As mentioned in the introduction of this chapter, we have also done a reflection of the quality of the research. Related to our research being qualitative and a case study, important factors to consider are reliability and validity (Bryman, 2012; R. K. Yin, 2014). Reliability in particular refers to the research's ability to be repeated with the same results (R. K. Yin, 2014). The aim of such reliability is to minimize errors and biases in the study (R. K. Yin, 2014). In our study, this has been ensured through our documentation of the performed methodology including how the the primary and secondary data has been collected and descriptions of the guidelines of our data analysis. These actions are to some degree in line with R. K. Yin's (2014) recommendations of having proper documentations of research procedures in order to ensure reliability of the qualitative research. However, despite these actions, we have also identified some weaknesses related to the reliability of our research. These will be presented in section 6.4.

Meanwhile, validity refers to the researchers' ability to observe, identify and measure what they are expressing (Bryman, 2012). Validity can be roughly divided into three types: construct, internal and external validity (R. K. Yin, 2014). The internal validity is only relevant for explanatory or causal studies (R. K. Yin, 2014), which is not corresponding to our research design. Construct validity refers to the researchers' ability to identify the correct operational measures for the concepts being studied (R. K. Yin, 2014). This can be ensured through the use of multiple sources of evidence, developing a chain of evidence and sharing the report to the key respondents (R. K. Yin, 2014). We followed these guidelines by using both primary and secondary data, as well as combining both empirical findings and background with relevant theoretical literature in order to justify our findings. Moreover, we shared our thesis with the case firm representatives prior to the delivery in order for them to verify the information used and for us to correct any wrong data. Furthermore, external validity refers to the degree to which the research findings can be generalized (R. K. Yin, 2014). However, this type of validity was rather difficult to ensure due to both the research design as well as more external influencing factors. This will be further elaborated on as limitations for this research in section 6.4.

Part III

ANALYSIS

EMPIRICAL BACKGROUND 4

In this chapter, the empirical background of this thesis will be presented. First, we will provide a general introduction of the status quo in the global OW industry in section 4.1. Furthermore, a description of the selected case markets will be presented in section 4.2, involving both country and industry characteristics. Lastly, we will provide general background information for the case firms in section 4.3.

4.1 The Global Offshore Wind Industry

Since the first commercial OW farm was introduced in 1991 (WindEnergy, 2019), the OW industry has evolved to become an essential part of the global energy-mix. Over these years, the projects have grown from only having a few megawatts of installed capacity to reaching a size of over 500 MW, covering the electricity demand of half a million households (Rodrigues, Restrepo, Kontos, Teixeira Pinto, & Bauer, 2015; PowerTechnology, 2019). Such an evolution has contributed to reach a level of almost 30 GW of global installed capacity at the beginning of 2020 (NORWEP, 2019; Statista, 2020). This capacity is dominated by European nations, where UK and Germany contribute the most (NORWEP, 2019; Statista, 2020) (see Figure 4.1). For the following years, researchers and practitioners expect growth in several new and promising markets, especially in Asia Pacific and the Americas (NORWEP, 2019). These markets will play an important role for the extensive global growth in the OW industry, which is illustrated in Figure 4.2.

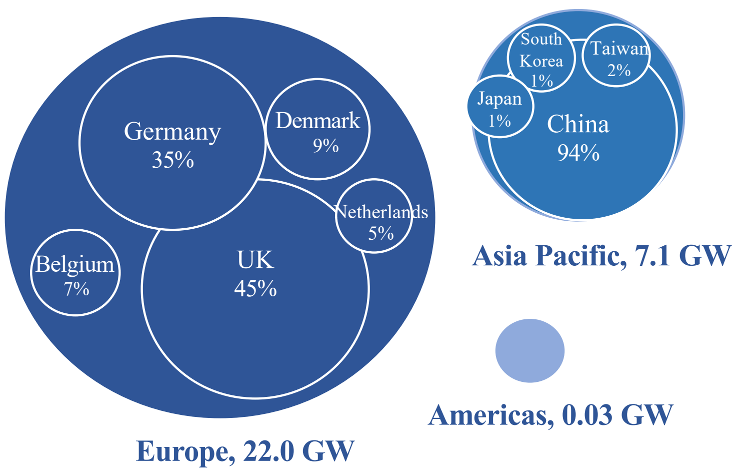

Figure 4.1: Global installed capacity in the beginning of 2020 (NORWEP, 2019)

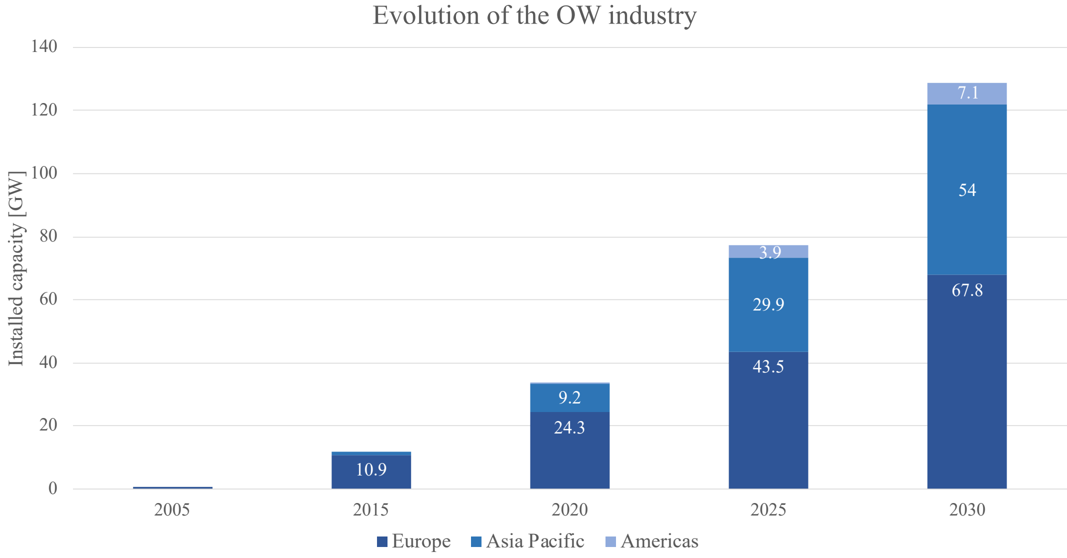

Figure 4.2: Development of global installed Offshore Wind capacity (Bloomberg New Energy Finance, 2018)

4.2 The Case Markets

In line with the criteria presented in chapter 3, this thesis' case markets are Taiwan, South Korea and the US. As indicated in the above section, these markets are within two of the most prominent OW areas expected to have a major growth in the following years (NORWEP, 2019). Unlike South Korea and Taiwan, the US covers an extensive area consisting of several independent states. In this thesis, we will therefore focus on the East Coast when referring to the American OW market.

What is common for these markets is their establishment of one commercial project in 2016, which constitutes to their current total operating capacity (American Wind Energy Association, 2020; Park & Kim, 2019; Chien, 2019). Furthermore, they are all characterized by an immature industry nature including poorly developed domestic supply chains (NORWEP, 2019; Park & Kim, 2019) as well as extensive interference from local communities (H.-J. Kim, Kim, & Yoo, 2019) and interest groups protecting fishing, environment or other mammals (J.-L. Chen, Liu, Chuang, & Lu, 2015; U.S. Department of Energy, 2019; Linklaters, 2019). Beyond this, the OW markets can be distinguished from one another on both a country and industry level. Table 4.1 shows some of the main differences on an industry level, including current and planned status related to operating capacity and support schemes (NORWEP, 2019). In addition to this information, further differences on both country and industry level will be presented in the following sections.

Table 4.1: Industry specific information about the case markets

	Operating OW capacity by 2019	**Total planned OW capacity by 2024**	**Support scheme**
Taiwan	128 MW	4.4 GW	Feed-in tariffs
South Korea	30 MW	2.4 GW	Renewable Portfolio Standard program
US	30 MW	2 GW	State level (East Coast): Renewable Portfolio Standards Program Federal level: production and investment tax credits

4.2.1 Taiwan

On a country level, Taiwan is characterized as an EE (Marquis & Raynard, 2015; Shiraishi, 2019) and scholars have until 2005 reported several market inefficiencies in the country's product, labor and capital markets (Chu, 2004; Lou & Chung, 2012). Also, since the 1960s, the Taiwanese government has directly intervened in the the nation's industrialization (Chien, 2019). Over the years, however, some of the above inefficiencies have reduced, such as for instance the restrictions on M&As (Lou & Chung, 2012), leading to a mix of developed and undeveloped institutions (Dahms, 2019). Although Taiwan consequently has grown to be a relatively advanced EE (Lou & Chung, 2012), the state's commitment towards controlling and promoting strategically important industries has remained (Chien, 2019).

Related to Taiwan's energy supply, the country is dependent upon fossil energy imports and nuclear power due to lack of natural energy resources (Executive Yuan, 2016). In 2018, the energy mix constituted of about 93 % fossil, 6 % nuclear and 1 % solar and wind power (C.-C. Feng, Chang, Lin, & Lin, 2020). However, as renewable energy has received more attention globally and the severity of nuclear safety concerns is increasing, the local OW industry has grown since its introduction (Executive Yuan, 2016). In addition to reducing the country's dependence on fossil and nuclear power, the OW industry was also promoted to create new business opportunities through cooperation between international and local firms (Executive Yuan, 2016; Chien, 2019). Related to this development, however, the strong and remaining state intervention presented above plays a major role (Chien, 2019). For instance, this can be reflected in the government posing local content requirements to secure local growth as well as mobilizing control over power generation, transmission, distribution and grid connections through the state-led Taiwan Power Company Taipower (Chien, 2019).

4.2.2 South Korea

Similarly as for Taiwan, South Korea is also considered as an EE on a country level (H. Kim, Kim, & Hoskisson, 2010; Marquis & Raynard, 2015; Shiraishi, 2019). The recent decades, the country has experienced periods of political and economic liberalization (Siegel, 2007). With this development, South Korea has increasingly established rule of law and democratic institutions (Horak & Klein, 2016) and the degree of state industrial policy involvement has decreased (Looney, 2014; He, 2019). Despite this progress and similar as for Taiwan, however, governmental involvement has not entirely disappeared (Looney, 2014; He, 2019) and local firms still tend to rely on informal institutions such as social networks (Horak & Klein, 2016).

When it comes to South Korea's energy supply, the country is similarly as for Taiwan mainly dependent upon coal and nuclear power (Park & Kim, 2019). More specifically, the energy mix constitutes to about 70 % fossil, 20 % nuclear and 10 % renewable energy (Chung, 2019). As a consequence of health problems caused by coal-fired power plants and citizen demand for solving the safety problems of nuclear power, however, a new energy transition policy has been introduced (Park & Kim, 2019). This has resulted in an increasing interest for development of the OW industry (Park & Kim, 2019). Similar as for the Taiwanese OW market, however, the strong governmental control is also present in South Korea's OW development. For instance, this can be reflected by the implementation of governmental policies to promote local supply chains (Park & Kim, 2019) and the local state-owned utility company Korea Electric Power Corporation having the largest owner portfolio (NORWEP, 2019).

4.2.3 The US

Unlike Taiwan and South Korea, the US is characterized as a DE on a country level with low degrees of general market inefficiencies (Khanna & Palepu, 2015). However, as the country consists of several independent states, the regulatory system involves legislation both on state and federal level (deCastro et al., 2019). Moreover, the US has a history of operating with protectionism in terms of for instance rules and restrictions (Martino, 2017).

Regarding the country's energy resources, the US is also mainly dependent upon fossil or nuclear power resources (U.S. Energy Information Administration, 2020). This is reflected in the energy mix constituting of 80 % fossil, 8 % nuclear and 11 % renewable energy (U.S. Energy Information Administration, 2020). As part of this renewable energy contribution, state policies in the American East Coast has been important drivers for the OW development (American Wind Energy Association, 2020). Moreover and similar for both Taiwan and South Korea, the country characteristics have shown to influence the OW development. For instance, the protectionism has been observed in terms of the Jones Act (Martino, 2017) restricting maritime shipment to only be domestically manufactured, owned and operated (U.S. Department of Energy, 2019). Furthermore, the OW regulatory system is complex consisting of multiple authorities and agencies on both state and federal level (deCastro et al., 2019).

4.3 The Case Firms

Based on the criteria presented in chapter 3, three OW developers were chosen as case firms for the purpose of this study. Due to their request of being anonymous caused by confidentiality, only a limited amount of information about each case firm can be revealed. This description will therefore be general with no details in order to reduce the possibilities of decoding. When considering our results, this limitation must therefore be taken into account which will be further elaborated on in section 6.4.

Common for all case firms is their origin from DEs in Europe characterized by a western culture as well as somewhat developed and stable regulatory OW systems. Related to their market expansion, European markets are dominating their current OW operations. In addition to the OW industry, the firms are also present in other industries. Since the case firms first entered the OW industry, they have all grown in terms of OW departments, project portfolios and industry experience in several international markets across different continents. Outside of Europe, Case Firm A and B has established offices and are operating or planning projects in the American, Taiwanese or Korean market. Case Firm C, however, has a more focused strategy in terms of only operating in the European continent. Within Europe, the firm has somewhat similar amounts of operating and planned projects as Case Firm A and B. As introduced in section 3.1.3 and although not being present in the case markets, this firm is therefore still included in this study due to its relevant and comprehensive experiences from operations in Europe. (Case Firm B, 2020; Case Firm A, 2020; Case Firm C, 2020)

EMPIRICAL ANALYSIS 5

In this chapter, the most important findings from our empirical analysis will be presented. After analysing the empirical data in accordance to the method described in chapter 3, we found some central barriers and strategies when entering the emerging OW industry in the US, Taiwan and South Korea. While the above challenges will be elaborated in section 5.1, section 5.2 will include the case firms' reflections on relevant strategies to overcome these barriers. The empirical findings are summarized in Table 5.1 and 5.2.

5.1 Entry Barriers

When entering the emerging OW markets in the US, South Korea and Taiwan, the case firms elaborated on a variety of barriers. For instance, both Case Firm B (2020) and Case Firm A (2020) outlined the difficulty of going to markets where the culture is very different in the way of working. Related to this, certain differences in the level of difficulty across the case markets were emphasized. For the American market, Case Firm B (2020) outlined that culture was not seen as a major barrier due to it being relatively similar compared to their home culture. However, for the Asian markets, larger cultural differences were argued to increase the barriers of learning and understanding the local business cultures (Case Firm B, 2020). Consequently, this was considered to require firms to invest increased resources in gaining sufficient cultural knowledge (Case Firm B, 2020). Additionally, such a cultural difference was argued to cause increased risk for misunderstandings, lower standards, mistakes and hidden agendas among local partners (Case Firm B, 2020).

"They might have hidden agendas. Hence, there is a business culture in these countries that is difficult to understand compared to especially the Europe. This is not the case in the US."
- Case Firm B

In addition to problems related to different business cultures, the case firms also highlighted both general and market specific challenges regarding the markets' regulatory systems. Case Firm B (2020), for instance, pointed towards general problems related to gaining insights in governmental expectations that is not written in law. Such expectations were considered as with higher tacitness and lower transparency, challenging the process of accessing regulatory information (Case Firm B, 2020). Furthermore, Case Firm B (2020) also emphasized that there exists a risk for regulatory changes in all of the three OW markets. Such changes can be difficult to predict and are important to be aware of as they can cause delays, higher costs and consequently higher power prices (Case Firm B, 2020). In addition to both tacit governmental expectations and regulatory changes, the case firms also outlined problems regarding specific regulations and expectations posed by the government or other stake-

"Especially when going to Asian Pacific and the US, there is high local content requirements ... to ensure that you are developing local jobs."
- Case Firm A

"You are not allowed to use the same suppliers in the US as in Europe, as it should be built in the US. Also, they obviously desire that when something is built in the US it should be "made in America."
- Case Firm B

holders forcing firms to enter local collaborations in all markets (Case Firm A, 2020; Case Firm B, 2020; Case Firm C, 2020). For the US, for instance, this can be seen in terms of protectionist regulations such as the Jones Act (as presented in section 4.2.3) (Case Firm B, 2020; Case Firm A, 2018a) as well as a strong expectations from host country actors that business and production is done locally (Case Firm B, 2020). For the Taiwanese market and in line with the empirical background in section 4.2.1, local content requirements regarding both physical assets, job creation and collaborations with academic institutions were also considered to pose a challenge for foreign developers (Case Firm A, 2018c).

"The US is very legalized, and locally closed, especially on state level. There exists many regulations, legal entities ... this way it is challenging" - Case Firm B

Other than the general regulatory challenges described above, specific challenges were also outlined for each case market without emphasizing on any major differences in the level of difficulty between them (Case Firm B, 2020). For the American market in particular, its complex regulatory system consisting of an extensive number of responsible legal entities introduced in section 4.2.3 was outlined to increase the market risk (Case Firm B, 2020). Comparing it with the well-developed regulatory system in Denmark described as a "non-stop shop", the American market was therefore considered as with high fluctuations and uncertainties, challenging the process of applying for permissions and grid connections (Case Firm B, 2020). This complexity was therefore seen as hard to grasp and handle for entering firms (Case Firm B, 2020). Meanwhile for the Asian markets, challenges were outlined regarding legislation being written in the host country language (Case Firm B, 2020). Similar to the problems in the US market, this also contributed to increasing entering firms' perceived regulatory complexity (Case Firm B, 2020).

"The suppliers want to see something more, not just the value of this one project we are developing for them"
- Case Firm B

"It is important to understand the interests of local interest groups ... will fisheries be resistant, are you risking to loose your permission?"
- Case Firm B

In addition to the above cultural and regulatory challenges, the case firms lastly outlined their dependence upon gaining legitimacy from local actors in all markets in order to fulfill the above local content requirements (e.g., Case Firm B, 2020). Related to this, it was emphasized that gaining legitimacy from local actors can be considered as especially challenging when entering the unfamiliar and emerging OW markets investigated in this case study (Case Firm B, 2020). For instance, gaining legitimacy towards local suppliers was outlined as problematic due to poorly developed supply chains and expectations of future-oriented and sustainable investments (Case Firm A, 2020; Case Firm B, 2020). This reduces the suppliers' incentives in entering the market as well as increases the importance of appearing as a reliable actor to attract partners (Case Firm B, 2020; Case Firm A, 2020). Furthermore, the case firms also mentioned problems related to gaining support and legitimacy from local communities and interest groups in all markets (Case Firm A, 2020; Case Firm B, 2020; Case Firm C, 2020). This was considered as an industry-specific problem with the power of limiting the development of projects (Case Firm C, 2020). For instance in the South Korean market, Case Firm B (2020) highlighted that local interests are complex and hard to understand.

Table 5.1: Empirical findings related to entry barriers

Categories	Findings on entry barriers	
	General	*Market-specific*
Culture	Going to markets which is culturally different	Larger cultural differences in the Asian markets compared to the US
Regulatory system	Gaining insights in governmental expectations not written in law Regulatory changes Regulations and expectations posed by the government and other stakeholders promoting local interaction	Complex regulatory system in the US Legislation written in the host country language in the Asian markets
Local legitimacy and support	Gaining legitimacy towards suppliers Gaining support from local communities and interest groups	

5.2 Entry Strategies

Regarding how to handle the entry barriers presented above, the case firms addressed several actions. These strategies can broadly be divided into establishing ties with local partners, governments and suppliers, as well as engaging in local communities and interest groups. In the following sections, we will present the case firms' emphasis on how these strategies can solve the different challenges introduced in section 5.1.

5.2.1 Partner Ties

"As the regulations in the US are a lot different from how it is done traditionally in Europe, it is incredible important to build up knowledge about the local stakeholders and governments through partners."
- Case Firm A

When it comes to handling cultural differences and regulatory uncertainties in the US, South Korea and Taiwan, the case firms emphasized on collaborations with local partners through shared ownership and acquisitions (Case Firm B, 2020; Case Firm A, 2020). In addition to securing financial resources and access to established governmental and other actor ties, such partner ties were argued to solve the above challenges by providing market-specific knowledge (Case Firm B, 2020; Case Firm A, 2020). As barriers related to learning and handling the American business culture was considered as minimal (see section 5.1), Case Firm B (2020) established partner ties with American partners mainly in order to handle regulatory uncertainties. This involves gaining knowledge about how to write applications, what to emphasis and how to access the right people in the bureaucracy (Case Firm B, 2020).

"In South Korea, a lot of the legislation is in Korean for instance, ... you are dependent upon a local partner that can handle these problems for you"
- Case Firm B

For the Asian markets such as South Korea, Case Firm B (2020) emphasized higher dependency on partnership with local industrial actors, utility companies or developers in order to overcome language barriers related to legislation, as well as gaining insights in the local business culture. This was explained by building long-term relations over dinners and events in order to reveal core aspects of the market's business culture (Case Firm B, 2020). Furthermore, due to less experience within the Korean market than in the US, Case Firm B (2020) also outlined the increased importance of long-lasting partnerships in South Korea whereas allowing to rely more on internal knowledge and consultancy firms in the US.

"Sharing ownership with a partner who knows local governments, agreements, actors etc. is clearly an advantage"
- Case Firm B

More specifically for the different types of local partner ties, shared ownership has been used on most of both Case Firm B's (2020) and Case Firm A's (2020) projects in the US, South Korea and Taiwan. For instance, Case Firm A (2020) divested shares of projects in the US to a local energy partner to access strong transmission expertise and know-how. Equally, Case Firm B (2020) has established a consortium with two local energy companies in order to develop their first project in South Korea. In addition to shared ownership, the case firms also emphasized on the possibility for acquiring a relevant local actor in order to gain market insights (Case Firm A, 2020; Case Firm B, 2020). Related to this, Case Firm A (2020) shared that they performed an acquisition of a local developer when entering the US market to access expertise in originating, developing and permitting OW projects in the American waters (Case Firm A, 2018b, 2020). In addition to providing the firm with regulatory knowledge, this acquisition gave first-mover advantage, access to attractive partners (e.g leading utility companies) and a project portfolio including a cluster of projects that had synergy potentials (Case Firm A, 2018a, 2019, 2018b). However, such an acquisition has not yet been performed by any of the case firms in the Asian markets (Case Firm A, 2020; Case Firm B, 2020). Related to this, Case Firm B (2020) emphasized on some general explanations for avoiding such acquisitions in the emerging OW markets, such as for instance high costs and limited number of relevant firms to acquire.

"And what you also saw from us is that we bought this local developer in the US ... we actually bought a portfolio, but we also bought a lot of competence and know-how for how to actually develop projects in that market."
- Case Firm A

5.2.2 Governmental Ties

While local partner ties were outlined as means to handle both cultural and regulatory problems in all case markets, varying degrees of governmental ties were emphasized to reduce regulatory uncertainties in particular (Case Firm A, 2020; Case Firm B, 2020). These strategies were outlined to be performed in all markets in order to access the governments' build-out plan as well as predict sudden regulatory changes (Case Firm A, 2020; Case Firm B, 2020). Accessing information about build-out plans through governmental ties was considered as especially essential in order to convince suppliers to start long-term operations within the market (Case Firm A, 2020). Additionally, by gaining insights in possible future regulatory changes, the firms can be prepared and alternatively avoid it in happening (Case Firm B, 2020). For the US market in particular, Case Firm B (2020) also emphasized that establishing ties with governmental authorities could help gaining insight in the host country's complex regulatory system. In total, such ties might therefore contribute in reducing market risks caused by its regulatory system (Case Firm B, 2020).

"That [the importance of transparent build-out plans] is something we communicate with the government, as the suppliers are concerned about predictability and volume over time."
- Case Firm B

5.2.3 Supplier Ties

As mentioned in section 5.1, the existence of local content requirements in all case markets forces firms to collaborate with local actors such as suppliers. In order to fulfill these governmental requirements, the case firms emphasized on close collaborations with local suppliers in order to show their ability to perform local and sustainable value creation and consequently gain legitimacy (Case Firm A, 2020; Case Firm B, 2020). This can be reflected in Case Firm A (2020) developing a small initial project when entering the Taiwanese market as well as Case Firm B (2020) developing a demonstration project in the US to work with the local supply chain. More specifically in order to achieve such legitimacy towards local

"We have worked a lot with the supply chains ... and showing them that the way we do business creates jobs and local value creation."
- Case Firm B

"[When accessing local suppliers], we try to be transparent and arrange early meetings about our projects and about what we need." - Case Firm B

suppliers, Case Firm B (2020) emphasized on applying sufficient transparent, predictable and open communication. This can for instance be ensured through arrangements of early meetings (Case Firm A, 2019; Case Firm B, 2020) and open days (Case Firm B, 2017; Case Firm A, 2018a), as well as sharing information regarding governmental build-out plans (see section 5.2.2), long-term market intentions, prior experiences, tendering documents, contracting structure and risks (Case Firm A, 2020; Case Firm B, 2020). This way, suppliers might be more willing to enter collaborations and invest into the market as increased external legitimacy reduces perceived risks (Case Firm B, 2020; Case Firm A, 2020).

5.2.4 Local Community and Interest Group Engagement

"With the local communities, we spend the time ... having engagement events, and meetings and public exhibitions in order to explain what we are planning to do and allow them to comment on the proposals for the wind farm" - Case Firm C

In order to gain legitimacy and support from local communities and interests groups, Case Firm C (2020) stressed the importance of understanding and being conscious about the OW industry's impact on the environment and the different animal species as well as mitigating the impacts together as an industry. All case firms are therefore focusing on being respectful of the interests of local communities and interest groups, providing them with relevant information and allowing them to come with proposals (Case Firm B, 2020; Case Firm A, 2020; Case Firm C, 2020). This involves for instance arranging meetings (Case Firm A, 2020; Case Firm B, 2020; Case Firm C, 2020), engagement events (Case Firm C, 2020), public exhibitions (Case Firm C, 2020) and collaborations with universities (Case Firm A, 2020) to make sure that they can act to solve the global climate crisis while preserving local ecosystems. For instance, in their communication with environmental and fisheries interest groups in the US market, Case Firm B rely on openness and sharing through a "no surprises approach" (Case Firm B, 2019). This includes sharing project updates, plans, results and other information in all phases of the projects in order to discuss the projects and solicit feedback.

Table 5.2: Empirical findings related to entry strategies

Categories	**Findings on entry strategies**	
	General	*Market-specific*
Partner ties	Accessing market insights through shared ownership and acquisitions to reduce cultural differences and regulatory uncertainties Establishing long-term relations when market experience is low	Accessing cultural knowledge through shared ownership to reduce cultural differences in Asian markets Accessing regulatory knowledge through shared ownership and acquisition to reduce regulatory uncertainty in the US
Governmental ties	Accessing regulatory knowledge through close collaborations to reduce regulatory uncertainty	
Supplier ties	Gaining legitimacy through close, transparent and open communication	
Engagement in local communities and interest groups	Gaining legitimacy through close and frequent interaction	

Part IV

DISCUSSION AND CONCLUSION

DISCUSSION 6

In chapter 1, we asked how the most central strategic challenges vary across EEs and DEs when entering EIs as well as which strategies firms should adapt to enter such institutional environments successfully. In order to answer the above questions, we have in this thesis drawn upon Phillips et al. (2009) in terms of considering the host country environments' level of institutional uncertainties as well as distances from home market. More specifically, we have studied the emerging OW markets in the US, Taiwan and South Korea. As presented in section 4.2, the US is considered as a DE with low degrees of market inefficiencies and the Asian markets are characterized as EEs. This can be reflected by the reliance on informal institutions and strong governmental interference in the Asian markets which is by the literature considered as typical EE traits (London & Hart, 2004; Boubaker & Nguyen, 2014; Bremmer, 2014; Cuervo-Cazurra et al., 2014; Doh et al., 2017; Glewwe et al., 1994). When evaluating the institutional distance between the case firms' home and host markets, we base our discussion on the home countries' developed and stable regulatory OW system as well as western culture introduced in section 4.3.

While keeping this in mind, we will in the following sections answer our RQs by combining our empirical background and findings from chapter 4 and 5 with extant literature from chapter 2. In our propositions, we will for simplicity refer to EEs and DEs without the specific levels of institutional uncertainties and distances of this study's case markets. As explained in section 6.4, it is however important to note that our findings are not necessarily general for all EEs and DEs. When considering these results, it is therefore still important to keep in mind the case markets' specific host country institutional environment summarized in Table 6.1. In addition, when referring to institutional distances in the American and Asian markets, this involves the distance between the case markets and the case firms' home countries if nothing else is specified. Lastly, due to similarities between the uncertainties and distances in Taiwan and South Korea, we will in the rest of this thesis view these two countries as a part of a wider Asian institutional environment.

6.1 RQ1 - Entry Barriers

Findings from our empirical analysis indicate that the case firms experience several barriers when entering EIs in the different host country institutional environments. Drawing upon our findings in chapter 5, we argue that these challenges can broadly be divided into two categories. First of all, we learned that the case firms suffer from both cultural and regulatory challenges when entering emerging OW markets. These include lack of cultural insights, tacit governmental expectations, limited awareness of frequent regulatory changes, local content requirements, regulatory complexity and language barriers in legislation. As these challenges seem to occur due to both cultures and regulatory systems being unfamiliar for entering firms, we therefore argue that they can be considered as problems with gaining institutional knowledge in particular. Secondly, we also learned that the case firms struggle to achieve external support from local suppliers, communities and interest groups. Accordingly, we argue that this challenge can be considered as caused by lacking institutional legitimacy. When considering these findings, however, it is important to note that the knowledge and legitimacy problem might be interrelated as lack of one might affect the other and vice versa. For simplicity, however, we will handle these problems separately in this section while commenting on their interrelationships in section 6.3.

Among the above findings, only the legitimacy problems have been represented in extant EI literature. Based on our findings, we therefore support extant literature emphasizing on legitimacy problems due to new industries' institutional vacuums and sometimes hostile environments (Aldrich & Fiol, 1994; Déjean et al., 2004) can lead to problems in terms of limited support (Aldrich & Fiol, 1994; Bergek et al., 2008; Markard et al., 2016), difficulties to form alliances (Aldrich & Fiol, 1994; Déjean et al., 2004), access resources (Aldrich & Fiol, 1994; Déjean et al., 2004) and develop supply chains (Bjørgum & Netland, 2016). This indicates that EIs' inefficient institutional environments can cause institutional uncertainties in terms of legitimacy problems. However, as shown in section 5.1, our empirical findings also indicate that challenges related to legitimacy are especially central in emerging OW markets suffering from institutional constraints such as local content requirements. In addition, varying degrees of difficulties in gaining institutional knowledge have also been less represented in the EI literature.

Based on the above, the findings in this study therefore contribute to extant literature in providing a more broad picture on perceived challenges in terms of both institutional legitimacy and knowledge when entering EIs. However, it is important to note that our contributions must be considered in the light of differences in host country institutional environments between DEs and EEs. As shown in section 2.2.1, literature considering the institutional environment of EEs has historically considered entry barriers as more extensive when entering such markets compared to DEs. This is due to the extra uncertainty caused by institutional voids (Khanna & Palepu, 2000; Peng et al., 2008; Puffer et al., 2010; Mair & Marti, 2009; Doh et al., 2017), constraints (Peng, 2003; Bremmer, 2014; Rottig, 2016; Wan et al., 2020), change and transitions (Nakata & Sivakumar, 1997; Peng, 2003; Hoskisson et al., 2013; Cauvusgil et al., 2013; Zhao et al., 2014) presented in section 2.2.1. Despite this, we will in the following paragraphs discuss how our findings indicate that the degree of perceived entry barriers related to gaining institutional knowledge and legitimacy can both vary across and be similar for EIs in DEs and EEs.

When it comes to the process of gaining informal institutional knowledge in particular, our findings indicate that the case firms experience higher challenges in the Asian markets compared to the US. Although all markets seem to suffer from the tacitness of governmental expectations not being written in law, the case firms emphasized on larger cultural and linguistical differences in the Asian markets leading to higher difficulties in understanding the local business culture. Such increased entry barriers for the Asian markets are therefore consistent with the literature as it can be caused by both higher institutional distance and uncertainty. Drawing upon the institutional distance literature (e.g,. Eden & Miller, 2004), cultural and linguistical differences between these markets can be considered as informal institutional distances causing unfamiliarity hazards. Furthermore, the above cultural differences can also be caused by the Asian market's characteristics of strong reliance on informal institutions outlined in section 4.2. This can be argued due to lower degrees of dependence on such cultural institutions in the case firms' home markets as they are characterized as DEs. Consequently, we support that strong reliance on informal institutions might limit the market transparency (Marquis et al., 2011; Marquis & Qian, 2014), resulting in higher challenges when gaining informal institutional knowledge. Based on the above discussion, the following proposition can be formulated:

P1: Firms entering Emerging Industries in Emerging Economies experience higher levels of barriers when gaining informal institutional knowledge compared to Developed Economies.

In addition to posing challenges upon firms in the process of gaining informal institutional knowledge, cultural differences in the Asian markets were also emphasized by the case firms to cause increased risks for misunderstandings, mistakes and hidden agendas among local partners compared to the American market. Since such actions involve the partner not acting in the best interest of the focal firm, they can be considered as agency problems (Dyl, 1988). Moreover, as agency problems in general are known to raise additional costs related to the interaction (Panda & Leepsa, 2017), these findings can be argued to be consistent with the literature. In addition to causing unfamiliarity hazards as discussed in the previous paragraph and following institutional distance literature (e.g Eden & Miller, 2004), cultural differences in the Asian markets therefore seem to also lead to higher relational hazards. Furthermore, it is likely that their inefficient informal institutional environment discussed above also might have caused increased opportunistic behaviour as it is more common in EEs (e.g. Dikova & Van Witteloostuijn, 2007; Luo, 2007a; Silvestre, 2015; L. Wang et al., 2017). Accordingly, we formulate the following proposition:

P2: Firms entering Emerging Industries in Emerging Economies experience higher risks for agency problems towards local partners compared to Developed Economies.

While challenges in gaining informal institutional knowledge seem to be more critical in the Asian markets compared to the US, our empirical data indicate that the situation is different for formal institutional knowledge. This is based on the case firms experiencing regulatory challenges in all case markets, without emphasizing on any major difference in the level of difficulty between them. According to our empirical data, all markets suffer from tacit governmental expectations and regulatory changes which might hamper the process of gaining regulatory knowledge. Additionally, the US is specifically characterized by a complex regulatory system and the Asian markets by legislation being written in the host country language. The American regulatory complexity in particular can, in addition to being caused by the institutional vacuums of EIs, be grounded in the country's high variations in legislation on federal and state levels found in section 4.2.3. This way, both the general and market-specific regulatory uncertainties seem to challenge the process of gaining formal institutional knowledge about the host country regulatory system. For the market-specific characteristics, the American complexity can consequently be seen as a formal institutional distance between home and host market, and is therefore consistent with the literature (e.g., Eden & Miller, 2004) in driving higher formal unfamiliarity hazards. Supporting the same literature, the Asian legislation being written in the host country language can also be considered as an informal institutional distance causing higher formal unfamiliarity hazards.

However, this relatively similar level of barriers is contradicting with the EE literature as lack of formal and informal institutions (e.g., Khanna & Palepu, 2000; Peng, 2003; Puffer et al., 2010; Marquis & Qian, 2014; Doh et al., 2017) as well as frequent regulatory changes (e.g., Nakata & Sivakumar, 1997; Zhao et al., 2014) in EEs are more likely to challenge the process of accessing formal institutional knowledge compared to DEs. Nevertheless, this can be explained by both the fragmented uncertain environment of the Asian markets in particular as well as the more general EI characteristics in all markets. As indicated above, regulatory changes seem not to be specific for the Asian EEs only, but rather a consequence of the gradual improvement of the EI's institutional vacuum in general. Additionally, from the empirical background in section 4.2.1 and 4.2.2 we learned that despite their remaining governance interference, the formal institutions in the Asian markets are gradually becoming more strengthened. This indicates that challenges related to gaining formal institutional knowledge caused by the Asian markets' EE character are lower than expected. Combined with the high formal and informal institutional distance in all markets, this can therefore explain the more similar levels of barriers in the case markets than expected by the literature. Based on the above discussion, we propose the following proposition:

P3: Firms entering Emerging Industries in Developed and Emerging Economies experience relatively similar levels of barriers when gaining formal institutional knowledge.

Similarly as for gaining formal institutional knowledge, our empirical data also indicate relatively equal levels of challenges related to gaining institutional legitimacy across the case markets. This is reflected in the general challenges of achieving legitimacy from local suppliers, communities and interest groups in both the US, Taiwan and South Korea as presented in section 5.1. Such somewhat similar levels of legitimacy problems can therefore be considered as contradicting with the literature originally suggesting the Asian markets' high informal institutional distance to pose more extensive discriminatory hazards compared to markets with lower distances (e.g., Eden & Miller, 2004). Additionally, EE literature also suggests that the Asian markets' strict governmental control over firms' actions (Glewwe et al., 1994; Boubaker & Nguyen, 2014; Cuervo-Cazurra et al., 2014; Bremmer, 2014; Wan et al., 2020) as well as strong reliance on informal institutions causing higher levels of normative and cognitive constraints (Scott, 2014; Peng, 2003; Rottig, 2016) should pose higher pressures for legitimacy and involvement of local communities for foreign firms in EEs compared to DEs. Especially for supply chains, overly bureaucratic governments and local job and operation legislation was considered as a common EE characteristic (Silvestre, 2015).

However, this somewhat contradicting result can be explained by the case firms emphasizing on a general dependence upon gaining legitimacy from local actors in all markets in order to fulfill requirements and expectations promoting local involvement. For the Asian markets, the distances and constraints presented in the previous paragraph still seem to be present in terms of both the already mentioned governmental interference and reliance on informal institutions, as well as local content requirements on for instance physical assets and job creation (see section 4.2.1, 4.2.2 and 5.1). However, our empirical data also show that the case firms entering the US market seem to be more affected by both formal and informal institutional constraints than implied from the EE literature. Despite being a DE, our empirical data in both section 4.2.3 and 5.1 indicate that the US market can be characterized by both a formal and informal protectionist attitude in terms of local content regulations and expectations. While such protectionism was not specifically seen as a barrier for the process of achieving institutional knowledge in the US, this host country characteristic was considered as more central in increasing the case firms' dependency on gaining legitimacy from local actors. By drawing upon the institutional distance literature (e.g. Eden & Miller, 2004), we therefore argue that the American protectionism may increase the institutional distance from the case firms' host markets and consequently contribute to higher discriminatory hazards. It is therefore not unreasonable to assume that this has contributed into decreasing the differences in perceived legitimacy problems among the case markets. Consequently, the following proposition can be formulated:

P4: Firms entering Emerging Industries in Developed and Emerging Economies experience relatively similar levels of barriers when gaining institutional legitimacy.

From the above discussion, we have found that different levels of institutional distances and uncertainties affect the level of perceived challenges when entering EIs in different host country environments. Based on this, we summarize the identified levels of distances and uncertainties in both the American and Asian markets in Table 6.1. This table shows that while the US seem to have high formal and medium informal institutional distance from the case firms' home market, we argue that the Asian markets can be considered with both high informal distance and uncertainty as well as decreasing formal uncertainty. However, due to limited empirical data, we were not able to identify any level of institutional distance for the Asian markets. Nevertheless, such characteristics raises differences in entry barriers into the markets. Accordingly, the above propositions describing the different levels of entry barriers when entering the Asian EEs and the American DE studied in this thesis can be illustrated in Figure 6.1. In this figure, arrows from both host country institutional environments indicate similar degrees of barriers while one arrow means higher barriers for the respective market.

Table 6.1: Identified institutional distances and uncertainties in the case markets

		American OW market	Asian OW markets
Institutional distance	*Formal*	High:	-
		Complex regulatory system, Formal protectionism	Limited empirical data
	Informal	Medium:	High:
		Informal protectionism	Culture, Language
Institutional uncertainty	*Formal*	Low:	Decreasing:
		Low market inefficiencies	Strong government interference, but decreasing formal inefficiencies
	Informal	Low	High
		Low market inefficiencies	Strong reliance on informal institutions

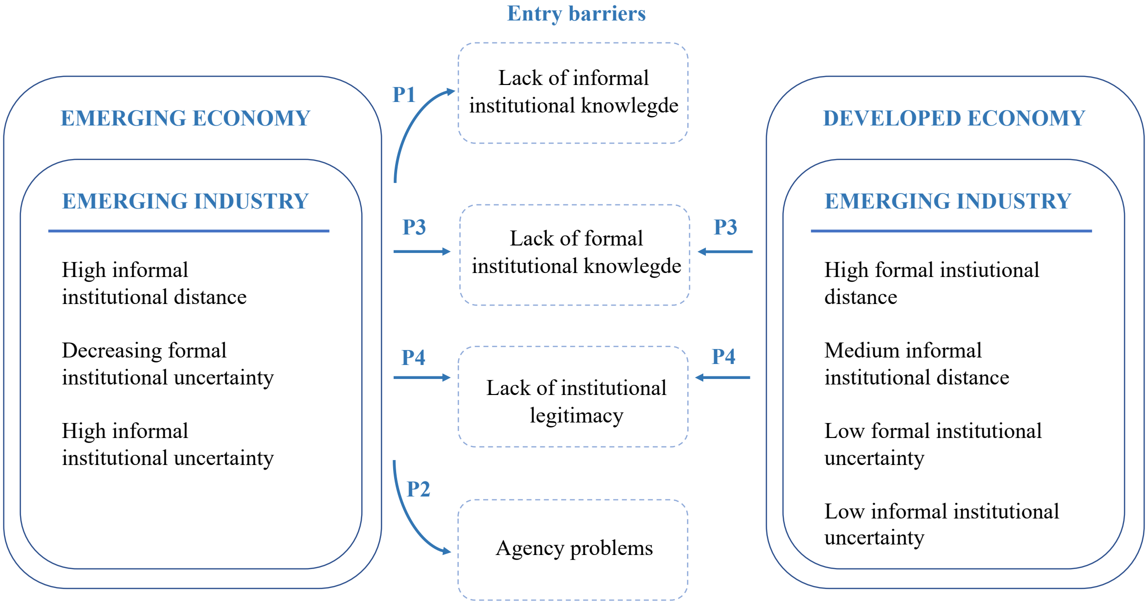

Figure 6.1: Overview of the propositions related to Research Question 1

6.2 RQ2 - Entry Strategies

In this section, we will based on empirical data and extant literature discuss how the strategic challenges presented in the previous section impact firms' choice of entry strategies to EIs in different host country institutional environments. Related to this, findings from chapter 5 indicate that firms tend to introduce different degrees of local collaborations in order to cope with the challenges of cultural differences, regulatory uncertainties and limited external legitimacy presented in previous section. In line with our observations from section 6.1 and as illustrated in Table 5.2, it seems like these strategies solved the above challenges by providing institutional knowledge and legitimacy.

While the case firms seem to collaborate with suppliers, local communities and interest groups to gain legitimacy, they tend to obtain local ties with strategic partners and governments to access regulatory and cultural knowledge in terms of for instance application processes, entities in the bureaucracy, governmental build-out plans as well as business cultures in general. Similarly for section 6.1, however, it is important to note that gaining knowledge and legitimacy might be an interrelated and continuous processes when considering these results. In addition to gaining institutional knowledge and legitimacy through local collaborations, a firm might also need both attributes to be able to establish the collaboration in the first place. For simplicity and similar as in section 6.1, we will in this section handle the above processes separately while commenting on relevant interrelations in section 6.3.

When it comes to the identified strategies found in this study and similarly as for challenges in section 6.1, only the findings related to legitimacy have been represented in extant EI literature. This way, we support previous research emphasizing on multiple stakeholder collaborations (Aldrich & Fiol, 1994; Luo, 2003; Dorado, 2005; Walker et al., 2014; Hargrave & Van de Ven, 2006) such as close supplier relations (e.g., Bjørgum & Netland, 2016) as well as interactions with social movement organizations (e.g., Aldrich & Fiol, 1994; Santos & Eisenhardt, 2009) in order to gain legitimacy towards stakeholders in EIs. Furthermore, following extant literature (e.g., Sine & Lee, 2009; Pacheco et al., 2014; Bjørgum & Netland, 2016) we also argue that these strategies are especially important in the OW industry due to its high asset specificity and renewable character. However, our findings provide limited support to scholars arguing that acquisitions (e.g., Santos & Eisenhardt, 2009), partner alliances (e.g., Santos & Eisenhardt, 2009) and governmental ties (e.g., Woolley, 2014) help firms to gain legitimacy towards stakeholders in EIs as these strategies were mainly emphasized to gain institutional knowledge.

In addition to the above contributions and in line with our discussion in section 6.1, our empirical findings therefore add to extant EI literature that collaborative strategies can also be applied in order to gain institutional knowledge. Further, these literary contributions must similarly as for the previous section be considered in light of the difference between the host country institutional environments of EEs and DEs. For the following sections, we will discuss the empirical findings from chapter 4 and 5 regarding entry strategies to handle lack of institutional knowledge and legitimacy for the different host country environments in comparison with relevant literature. However, in order to do this, we are dependent on drawing upon reflections from the previous section. By referring to the institutional characteristics illustrated in both Table 6.1 and Figure 6.1, we will in the following sections compare our empirical strategies with corresponding theoretical background after the case markets' degree of both institutional distance and uncertainty. This way, we can provide valuable contributions to extant literature.

6.2.1 Gaining Institutional Knowledge

As indicated above, findings from chapter 5 suggest the benefits of using governmental and partner ties in order to handle cultural and regulatory challenges by achieving sufficient insights in the markets' regulatory systems and business cultures. While most of the case firms have established greenfield subsidiaries in the markets (see section 4.3), they generally emphasized on the use of local partner ties in terms of both shared ownership and acquisitions in order to gain sufficient institutional knowledge. These strategies were performed in the US to gain insights in the complex regulatory system and in the Asian markets to better understand legislation written in the host country language. Furthermore, higher cultural barriers in the Asian markets seemed to more extensively motivate firms to collaborate with local partners in order to access informal knowledge about business cultures. In line with our findings from section 6.1 summarized in Table 6.1 and Figure 6.1, this therefore indicate that high formal institutional distance in the US as well as informal institutional distances and uncertainties in the Asian markets pose firms to obtain regulatory, cultural and linguistic knowledge from partners.

This way, the above findings support extant literature streams in recognizing that such distances rises the benefits of sharing ownership with local partners in order to acquire market-specific knowledge (Kostova & Zaheer, 1999; Xu & Shenkar, 2002; Eden & Miller, 2004; Demirbag et al., 2007; Kittilaksanawong, 2009; Ando, 2012). Shared ownership is therefore shown to reduce unfamiliarity hazards caused by institutional distances as the gains of accessing institutional knowledge exceeds the cooperation costs from searching for partners as well as integrating and transferring organizational practices suggested by the literature (Kostova & Zaheer, 1999; Xu & Shenkar, 2002; Eden & Miller, 2004; Estrin et al., 2009; Arslan & Larimo, 2010, 2011). Furthermore, our findings also indicate that the case firms are not more likely to access formal institutional knowledge through shared ownership modes in the EEs than the DE. We argue that this can most likely be explained by the decreased formal institutional uncertainty in the Asian markets, reducing the importance of such strategies in EEs than what is suggested by the literature (e.g., K. D. Brouthers, 2002; Demirbag et al., 2007; Sanchez-Peinado et al., 2007; K. E. Meyer et al., 2009). However, when it comes to accessing informal institutional knowledge, our results show that this is especially important in the Asian EEs. This supports the above literature in viewing shared ownership as central in EEs to fill informal institutional voids while avoiding extensive information searches. Based on this discussion, we formulate the following propositions:

P5: Shared ownership is to a similar degree beneficial for firms accessing formal institutional knowledge when entering Emerging Industries in Developed and Emerging Economies.

P6: Shared ownership is especially important for firms accessing informal institutional knowledge when entering Emerging Industries in Emerging Economies compared to Developed Eeconomies.

However, although the case firms relied extensively on shared ownership in the Asian markets, we also found in section 6.1 that its high informal institutional distance and uncertainty lead to higher probabilities for agency problems within local partnerships. By drawing upon extant EE literature (Luo, 2007b; L. Wang et al., 2017), we therefore argue that firms should spend extra efforts on curbing partner opportunism especially when entering the Asian markets. This involves posing a variety of governance strategies in terms of for instance pre-codified comprehensive and obligatory contracts, formalized and routinized procedures as well as providing for mutual visions, understanding, trust and knowledge sharing

(Luo, 2007b; L. Wang et al., 2017). This way, firms can obtain important institutional knowledge through local partnerships while reducing the risk of collaboration costs caused by high informal institutional distance and uncertainty. The above discussion therefore leads to the following proposition:

P7: Governance strategies towards local partners are especially important for firms entering Emerging Industries in Emerging Economies due to higher risks for agency problems compared to Developed Economies.

When it comes to performing acquisitions, one of the case firms also handled the regulatory uncertainty in the US market by accessing formal institutional knowledge through acquiring a local company. On the contrary, such an acquisition has not been performed in the Asian markets. As a general explanation for firms avoiding to perform such acquisitions, the case firms pointed towards high costs and limited availability of potential companies. Due to the high formal institutional distance in the US, this rather contradicts with extant literature arguing that acquisitions are more beneficial whenever informal institutional distances exists compared to formal ones (e.g Ionaşcu et al., 2004; Estrin et al., 2009). This way, we support Arslan and Larimo's (2011) findings by arguing that although formal institutions are more transparent than for instance business cultures, acquisitions might still be more beneficial than only relying on greenfield investments when gaining institutional knowledge in a host country with substantially different regulatory systems. It is however important to note that this finding might also be explained by other benefits from performing acquisitions indicated by our empirical analysis, such as first-mover advantages and access to attractive partners and project portfolios. These factors has been described by the literature as beneficial as it reduces the firms' direct interfaces with the unfamiliar environment (e.g., Estrin et al., 2009). Nevertheless, from the above discussion we suggest the following proposition:

P8: Acquisitions are beneficial for firms accessing formal institutional knowledge when entering Emerging Industries in Developed Economies.

Furthermore, the lack of performed acquisitions in the Asian markets can be explained in several ways. As mentioned above, our empirical data indicate that high costs and limited availability of potential companies can be a general reason to avoid acquisitions in EIs. Supporting Santos and Eisenhardt (2009), this can be explained by the limited number of renowned players (Aldrich & Fiol, 1994) and high uncertainties (Dobrev & Gotsopoulos, 2010) in EIs, resulting in lower incentives for market investments through acquisitions. As these characteristics can be considered as present in all case markets, it can therefore be argued that higher availability of relevant actors to acquire in the US was rather arbitrary.

Despite the remaining governmental interference, this can furthermore be supported by the decreased formal institutional uncertainty in the Asian markets involving limited restrictions on acquisitions as presented in section 4.2. Accordingly, extra challenges caused by formal restrictions or voids in EEs suggested by the literature (Khanna et al., 2005; K. E. Meyer et al., 2009; Slangen & Tulder, 2009; Peng, 2010) can be considered as less likely to be present. On the other hand, it is not unlikely that the lack of performed acquisitions in the Asian markets might also be caused by its informal institutional distance and uncertainty. This can be argued due to increased internal inconsistency risks relative to the potential knowledge gains. For instance, the comprehensive integration processes related to acquisitions can be hampered by cultural differences leading to critical post-acquisition integration failures (Dikova & Van Witteloostuijn, 2007).

Despite the absence of acquisitions in the Asian markets, the discussion so far in this section shows that firms rely heavily on different degrees of local partner collaboration in terms of both shared ownership and acquisitions to access institutional knowledge in all case markets. These findings therefore indicate that none of the firms relied only on their greenfield subsidiaries when gaining such resources. For the Asian markets in particular, we agree with extant literature (e.g., Peng & Heath, 1996; K. E. Meyer et al., 2009; Dikova & Van Witteloostuijn, 2007) in arguing that this is likely to be explained by EEs' sub-optimal and inefficient local resource markets hampering the process of accessing the necessary information and resources through greenfield entry. Similarly, in line with the discussion on the performed acquisition in the US, this finding contradict with scholars arguing that firms are more likely to enter by greenfield investments whenever there is high formal institutional distance between home and host market (Eden & Miller, 2004; Ionaşcu et al., 2004; Estrin et al., 2009). We therefore construct the following proposition:

P9: Only relying on greenfield investments is not sufficient for firms accessing institutional knowledge when entering Emerging Industries in Developed and Emerging Economies.

Yet, it is important to note our findings showing that higher market experience in the US compared to the Asian markets reduces the need for long-lasting partnerships and allows for more extensive reliance on internal knowledge and consultancy firms. This is in line with extant literature (e.g., Arslan & Larimo, 2010; Parietti, 2017) considering that host-country international experience can decrease the need for accessing market knowledge from collaborative entry strategies in institutional distant markets. This leads us to the following proposition:

P10: Host-country international experience moderates the importance of collaborative entry strategies with local partners to obtain institutional knowledge when entering Emerging Industries in Developed and Emerging Economies.

In addition to establishing ties with local partners, empirical findings from chapter 5 also emphasized on governmental ties in order to handle regulatory uncertainty in all markets. This way, the case firms achieved insights in regulatory systems, governmental build-out plans and were able to predict or avoid sudden regulatory changes. Similar for partner ties in order to gain formal institutional knowledge, these findings therefore imply that equal levels of governmental ties were obtained in order to handle institutional distances in both the US (complex regulatory system) and Asian markets (legislation written in the host country language). Based on this, we therefore support Mondejar and Zhao (2013) and disagree with Iii et al. (2018) by showing that government-relationship building in institutionally distant host countries is important means to gain insight in and navigate bureaucracy in the regulatory system.

However, these findings also contradict with extant literature (e.g., Voinea & Kranenburg, 2018) which argues that firms in DEs are more likely to pose ad-hoc and temporary transactional CPA strategies towards regulatory agencies. Correspondingly, we therefore suggest that despite high governmental interference and reliance on informal institutions, the decreasing formal institutional uncertainties in the Asian markets are likely to cause firms to apply more similar levels of relational CPA initiatives in EEs as DEs to access valuable information than suggested by the literature (Xin & Pearce, 1996; Luo, 2003; S.-T. Chen et al., 2016; Marquis & Raynard, 2015; Voinea & Kranenburg, 2018; Nguyen et al., 2020; Luo & Zhao, 2009; Rajwani & Liedong, 2015; Wu & Cheng, 2011). Based on the above discussion, we can formulate the following proposition:

P11: Relational Corporate Political Activity strategies are to a similar degree beneficial for firms accessing formal institutional knowledge when entering Emerging Industries in Developed and Emerging Economies.

6.2.2 Gaining Institutional Legitimacy

In addition to strategies to access institutional knowledge, findings from chapter 5 also suggest interactions with local community, supplier and interest group in order to overcome challenges regarding limited local institutional legitimacy. As these challenges were present in all markets due to certain levels of both institutional distances and constraints (see section 6.1), such strategies were performed in all case markets. Related to engagement in local communities and interest groups, the case firms emphasized on respecting their interests through meetings, engagement events and public exhibitions while adopting a "no surprises approach", extensive information sharing and feedback opportunities in all case markets. This indicates that investing in long-term collaborations with such actors is beneficial to achieve legitimacy in both the US, South Korea and Taiwan.

Based on this, we therefore support extant literature (Gardberg & Fombrun, 2006; Kostova et al., 2008; Adeola et al., 2018) emphasizing on CSR practices to gain legitimacy in institutionally distant markets and disagree with scholars arguing otherwise (Campbell et al., 2012; Hongjun, 2014). However, in line with the discussion in section 6.1, we further argue that most likely due to the high institutional distances caused by protectionist attitudes in the US, relational CSR practices are more equally essential in order to obtain legitimacy, positive responses and market acceptance in EEs and DEs than suggested by the literature (e.g., Su et al., 2014; Ghauri et al., 2014; J. Yin & Jamali, 2016; Khojastehpour & Jamali, 2020; Luo & Zhao, 2009; Wu & Cheng, 2011; Rajwani & Liedong, 2015). Following Voinea and Kranenburg (2018), we more specifically argue that relational strategies should be applied towards interest groups in order to augment their accountability with society and build a reputation for responsibility in all case markets. These arguments leads to the following proposition:

P12: Relational Corporate Social Responsibility strategies are to a similar degree beneficial for firms accessing legitimacy from local communities and interest groups when entering Emerging Industries in Developed and Emerging Economies.

Furthermore, the case firms also stressed close collaborations with local suppliers in order to show their ability to perform local and sustainable value creation and consequently gain legitimacy. This was for instance ensured through transparent and predictable communication, early meetings, open day arrangements as well as sharing information about governmental build-out plans, long-term market intentions, contracting structures and risks. Such actions can therefore be considered as a combination of both relational and contractual governance strategies. Following extant literature (e.g., Z. Yang et al., 2012; Dong et al., 2016; Davis-Sramek et al., 2018), we therefore argue that customized contracts, information sharing, flexibility and solidarity contribute in respectively legitimizing the transaction with the host actor as well as mitigating legitimacy pressures in institutionally distant markets. However, similarly as for the above paragraph, we also argue that most likely due to the protectionism posing high institutional distances in the US, contractual and relational strategies are more equally important for gaining legitimacy towards suppliers in EEs and DEs than suggested by the literature (Mengyang et al., 2016). Based on this, the following proposition can be formulated:

P13: Contractual and relational governance strategies towards suppliers are to a similar degree beneficial for firms accessing legitimacy when entering Emerging Industries in Developed and Emerging Economies.

However, drawing upon our finding on increased agency problems among local partners in the Asian markets in particular (see section 6.1), it is likely that such risks also exist related to supplier relations. While suggesting somewhat equal levels of governance strategies to gain legitimacy toward local suppliers, we therefore argue that relational and contractual governance strategies are extra important in the Asian markets in order to curb supplier opportunism. This is in line with the significant role of governance strategies in mitigating coordination problems such as misunderstandings, limited trust, role ambiguity and conflicts in supplier interactions suffering from institutional distance (Z. Yang et al., 2012) as well as in curtailing local suppliers' opportunism in EEs specifically (Mengyang et al., 2016). This way, firms can obtain institutional legitimacy through local supplier collaborations while reducing the risk of increased costs caused by agency problems in the Asian markets. We therefore add the following proposition:

P14: Contractual and relational governance strategies towards suppliers are especially important for firms avoiding opportunism when entering Emerging Industries in Emerging Economies due to higher risks for agency problems compared to Developed Economies.

Based on the above discussion as well as section 6.2.1, we therefore find that the different levels of entry barriers in this study's host country institutional environments found in section 6.1 pose firms to adopt varying degrees of collaborative strategies. Our propositions regarding these strategies are summarized in Figure 6.2. In this figure, arrows from both host country institutional environments indicate similar importance of the specific strategy while one arrow means higher significance for the respective market. P10 is however not illustrated in the figure as it describes a moderating effect rather than a direct impact.

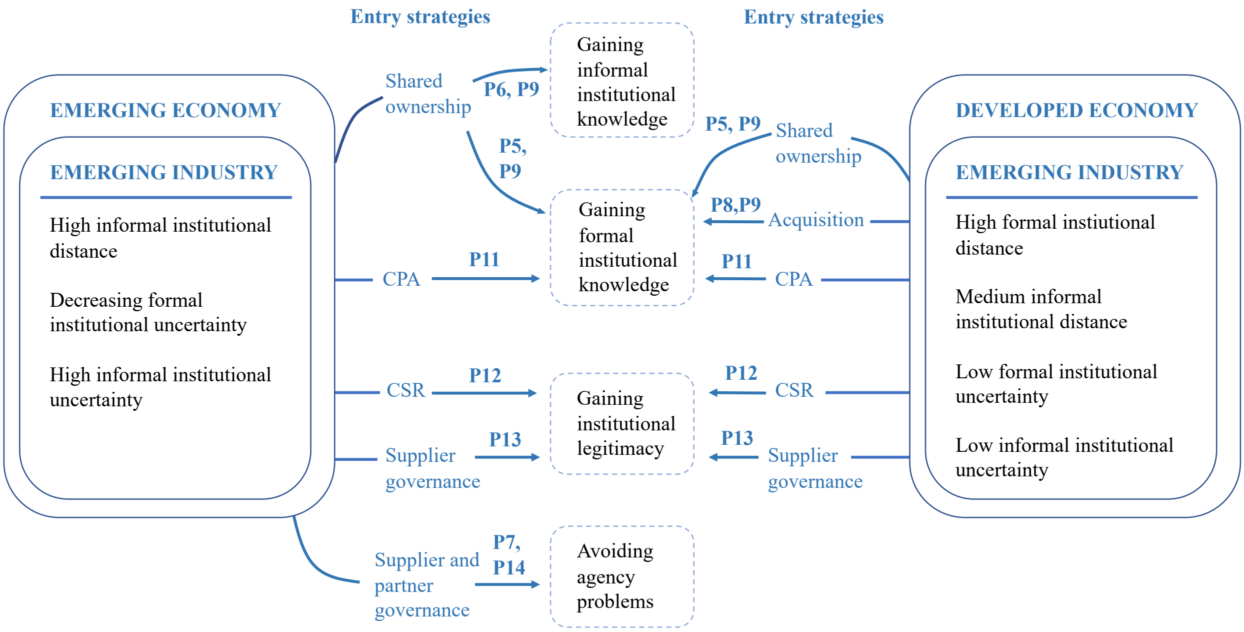

Figure 6.2: Overview of the propositions related to Research Question 2

6.3 Implications

The empirical findings discussed in section 6.1 and 6.2 have several implications for both theory and managers. Our theoretical contributions are related to both barriers and strategies when entering EIs in different host country institutional environments. Generally, we agree with extant EI literature (e.g., Aldrich & Fiol, 1994; Dobrev & Gotsopoulos, 2010; Déjean et al., 2004; Bergek et al., 2008; Markard et al., 2016; Bjørgum & Netland, 2016) in arguing that EIs suffer from a certain degree of institutional uncertainty in terms of institutional vacuum and sometimes hostile environments. This can be reflected in our analysis supporting that firms are likely to adopt close collaborations with suppliers, local communities and interest groups to handle legitimacy vacuums when entering such industries (Aldrich & Fiol, 1994; Luo, 2003; Walker et al., 2014; Hargrave & Van de Ven, 2006; Bjørgum & Netland, 2016; Santos & Eisenhardt, 2009). Additionally, we also add to the literature that the institutional uncertainty of EIs also can be reflected in the case firms obtaining local partner and governmental ties to solve problems arising from the lack of institutional knowledge.

When it comes to the variations between the different host country institutional environments, our study also has several theoretical implications (see Figure 6.1). First, we support the EE literature (e.g., Khanna & Palepu, 2000; Peng et al., 2008; Cauvusgil et al., 2013; Bremmer, 2014; Doh et al., 2017) as well as institutional distance theory (e.g., Eden & Miller, 2004) in suggesting that firms perceive increased challenges when accessing informal institutional knowledge in EEs with high informal institutional uncertainty and distance. Additionally, our findings also support scholars (e.g, Dikova & Van Witteloostuijn, 2007; Luo, 2007a; Silvestre, 2015; L. Wang et al., 2017) arguing that firms experience higher risks for agency problems when collaborating with local actors in such markets compared to DEs. However, most likely due to the existence of institutional distances in this study's DE and EEs as well as a decreasing formal institutional uncertainty in the EEs, we also argue that firms perceive more similar challenges when accessing formal institutional knowledge than suggested by the literature (e.g., Khanna & Palepu, 2000; Marquis & Qian, 2014; Marquis et al., 2011). Similarly, other aspects of the DE's institutional distance also seem to reduce the theoretical differences in legitimacy problems caused by institutional constraints in EEs compared to DEs (e.g., Bremmer, 2014; Wan et al., 2020; Boubaker & Nguyen, 2014; Cuervo-Cazurra et al., 2014; Peng, 2003; Rottig, 2016). Based on this, our findings suggest that firms entering this study's host country institutional environments suffer from barriers caused by varying degrees of institutional distances and uncertainties.

The above implications also influence our theoretical contributions on strategies when entering EIs in different host country institutional environments (see Figure 6.2). When it comes to strategies to solve challenges which are more critical in the EEs as presented above, our findings support extant literature in emphasizing on gaining informal institutional knowledge through shared ownership (e.g., Peng & Heath, 1996; K. E. Meyer et al., 2009; Dikova & Van Witteloostuijn, 2007) as well as solving agency problems through supplier and partner governance strategies (e.g., Luo, 2007b; L. Wang et al., 2017; Mengyang et al., 2016). However, for the remaining challenges described in the previous paragraph, the high institutional distance in the DE as well as the high institutional distance and decreasing formal uncertainty in the EEs referred to above seem to cause firms to apply more similar strategies than suggested by the literature (e.g. Demirbag et al., 2007; K. E. Meyer et al., 2009; Luo, 2003; Marquis & Raynard, 2015; Nguyen et al., 2020; J. Yin & Jamali, 2016; Khojastehpour & Jamali, 2020; Rajwani & Liedong, 2015). Based on the above implications, this study therefore provide literary contributions by showing the importance of considering both host country institutional distances and uncertainties when investigating the uncertain environment of EIs.

This thesis' managerial implications are therefore tightly connected to the above theoretical contributions. Although collaborative strategies seem to be beneficial to gain knowledge and legitimacy in all markets, firms should be aware of the theoretically impacts of different host country institutional environments. When entering EIs in institutionally distant DEs and EEs combined with decreasing formal uncertainty in the latter, firms should adopt equally levels of shared ownership and CPA strategies in order to obtain formal institutional knowledge. In such cases, firms should also adopt similar degrees of relational CSR as well as contractual and relational governance strategies towards suppliers to gain legitimacy. Meanwhile, when entering EIs in EEs with high informal uncertainties and distances in particular, firms should more extensively adopt shared ownership to access informal institutional knowledge and governance strategies to handle both partner and supplier opportunism. As indicated in section 6.2, however, these strategies should be considered as both interrelated and continuous processes. Based on our findings, we therefore suggest that firms should apply the above strategies simultaneously and continuously in order to gain both sufficient institutional legitimacy and knowledge. This way, firms can successfully enter EIs in different host country institutional environments by accessing both legitimacy and knowledge, reduce risks for potential agency problems and consequently achieve market positions.

6.4 Limitations and Future Research

Despite the above implications and as indicated in section 3.4, we also acknowledge the existence of certain limitations for our research. This is especially due to the qualitative character of the research, which according to Bryman (2012) often suffers from problems of generalization, lack of transparency as well as from being too subjective and difficult to replicate. Although we have performed several preventing actions in order to increase the reliability and validity of our research, we therefore still recognize the value of presenting some of the most prominent limitations of our research in this section.

First of all, due to several factors our empirical analysis suffers from somewhat limited empirical data. For instance, the research' time limit and the scarce availability of potential case firms have led to a few number of interviews with only one representative from each case firm. The number and quality of the conducted interviews has further been constrained by the outbreak of the Covid-19 pandemic. Additionally, the case firms' request of anonymity has forced us to leave out valuable and relevant data to respect their confidentiality requirement. Combined with its qualitative nature, these factors might therefore have decreased both reliability and validity in terms of higher risks for subjectivity as well as problems in replicating and generalizing our results.

In addition to the limited empirical data, there are also other factors in our research limiting the ability of generalization. For instance, as the case firms are restricted to OW developers, our findings may not necessarily be transferable for all firms in the industry. Furthermore, related to the case industry and markets, there has been identified some specific characteristics that may not be representative for all EIs, EEs and DEs. These characteristics can for instance be seen in terms of the OW industry being capital-intensive as well as the case markets having different degrees of institutional distances and uncertainties affecting the levels of entry barriers. Due to these weaknesses, we have therefore tried to communicate such special factors throughout the thesis in order to limit the influence of external validity problems. For instance, the level of institutional distance and uncertainty for the case markets has been discussed and specified (see chapter 6).

Lastly, although Institutional Theory is a well-known and relevant theoretical framework for this study, such a perspective could also have contributed to certain limitations. For instance, it can be challenging to study informal institutions empirically due to their multifaceted characteristics (Hodgson, 2002; Ostrom, 2009; Horak & Klein, 2016). This is likely to be even more difficult for our thesis that is suffering from limited empirical data as explained above. Furthermore, despite our attempt in specifying which empirical data that contributes to our conclusions, it is not unlikely that our findings may also be caused by other attributes that are not included in an institutional-based perspective.

Based on our findings as well as the identified limitations above, we have several suggestions for future research. As extant literature on EIs in different host country institutional environments seems scarce, it can generally be interesting to further investigate this topic. New contributions should investigate this thesis' empirical results by providing more extensive empirical data on for instance several types of EIs, host countries or case companies in order to better understand the potential of generalizing our findings. Additionally, contributions could focus on barriers and strategies related to institutional knowledge as this topic is less represented in the EI literature. Finally, scholars should also in more detail examine the impacts of informal institutions on firm entry in both new and more mature industries. This is especially relevant due to the combination of its critical role in firms' strategizing shown in this thesis, as well as the research field being scarce caused by high difficulties with studying the phenomenon empirically (Hodgson, 2002; Ostrom, 2009; Horak & Klein, 2016).

7 CONCLUSION

The aim of this study was to investigate how the most central strategic challenges and entry strategies vary across Developed and Emerging Economies when entering Emerging Industries. From our study on three emerging Offshore Wind markets, we support extant Emerging Industry literature by showing that firms turn to collaborative strategies with local suppliers, local communities and interest groups in order to handle entry barriers caused by limited institutional legitimacy. However, we further contribute to theory by showing that firms in Emerging Industries also adopt such strategies towards local partners and governments to overcome barriers caused by limited institutional knowledge. Also, while considering both the impact of institutional uncertainty and distance, we found that the level of challenges and the corresponding importance of such collaborative strategies vary with different host country institutional environments. This way, our study therefore contributes to the literature by showing the importance of considering host country institutional distance and uncertainty when both investigating and entering the uncertain institutional environment of Emerging Industries.

More specifically, our findings indicate that when entering Emerging Industries in institutionally distant Developed and Emerging Economies combined with decreasing formal uncertainty in the latter, firms should adopt relatively equal levels of shared ownership and corporate political activity strategies to obtain formal institutional knowledge. In such cases, firms should also adopt similar degrees of corporate social responsibility and contractual and relational supplier strategies to gain legitimacy. Meanwhile, when entering Emerging Industries in Emerging Economies with high informal uncertainties and distances in particular, firms should more extensively adopt shared ownership to access informal institutional knowledge as well as governance strategies to handle both partner and supplier opportunism. As the above strategies can be considered as both interrelated and continuous processes, we lastly suggest that firms should apply them simultaneously and continuously in order to gain both sufficient institutional legitimacy and knowledge. This way, firms can successfully enter EIs in different host country institutional environments by accessing both legitimacy and knowledge, reduce risks for potential agency problems and consequently achieve market positions.

Part V

APPENDIX

APPENDIX

INTERVIEW GUIDE A

INITIAL AND GENERAL VERSION

The following interview guide was attained in order to perform the open-ended interviews for this study. It is however important to state that this is an initial, broad and general version. In reality, we customized the interviews towards the specific case firm. In addition, after performing the first interview on each case firm, we expanded the questions to become more detailed and specific based on previous discussions. In line with our grounded theory methodology, we also asked follow-up questions depending on interesting statements from the interview objects during the interviews (see section 3.2.1 for more detailed description).

1. General questions

a) Which projects have you been involved in during your career within Offshore Wind?

b) Which Offshore Wind markets do you consider as the most potential today and in the future?

c) What are the main differences between these markets?

2. Strategic Challenges

a) What are the most critical strategic challenges when entering the above markets?

3. Entry strategies

a) Which actions have your company applied in order to handle those challenges?

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