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# Intersecting Knowledge Dynamics and Strategic Partnerships: A Pathway to International Market Expansion

A Case Study of a Norwegian High-tech Robotic  
Firm

Master's thesis in International Business and Marketing  
Supervisor: Hans Solli-Sæther  
Co-supervisor: Richard Glavee-Geo  
May 2024



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Faculty of Economics and Management  
Department of International Business



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Science and Technology



## **Abstract**

The master thesis presents a qualitative exploration into the influence of knowledge dynamics within strategic partnerships on the global expansion of robotics firms. Drawing on extensive interviews with representatives, within our focal case firm and external companies, this study delves into the strategic utilization of knowledge in strategic partnerships to facilitate international market expansion. As the robotics industry witnesses rapid growth and increasing globalization, the strategic formation of partnerships is becoming crucial for firms aiming to leverage collective knowledge and resources to enhance their global reach.

Existing research highlights the critical role of strategic partnerships in providing firms with access to new markets and technologies. The specific impact of knowledge dynamics within strategic partnerships is explored, and this implication is addressed by focusing on how the interplay between knowledge sharing and strategic collaborations can accelerate international expansion and improve future market expansions. The research context is grounded in the high-tech robotics industry.

The core research question addressed is: "How do knowledge dynamics in strategic partnerships influence the international market expansion of robotics firms?" The findings of this study reveal that effective management of knowledge within strategic partnerships is essential in enhancing the firms' international market strategies and competitive positioning. The study also identifies two different partnership strategies, based on prototype and standardized products. Furthermore, the study identifies that strategic partnerships not only facilitate market entry but also empower firms to innovate and adapt rapidly to global market demands.

The study contributes to the international business literature by highlighting the nuanced mechanisms through which knowledge dynamics within strategic partnerships impact firm internationalization process. The insights garnered underscore the importance of cultivating strong strategic partnerships as vehicles for knowledge exchange, driving the global scalability of robotics enterprises.

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This thesis is a testament to the continuous support we received from our friends and family. Their encouragement and understanding were helpful during the more demanding phases of this work.

The contents of this thesis are the sole responsibility of the authors.

Ålesund, May 2024



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Anders Christopher Lape Åsemyr

## Table of content

List of tables.....	5
List of figures.....	5
<b>1.0 Introduction</b> .....	6
1.1 Background for the study .....	6
1.2 Purpose and research problem .....	7
1.3 Rationale for the study .....	9
1.4 Justification of the study and initial research model.....	11
<b>2.0 Theory Review</b> .....	13
2.1 Internationalization Process (IP).....	13
2.1.1 Dynamic capabilities.....	15
2.2 Strategic partnership .....	15
2.2.1 Use of strategic alliances.....	17
2.2.2 Motives and risks .....	18
2.2.3 Partner selection criteria.....	19
2.2.4 Trust.....	19
2.3 Knowledge in internationalization process .....	20
2.3.1 Knowledge dynamics in business relations.....	22
2.3.2 Absorptive capacity.....	22
2.4 Summary theoretical framework.....	26
2.4.1 Internationalization Process .....	27
2.4.2 Strategic Partnership .....	28
2.4.3 Knowledge and Absorptive Capacity in Internationalization .....	29
<b>3.0 Methodology</b> .....	30
3.1 Research design .....	30
3.2 Case selection.....	31
3.2.1 Sampling .....	32
3.2.2 Primary data .....	33
Interview guide .....	34
3.2.3 Introduction of the firms .....	36
3.2.4 Secondary data .....	37
3.3 Research quality.....	38
3.3.1 Reliability.....	38
3.3.2 Validity .....	39
3.3.3 Generalizability.....	40
3.4 Ethical considerations .....	41

<b>4.0 Data analysis</b> .....	42
<i>Step 1: Familiarizing yourself with the data</i> .....	42
<i>Step 2: Generating initial codes</i> .....	43
<i>Step 3: Searching for Themes</i> .....	43
<i>Step 4: Reviewing Themes</i> .....	44
<i>Step 5: Defining and Naming Themes</i> .....	45
<i>Step 6: Producing the Report</i> .....	45
<b>5.0 Findings</b> .....	48
5.1 Internationalization approach.....	48
5.1.1 Path-breaking Opportunities .....	49
5.1.2 Stepwise Internationalization Strategies .....	52
5.1.3 Market Insight.....	53
5.2 Strategic partnerships.....	55
5.2.1 Partner specific knowledge .....	55
5.2.2 Trust.....	57
5.2.3 Risk sharing and synergy creation. ....	60
5.3 Knowledge dynamics.....	63
5.3.1 Knowledge gaps.....	64
5.3.2 Knowledge exchange .....	65
5.3.3 Firm spesific knowledge .....	66
5.3.4 Transformation, Feedback and innovation.....	68
5.3.5 Experimental and absorptive learning.....	69
5.3.6 Dynamic capabilites.....	70
5.4 Summary of findings and revised research model .....	72
<b>6.0 Discussion</b> .....	73
6.1 Highlights from findings.....	73
6.2 Developed Propositions .....	75
6.2.1 Proposition 1 .....	75
6.2.2 Proposition 2 .....	77
6.2.3 Proposition 3 .....	80
6.2.4 Proposition 4.....	83
6.2.5 Proposition 5 .....	85
6.3 Main research question of the study .....	88
6.4 Contribution to theory.....	93
<b>7.0 Concluding remarks.</b> .....	94
7.1 Limitations .....	95



7.2 Practical and managerial implications .....	96
7.3 Theoretical implications.....	97
7.4 Future research.....	98
Reference list .....	100
Appendix A – About the study .....	109
Appendix B - Interview guide.....	110

## List of tables

Table 2-1: Literature overview .....	27
Table 3-1: Overview of respondents .....	35

## List of figures

Figure 1-1: Four industrial revolutions .....	4
Figure 1-2: Initial research model .....	13
Figure 4-1: Thematic analysis framework.....	47
Figure 5-1: Empirical data structure - international market expansion.....	49
Figure 5-2: Empirical data structure – Strategic partnership .....	54
Figure 5-3: Empirical findings – Knowledge dynamics .....	63
Figure 5-4: Revised framework .....	72
Figure 6.1 Internationalization approach and strategic partner categories.....	73

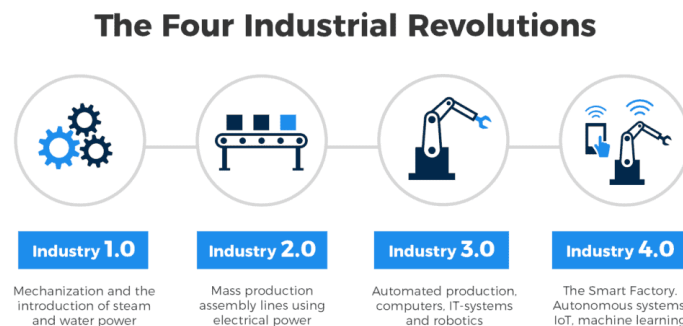
## 1.0 Introduction

In the coming section an overview of the background of the study will be presented, containing considerations in the macro environment and presentation of the business case used in the study. Further, a theoretical approach of our study will be outlined as well as rationale and justification of the study. In the ending phase, an initial research model for the study will be presented.

### 1.1 Background for the study

In 2022, McKinsey (2022) released the article “*What are industry 4.0, the fourth industrial revolution, and 4IR?*”. With new technology such as iPhone, electric vehicles, and Chat GPT, technological improvements have designed, introduced, and implemented to the public the last few decades. Furthermore, automated production solutions have been emphasized and exemplified with industry 4.0 focusing on increased degree of automation and robotics.

Figure 1-1 Four industrial revolutions



The focal firm used in this study is upcoming high-tech firm located in Norway, focusing on warehouse automation processes. Further, they have two divisions: 1) Software (ERP-system) and 2) Robotics, and the last will be the focus of this study. Currently they have two products in their robotics division, focusing on pallet sorting and pick-robot for pallet stacking. As their technology have been proven in their local home market they seek to expand their market scope into new international markets.

One may wonder why one seek to expand into international markets in times with increasing uncertainty in the macro environment, with the war in Russia and conflict in the middle east as brief examples.

The best answer to this implication is the increased focus on automated solutions and market pull. Alan Davies et al. (2023) released an article where they estimated that investments within logistics and warehouse automation is expected allocate up to 25% of firms existing investment the next five years. Furthermore, the total market size of warehouse automation is estimated to be as much as 54.53 billion USD within 2029 (Mordor, 2023). This illustrates that there is a significant potential in the market.

As our focal firm seek international market expansion, they lack a sufficient level of knowledge related to the specific markets of interest. However, they have initiated two market expansions, increasing their know-how in market expansion. As they seek to close or reduce the knowledge gap at several areas, such as local market knowledge, they have decided to approach new market by initiating strategic partnerships as their preferred mode of market entry. As research within the field of internationalization, strategic partnerships and knowledge have progressed thru decades, the study expands the understanding of the use of strategic partnerships within the high-tech industry. Further, it highlights the importance of knowledge and how one can acquire relevant knowledge to close, or reduce, knowledge gaps one can have within the organization. As our case firm are in Norway, one can potentially identify characteristics specific to Norwegian robotics firm.

## 1.2 Purpose and research problem

According to Kacker (1985) in (Hutchinson et al., 2007), they found that firms can either be pulled towards certain markets, due to strong market attraction, or they can push themselves into markets on their own. Further, Verbeke et al. (2008) found that firms tend to expand into other markets in the search for resources, efficiency and assets, in addition to market seeking factors. Even though research on this field are significant, Narula and Hagedoorn (1999) categorises internationalization motives into four categories: (1) sell more (market/revenue seeking), (2) Buying better (exploit resources and capabilities), (3) upgrade motives (Explore new resources and capabilities), and (4) escape motive (advantage seeking). All these theories investigate the motives for international expansion, however, the internationalization process and how one can achieve a successful and effective internationalization process do not seem clear in these theories.

Even though internationalisation motives might seem clear, factors contributing to successful internationalisation seem more ambiguous.

Comprehending the dynamic nature of internationalization, is imperative for companies aiming to broaden their global footprint. The Uppsala model proposed by Johanson and Vahlne (1977) underscores a gradual, experiential learning-based approach in the internationalization process (IP). However, Santangelo (2021) challenges this model, advocating for a non-linear internationalization path influenced by rapid technological changes and evolving global market dynamics. According to Santangelo, contemporary firms may undergo substantial shifts in their internationalization approach, transitioning from an incremental, experience-based strategy to a more opportunistic and agile approach. Expanding on these ideas, Schembri et al. (2023) highlight the significance of "path-breaking opportunities" in shaping international strategies. These unexpected opportunities demand swift responses and rapid learning, disrupting conventional market entry strategies and leading to a more accelerated and diverse accumulation of market knowledge (Schembri et al., 2023).

The strategic decision of internationalization confronts several challenges and opportunities. The selection of entry modes emphasizes a pivotal aspect of this process, shaping the trajectory of a firm's global journey. Notably, strategic partnerships emerge as a critical mechanism in this context, offering a nuanced path for firms particularly small and medium-sized enterprises (SME's), to navigate the complexities of international markets. Strategic Partnerships offer a collaborative pathway for firms to leverage combined resources, knowledge, and networks (Kennedy & Keeney, 2009). Emphasized by Kennedy and Keeney (2009), these relationships facilitate market entry and expansion, allowing businesses to navigate the complexities of global markets with enhanced agility. By pooling their resources and expertise, SME's can overcome inherent limitations, tapping into new opportunities with reduced risk and costs. The significance of strategic partnerships in enabling SMEs to achieve competitive advantage and sustainable growth in the international arena underscores their strategic value in the global business landscape.

Looking at the study conducted by Kennedy and Keeney (2009) strategic partnerships in internationalization is underpinned by several key theories. Notably Resource-Based View (RBV), dynamic capabilities framework, and network theory. The RBV suggests that firms possess unique resources and capabilities that can be leveraged for sustained competitive advantage (Barney, 1991). Kennedy and Keeney (2009) emphasizes that SMEs often lack sufficient network relationships, market knowledge, human, financial and information resources, or adequate time to manage firm internationalisation strategically and successfully (Bell, 1995; Coviello & Munro, 1997; Erramilli & D'Souza, 1993).

Given their relatively low base of resources compared to larger rivals, the complexities of international operations tend to be considerably more challenging for the SME (Knight, 2001). As a result, these theories provide a comprehensive base for understanding the benefits and challenges of strategic partnerships, framing them as essential tools for leveraging resources, adapting to market dynamics, and enhancing firm's strategic positioning in international markets.

Research highlights the importance of knowledge when entering new international markets. Even though the Uppsala model assumes that increasing market knowledge increases market commitment, it is reasonable to mention that firms obtain and acquire relevant knowledge with different approaches and motives. Further, one may wonder how firms can acquire such country specific knowledge and even more important, how firms can operationalise such. Companies typically acquire specialized expertise within a specific domain to augment their core competencies. However, when these firms decide to broaden their operations, they encounter various challenges. Petersen et al. (2008) contend that managers often display overconfidence in their perceived knowledge of foreign markets, placing the firm in a complex situation that may necessitate withdrawing their internationalization initiatives. Based on this, the authors have developed the following research question, overreaching the whole study:

*RESEARCH QUESTION:*

*“How does knowledge dynamics in strategic partnership influence international market expansion”*

### 1.3 Rationale for the study

In the realm of SME internationalization, strategic partnerships stand as important facilitators for market entry and growth and are particularly crucial for overcoming the pronounced resource limitations and knowledge gaps SMEs face compared to their larger counterparts (Kennedy & Keeney, 2009) by pooling resources and, strategic partnerships afford SMEs the ability to navigate foreign market complexities more effectively. This collaborative strategy is especially beneficial in the software industry, where rapid globalization and niche market demands underscore the necessity for strategic partnerships (Kennedy & Keeney, 2009).

Kennedy and Keeney (2009) exemplifies how software SMEs leverage these partnerships for market penetration, co-development of products, and sharing of technological insights, thereby bolstering their competitive edge. García-Canal et al. (2002) suggest that firms choose strategic partnerships both to speed up the internationalisation process and also to improve their international competitiveness through economies of scale, risk reduction and learning new abilities (Kennedy & Keeney, 2009).

Through such collaborations, SMEs are positioned to optimize resource allocation, reducing the time and investment needed to gain market traction. Moreover, strategic partnerships can serve as platforms for innovation and learning, essential for tailoring products to meet the nuanced demands of international customers, ultimately enhancing market success prospects and as mentioned by Welch and Welch (1996) allow it to supplement potential strategic blind spots in international activities (Kennedy & Keeney, 2009).

Strategic partnerships emerge as a double-edged sword, offering significant advantages like market insights, resource sharing, and risk distribution, vital for SMEs venturing abroad (Kennedy & Keeney, 2009), they can also accelerate market access, ensuring competitive advantages, and pave the way to novel technologies and expertise. Again, emphasized by Jarratt (1998) partnerships can be used by SME's to build on innovative capability and technological competence, overcome weakness such as poor financial position or low levels of expertise in production, marketing and management alone (Kennedy & Keeney, 2009). This ability is crucial and gives also smaller firms access to internationalization activities as mentioned by Elmuti and Kathawala (2001) strategic partnering can indicate that smaller firms may be empowered to carry out larger projects with less financial commitment, as the financial burden of seeking new overseas markets may be too great for an individual firm to bear alone (Kennedy & Keeney, 2009). Nevertheless, challenges such as aligning with suitable partners, managing coordination complexities, and bridging cultural divides (Kennedy & Keeney, 2009). Insights from Kennedy and Keeney (2009) stress the criticality of meticulous partner selection and fostering trust-based relationships to navigate these hurdles effectively. Proper management of these partnerships is paramount to unlocking their full potential and mitigating associated risks.

The essence of leveraging strategic partnerships lies in their management. This involves cultivating trust, aligning strategic objectives, and maintaining adaptability to fluctuating market dynamics (Kennedy & Keeney, 2009). By Identifying and engaging with partners whose strengths complement and whose strategic goals align with one's international ambitions is crucial according to Kennedy and Keeney (2009). Negotiating mutually beneficial terms and establishing clear communication pathways are foundational for nurturing these relationships. Further Kennedy and Keeney (2009), accentuates the significance of continuous partnership evaluation and adaptation, ensuring alignment with the evolving demands of internationalization.

Understanding strategic partnerships within the context of SME internationalization emphasizes their pivotal role in navigating global market complexities. These alliances are strategic assets for accessing essential resources, knowledge, and networks, critical for successful international expansion (Kennedy & Keeney, 2009). The insights contribute to the broader understanding of international business dynamics, highlighting the synergistic interplay between strategic partnerships and internationalization efforts. For practitioners, the findings offer a strategic framework for overcoming internationalization challenges, providing a blueprint for leveraging these alliances towards sustainable global growth.

#### 1.4 Justification of the study and initial research model

The landscape of international business demands a departure from linear models of internationalization towards more dynamic, flexible approaches. The recognition of strategic partnerships and alliances as critical enablers of international expansion reflects a broader shift towards more collaborative, knowledge-intensive strategies for global market engagement. As firms navigate the complexities of internationalization, their success increasingly hinges on their ability to identify and exploit path-breaking opportunities, cultivate strategic partnerships, and build robust absorptive capacities. This nuanced understanding of the internationalization process and strategic partnerships underscores the importance of agility, strategic foresight, and knowledge management in achieving sustainable international growth. Furthermore, the role of knowledge transfer in strategic partnership is also essential to this understanding, where absorptive capability is stated to be an important factor for effective knowledge transfer.



The research model is developed by addressing relevant research within the field of study, in addition to emphasizing our research problem for the study.

Figure 1-2: Initial research model



As the research model illustrates, the main emphasis of the study is nuanced to the potential learning outcome in strategic partnerships, where the investigated factors are knowledge dynamics and international market expansion. One may argue that the developed research model is quite general, however, this study focuses on learning outcomes for future market expansions even though our results may include findings connected to other areas such as innovation etc.

## 2.0 Theory Review

In the upcoming chapter, the theoretical framework of this study will be outlined. This will include detailed discussions of relevant theories, aspects and definitions of key terms used throughout the study. At last, a summary of the theoretical framework will follow.

### 2.1 Internationalization Process (IP)

Internationalization refers to the process by which firms expand their operations into foreign markets. By delving deeper into the internationalization process we look towards The Uppsala model, developed by Johanson and Vahlne (1977). According to this model, firms typically embark on their international journey by entering markets with lower perceived risks, gradually expanding their global footprint as they accumulate experiential knowledge and confidence (Johanson & Vahlne, 1977). This model highlights the significance of a step-by-step internationalization strategy in managing the uncertainties and risks associated with venturing into new markets.

The focus on experiential learning and cautious market commitment aligns with the then-prevailing understanding of international business dynamics, emphasizing the gradual accumulation of market knowledge as a fundamental aspect of successful internationalization. Santangelo (2021) builds upon the principles of Johanson and Vahlne's Uppsala model, while also proposing a significant revision. Santangelo (2021) challenges the traditional linear progression of the Uppsala model, suggesting that the path to internationalization is increasingly non-linear, influenced by rapid technological changes and evolving global market dynamics. This perspective acknowledges the fact that the contemporary business environment is more complex and fast-paced than during the time of Johanson and Vahlne (1977).

A key argument in the work of Santangelo (2021) is the role of the strategic opportunities as a trigger for international commitment. In contrast to the gradual and more cautious approach of the Uppsala model, she proposes that firms today may encounter and leverage opportunities that can lead significant change and sudden leaps in their internationalization process (Santangelo, 2021).

Santangelo (2021) also notes that leaps and sudden changes in the degree of internationalization can occur, independently of the firm's current level of experimental market knowledge, making it easier to adapt regardless of the level of market knowledge.

Thus, indicating a shift from a incremental, experience-based approach, to a more opportunistic and agile approach. Santangelo's revision introduces the concept of strategic opportunism, suggesting that firms must be ready to rapidly adapt and respond to emerging opportunities in foreign markets (Santangelo, 2021).

Building on the revised understanding of internationalization presented by Santangelo (2021), Schembri et al. (2023) takes these concepts a step further. Here presenting and emphasizing the role of "path-breaking opportunities" in shaping the international strategies. These opportunities represent the critical juncture where firms have the potential to make a substantial leap in their international market commitment. Moving beyond the sequential approach of the Uppsala model (Johanson & Vahlne, 1977) and further expanding the concept of Santangelo's idea of non-linear progression (Schembri et al., 2023).

Schembri et al. (2023) highlight that path-breaking provide a unique platform for rapid learning, again contrasting significantly with the gradual experimental learning process utilized in the Uppsala model of Johanson and Vahlne (1977). As these opportunities, in accordance with Santangelo (2021), emerge unexpectedly they require immediate response. Further pushing firms to quickly acquire and process the new information. Though rapid learning is not only about gathering data, but it also involves gaining insight into new consumer trends, adapting to different regulatory environments, and requires the firm to understand unique cultural nuances much faster than utilizing traditional market entry strategies. Furthermore, engaging with path-breaking opportunities can expose firms to different market scenarios that they might not have encountered through a more incremental approach.

The exposure to different experience can in return allow firms to gather a broader spectrum of knowledge. For example, entering a new market through a path-breaking opportunity might reveal unique consumer preferences, unmet needs, or innovative ways to navigate competitive pressures. Schembri et al. (2023) suggests that such extensive market exposure can provide firms with a greater understanding of international markets, thus enriching their strategic knowledge base. Schembri et al. (2023) also emphasizes that the firm's ability to respond quickly and capitalize on the path-breaking opportunities reflects the firms' dynamic capabilities. To successfully leverage path-breaking opportunities the firm must be able to sense changes in the market, recognize and seize new opportunities, and transform operations accordingly.

### 2.1.1 Dynamic capabilities

Thus, requiring the firm to have a high degree of flexibility in their strategies and operations to leverage path-breaking opportunities enabling them to navigate foreign markets 8 more effectively (Schembri et al., 2023). The pursuit of path-breaking opportunities, whether that lead to success or failure, still offers valuable learning experience. According to Schembri et al. (2023), success reinsures the firms' strategies and can provide models for future international expansion. If the endeavour turned out to be a failure the firm can gain insight into what to avoid and how to improve.

In summary, the insights from Schembri et al. (2023) suggest that the pursuit of path-breaking opportunities in internationalization can lead to a more rapid, diverse, and intensive accumulation of market knowledge. This approach enables firms to quickly adapt to new market conditions, exploit unforeseen opportunities, and develop a deeper and more nuanced understanding of international markets, thus enhancing their overall internationalization process.

### 2.2 Strategic partnership

While strategic partnership and strategic alliance may be common “buzzwords” for practitioners, among researchers, there occur different definitions of both terms and one may struggle to identify the real distinction between the two. Kennedy and Keeney (2009) defines strategic partnerships as “the pooling of specific resources and skills by cooperating organisations in order to achieve common goals, as well as goals specific to the individual partners while retaining their separate entities”. In this sense, firms may try to exploit synergies such as increased competence, resources etc in such partnership and still operate as individual entities.

Moen et al. (2009) takes both strategic alliance and strategic partnership and focuses on the similarities of them and defines them as “arrangements where two or more firms choose to cooperate for their mutual benefit”. Further, Ferreira et al. (2022) defines strategic alliance as a “relationship where two or more partners dive the responsibility to reach common strategic objective, joining all their capacities and resources and coordination their activities”. This definition differs from the one in Kennedy and Keeney (2009) by focusing on the partnership as one entity rather than two or more individuals.

However, Chen et al. (2022) includes the international aspect of such partnership and defines strategic alliance as, "... cooperation mode between MNEs under international mobility and connection, linking goals and missions of MNEs to enhance the resource usability and the autonomy management of organizations" (Chen et al., 2022).

As research shows, there are several definitions and one may argue, by our brief presentation above, that strategic alliance and strategic partnership seem quite similar. Further, one may argue that the main distinction between strategic alliance and strategic partnership is the focus on specific relationships rather than relationship within a network of organizations. However, the study will focus on strategic partnership due to the focus of specific relationships between two firms, rather than the interplay of relations between actors among the network of relationships.

By following the of Uppsala model, strategic partnerships can be initiated in market entries where one seeks limited commitment and use of resources at the initial stage (Ferreira et al., 2022; Moen et al., 2009). Hence, smaller firms tend to initiate strategic partnership, more often than larger MNE's, due to limited resources and capabilities (Chen et al., 2022; Drago, 1997). It is also argued that firms with no prior experience in foreign markets, lack capability to acquire and operationalize relevant market knowledge in collaborative relationships (Eriksson & Chetty, 2003). Factors that are considered when selecting strategic partner are many, financial resources, market position and reputation are only a few factors research have found to be important (Kennedy & Keeney, 2009). However, successful strategic partnerships for both parties rely on common strategic direction and commitment of the top management, where language and culture are factors leading to impinge progress (Kennedy & Keeney, 2009). Further, Moen et al. (2009) finds that strategic alliance, as an entry mode, is common among high-tech firms and they found five important criteria when selectin partner: 1) trust, 2) relatedness of business, 3) access to network, 4) access to market knowledge and 5) reputation.

Firms initiating strategic partnerships may seek several outcomes and have several motives, however, one may argue that the overall goal in such initiative is acquiring a specific skill or gain synergies providing positive outcome for both firms (Kennedy & Keeney, 2009). It is argued that strategic partnership, where complementary skill or synergies have been operationalized, have a contributing effect on international market entry success (Capik & Brockerhoff, 2017; Kennedy & Keeney, 2009).

High technology-based firms, such as software SME's, have often demonstrated the use of relationships in sustaining their international growth (Coviello & Munro, 1997; Jones, 1999) and competitive advantage (Spence, 2004) implying that strategic partnering relationships between firms are in fact influential throughout the internationalisation process (Kennedy & Keeney, 2009)

In industries with high degree of innovation, the importance of updated knowledge is important for firm performance (Chen et al., 2022; Kennedy & Keeney, 2009) . As mentioned previously, knowledge or complimentary knowledge can be gained through strategic alliances and it is also argued that improved alliance performance created overflow, however, the firm's ability to acquire and operationalize such overflow is key to organizational learning(Chen et al., 2022).

Emphasized by Rickne and Jacobsson (1996) and Jones-Evans and Westhead (1996) new technology-based firms tend to remain relatively small over time where only a fraction of the firms grow into larger firms (Moen et al., 2009). Moen et al. (2009) further states that for the majority of these firms, international expansion is necessary to realise the ambition of growth. Also, R&D start- up costs and limited home market potential results in some firms being pushed into the international market (Moen et al., 2009). As a result of limited resources Doutriaux (1992) in similarity Drago (1997) and Chen et al. (2022) emphasizes that these firms tend to use entry modes with low resource commitment.

### 2.2.1 Use of strategic alliances

Mahoney et al. (2001) define strategic alliances agreements as cooperative arrangements crafted for mutual benefit, spanning a spectrum from spot market transactions to full-fledged mergers, each varying in degrees of inter-organizational dependence and strategic impact (Moen et al., 2009). As cited in Moen et al. (2009) Nielsen (2003) states multiple benefits alliances also offer, ranging from compensating for resource scarcities to enhancing knowledge capabilities. The surge in alliances since the 1980s, especially among high-tech companies, attests to their critical role in the strategic playbook of firms facing the imperatives of globalization (Krubasik & Lautenschlager, 1993; Ohmae, 1989). Glaister (1996) further articulates that beyond internal resources, a well-curated network of alliances can significantly bolster a firm's competitive edge (Moen et al., 2009). However, literature has mainly focused on joint ventures from the view of large multinationals, leaving a gap in understanding how nascent firms leverage partnerships for international market entry (Varis et al., 2005).

The complexity of the partner selection phase, an important aspect of strategic alliances, reveal the nuanced negotiation and interaction processes underlying alliance formation (Moen et al., 2009). This diversity underscores the strategic process involved in selecting partners that align with a firm's goals, especially for "born global" firms that are inherently predisposed to internationalization from inception (Moen et al., 2009).

Drawing on these insights, the use of strategic alliances represents not only a tactical choice but an important strategic process for small, technology-based firms aiming to find a niche in the global arena. These alliances, by providing access to critical resources, knowledge, and markets, serve as a linchpin for such firms in overcoming the existing challenges of internationalization. As these firms navigate the complexities of global markets, the strategic selection of partners becomes a cornerstone of their internationalization strategy, enabling them to leverage the collective strengths and synergies of the alliance to achieve competitive advantage and sustainable growth in the international domain.

### 2.2.2 Motives and risks

The motives behind forming strategic alliances are many, encompassing goals such as easing market entry, sharing risks, and achieving synergies for competitive advantage (Lei & Slocum, 1991; Mahoney et al., 2001; Nielsen, 2003). These partnerships offer documented benefits, including operational and strategic enhancements (Glaister, 1996; Mowery et al., 1996; Ohmae, 1989). However, they inherently carry risks, particularly regarding the potential for increased competition if a partner exploit shared competitive knowledge (Mahoney et al., 2001). Firms must therefore implement safeguards against unintended information transfers to minimize operational transparency and mitigate risks associated with dependency on partners, especially in dynamic technological and market environments (Hamel & Prahalad, 1989; Mitchell & Singh, 1996). The selection of suitable partners becomes crucial, as poor choices can adversely affect various operational aspects and ultimately the firm's performance in international markets (Cavusgil & Evirgen, 1997; Glaister & Buckley, 1997; Nijssen et al., 1999). This potential of benefits and risks emphasizes the importance of careful partner selection and strategic management in maximizing the advantages of strategic alliances while mitigating associated-risks.

### 2.2.3 Partner selection criteria

Geringer (1991) introduces a dual framework for partner selection in strategic alliances, categorizing criteria into task-related and partner-related. Task-related criteria focus on operational capabilities essential for market entry, such as local market knowledge and distribution networks. These are critical for high-tech firms seeking internationalization, enabling them to overcome barriers to entry and adapt quickly to new markets. On the other hand, partner-related criteria emphasize the importance of trust, compatibility, and shared financial and strategic goals. These elements are crucial for building effective, cooperative partnerships that can navigate the challenges of global expansion. Empirical studies highlight the significance of both sets of criteria, with a particular emphasis on the value of local market understanding and the strategic alignment of partner firms. This comprehensive approach to partner selection is pivotal for high-tech firms aiming to leverage alliances for international growth, balancing operational needs with strategic objectives to achieve competitive advantage in the global marketplace.

### 2.2.4 Trust

Trust is a cornerstone concept that influences the dynamics and outcomes of collaborations between entities. According to Mayer et al. (1995), trust is defined as the willingness of a party to be vulnerable to another's actions based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party. This definition highlights the critical role of positive expectations in facilitating cooperative behaviours and reducing the perceived risks associated with interdependence in strategic alliances (Mayer et al., 1995).

Trust in strategic partnerships enables collaborative advantages. Primarily, it enhances the sharing of critical and sensitive information, which is important for the development of successful international strategies. When partners trust each other, they are more likely to disclose valuable insights and proprietary knowledge that can lead to innovative solutions and competitive advantage (Zaheer et al., 1998). This open exchange is crucial in complex environments where adaptability and collective intelligence are key to overcoming challenges and exploiting opportunities.

Furthermore, Ring and van de Ven (1992) emphasizes that trust reduces the transaction costs associated with monitoring and governance in partnerships.



High levels of trust mitigate the need for extensive safeguards and control mechanisms, which can be both costly and time-consuming. Instead, trust encourages a reliance on relational governance, where mutual benefits and shared goals ensure compliance and alignment of interests. This not only streamlines processes but also fosters a climate of mutual respect and commitment (Ring & van de Ven, 1992).

Additionally, trust influences the resilience of strategic partnerships. In times of uncertainty or when conflicts arise, a strong foundation of trust can help partners navigate difficulties more effectively. Trust promotes a problem-solving approach rather than a defensive or adversarial stance, which is essential for maintaining continuity and stability in long-term collaborations (Das & Teng, 1998).

### 2.3 Knowledge in internationalization process

The role and importance of knowledge when initiating an internationalization process have been emphasised by several researchers (Johanson & Vahlne, 1990; Petersen et al., 2008; Santangelo, 2021). Whereas foreign market knowledge relates to a firm's knowledge about a specific market (Johanson & Vahlne, 1990), market knowledge is more related to customer needs and competition in the specific market (De Luca & Atuahene-Gima, 2007). In addition, Åkerman (2015) presents institutional market knowledge as knowledge related to laws, norms, and practises in a foreign market. However, Riviere et al. (2018) refers to the building of localization knowledge, which also relates to institutional and competitive landscape. The development, and to some extent the ambiguity, of new and existing definitions might indicate that the complexity of knowledge has increased thru the decades (Brennan & Garvey, 2009). One can see that researchers have adopted several categories and definitions of knowledge relevant to this field of study, hence, one may argue that the growing intricacy of knowledge can enhance its significance, concurrently highlighting the importance of relevant knowledge when initiating international expansion.

Brennan and Garvey (2009) mentions that, for high-tech firms, internationalization barriers can be reduced with by acquiring knowledge though experiential learning, which is acquire through experiences in certain markets and in dialogue with international customers. In this discussion one may wonder which knowledge are contributing to reducing these barriers and one may also consider whether one should acquire such knowledge by hiring individuals depositing such knowledge or acquire it through own internationalization initiatives.

Research on this field is significant and been developed through decades and scholars seem to have identified several important aspects, or categories, of knowledge important in internationalization. However, research seem to distinguish between experiential knowledge and acquisition of knowledge.

Through extensive research Eriksson et al. (2000) have developed three categories of international knowledge: 1) internationalization knowledge (IK), 2) business knowledge (BK) and 3) institutional knowledge (NK). IK Refers to a firm's ability to operate in a foreign market, BK related to the knowledge about the competition environment in certain markets and NK is related to overall knowledge about a market's institutions, governance, norms, regulations etc (Brennan & Garvey, 2009). Eriksson et al. (2000) found that the first internationalization initiative has significant effects on future market entries, in terms of experiential learning. Furthermore, they also found that in markets who are longer from the home market, BK and NK have higher importance compared to nearby markets. As IK though experiential learning seem to have significant effect on later market expansions, Schembri et al. (2023) focuses on how firms can enhance and increase learning in internationalization initiatives as such knowledge can be transferred to other markets to create a competitive advantage. Lack of learning can create inefficient market entries in later market expansions and can also demand higher resource commitment (Eriksson et al., 2000; Fletcher et al., 2013).

It is argued that certain categories of knowledge may be connected and acquired through certain individuals within an organisation, which increases the importance of sufficient intra-organizational learning (Brennan & Garvey, 2009). A firm's ability to exploit accumulated knowledge intensity and international knowledge is argued to be one determinant of internationalization pace and pattern, where previous international experience is key determinant in market selection (Brennan & Garvey, 2009). However, Petersen et al. (2008) indicates that length of international market presence does not diminish knowledge gaps when entering new markets, however, it is argued that variations in market knowledge have a positive effect on experiential knowledge (Eriksson et al., 2000). Firms accumulated international experience and individual social network can be a contributing factor to successful internationalisation (Riviere et al., 2018).

### 2.3.1 Knowledge dynamics in business relations

It is reasonable to assume that different business relations, on organisational and individual level, have different ways of conducting communication, commitment, hence, knowledge dynamics. This implication is also emphasised by Liu et al. (2010) which found that market knowledge transfer is strongly related to the positive economic outcome, and that social satisfaction required positive economic outcome in manufacturer-distributor relationship. In other words, the economic gain the distributor can achieve in such relationship is a prerequisite to transfer market knowledge between the two firms in the relation. In the extension of this Mowery et al. (1996) find that distribution of equity arrangements promotes knowledge transfer. This last aspect is mainly related to the risk distribution in a relationship.

Mudambi and Navarra (2004) argues that subsidiaries within MNCs increase their bargaining power by increasing their strategic independence, and they further emphasis the subsidiary's ability to obtain and exploit location related knowledge. In other words, how they operationalize tacit knowledge generated locally. One relevant aspect to discuss here is the importance of the knowledge generated locally, and the overall benefit of the different knowledge for two parts in a relationship. Mudambi and Navarra (2004) further argues that firms who perceive their knowledge as more important to the other part, rather than the opposite, tend to use this power to pursue their own goals in their favour. The discussion will therefore be related to who has the more benefit than the other.

### 2.3.2 Absorptive capacity

Researcher have emphasized that to exploit knowledge acquired outside the firm's boundaries, one should focus on developing capabilities which makes the focal firm able to learn, absorb and materialise knowledge acquired or transferred from other firms (Cohen & Levinthal, 1990). Such capabilities are also known as “absorptive capacity”.

Absorptive capacity, as conceptualized by Zahra and George (2002) and further explored by Mazloomi and Jolly (2008), serves as a foundational element in the processes of learning and knowledge transfer within organizations. This capability is important in enabling firms to harness external knowledge sources effectively, a critical aspect in today's rapidly evolving business landscape. The ability to adapt to environmental changes, innovate, and meet customer demands promptly, while avoiding the pitfalls of competency traps, is increasingly recognized as a key determinant of competitive advantage (Dobrzykowski et al., 2015).

This concept emphasizes the importance of not just acquiring external knowledge but also the firm's capacity to assimilate this knowledge and apply it towards operational and strategic innovation. (Cohen & Levinthal, 1990) initially introduced absorptive capacity as a firm's ability to recognize the value of new information, assimilate it, and apply it to commercial ends. Their work laid the groundwork for understanding how firms with high absorptive capacities are better positioned to leverage external knowledge to foster innovation and maintain a competitive edge.

The relationship between absorptive capacity and innovation is further elaborated by Todorova and Durisin (2007), who highlight the role of absorptive capacity in modifying existing knowledge bases and facilitating novel innovations. This ability to not only adapt but to also shape the trajectory of technological and market evolution proactively is what sets apart leading firms from their competitors.

Moreover, the concept of absorptive capacity extends beyond mere knowledge acquisition; it encompasses a dynamic capability that enables firms to reconfigure their internal competencies in response to external pressures and opportunities (Teece, 2007). This dynamic aspect of absorptive capacity is critical for sustaining long-term competitiveness, as it allows firms to navigate the complexities of global markets, technological disruptions, and shifting consumer preferences.

Absorptive capacity encompasses the acquisition, assimilation, transformation, and exploitation of external knowledge. Its role in enhancing firm competitiveness through innovation, adaptability, and responsiveness cannot be overstated. As Dobrzykowski et al. (2015) assert, the strategic management of absorptive capacity is paramount for firms seeking to navigate the challenges and opportunities presented by the contemporary business environment.

Furthermore, the concept of absorptive capacity presents a firm's ability in not only acquiring but also digesting, transforming, and applying knowledge from its external environment (Daud, 2012). This perspective emphasizes the significance of a firm's internal processes in facilitating the effective exploitation of external knowledge, which in turn drives learning and innovation (Zonooz et al., 2011). The mechanisms of knowledge acquisition, assimilation, transformation, and exploitation constitute the core dimensions of absorptive capacity, each playing a pivotal role in how information is internalized and utilized for competitive advantage.

Knowledge acquisition refers to the process through which external knowledge is identified and acquired. Assimilation then involves the analysis, processing, and understanding of this knowledge within the context of the existing organizational knowledge base. Transformation pertains to the ability of a firm to develop and refine this assimilated knowledge, integrating it into the organization's existing routines and processes. Finally, exploitation is the application of this transformed knowledge to create new products, services, or processes, thereby achieving competitive advantages (Zahra & George, 2002).

The interactive nature of these processes underlines the dynamic capability of absorptive capacity. It is not sufficient for firms to only acquire new knowledge; they must also possess the internal capabilities to assimilate, transform, and exploit this knowledge effectively (Van den Bosch et al., 1999). This dynamic capability perspective highlights the need for organizational structures and cultures that support continuous learning, knowledge sharing, and innovation (Teece et al., 1997).

The concept of absorptive capacity suggests that prior related knowledge enhances the firm's ability to value, assimilate, and apply new information (Cohen & Levinthal, 1990). This implies a cumulative aspect to absorptive capacity, where the ability to learn from external sources is contingent upon the level of existing knowledge within the firm. As such, firms with higher levels of prior related knowledge are better positioned to leverage external knowledge for innovation and competitive advantage.

Teece et al. (1997) highlight the important role of acquiring competencies and accumulating intangible assets in crafting successful strategies. This perspective emphasizes the significance of integrating diverse knowledge bases and competencies through strategic alliances, which serve as fertile grounds for learning opportunities. Such alliances, according to Pangarkar et al. (2017), are especially crucial in environments characterized by intense competition, where learning effects can provide firms with strategic leverage to maximize the benefits of their collaborations. The empirical findings of Pangarkar et al. (2017) reinforce the notion that strategic alliances are not merely contractual arrangements but are vital mechanisms for knowledge exchange and capability enhancement. This view aligns with the broader literature on strategic management, which posits that alliances facilitate the pooling of resources, including knowledge and expertise, thereby enabling firms to explore new markets, technologies, and processes more effectively (Dyer & Singh, 1998).

The competency through alliances underscores the importance of absorptive capacity, as firms must be adept at assimilating and applying new knowledge to derive strategic value from their partnerships.

The intricate relationship between learning and knowledge is central to organizational growth and innovation. Rae and Carswell (2001) describe learning as a cognitive process through which individuals and organizations acquire, structure, and build upon existing knowledge to generate novel solutions. This process, as Slater and Narver (1995) articulate, translates into the transformation of knowledge into organizational systems, strategies, and practices. Argote and Ingram (2000) further expand on this by distinguishing between individual and organizational components of knowledge, emphasizing that organizational knowledge extends beyond individual learning to encompass technology, tasks, and the collective learning experiences of the organization (Senge, 1990). The dynamic interaction between individual and organizational learning processes fosters a continuous cycle of knowledge acquisition and application, which is essential for organizational adaptability and innovation. Argote and Miron-Spektor (2011) highlight how organizational learning leads to a transformation in the organization's knowledge base, thereby driving change and fostering a culture of continuous improvement and innovation.

The formation of strategic alliances is often motivated by the desire to access and transfer knowledge, a notion supported by Grant and Baden-Fuller (2004). Such alliances are particularly valuable for the acquisition and sharing of tacit knowledge, which is inherently personal and context-specific, making it challenging to articulate and transfer (Grant & Baden-Fuller, 2004; Polanyi, 2009). Knowledge transfer within alliances involves learning from the experiences of others and transforming this learning into organizational knowledge through both formal and informal collaboration (Argote & Ingram, 2000; Russo & Vurro, 2019). Strategic alliances, thus, act as "learning laboratories" (Inkpen, 1998), providing unique opportunities for organizations to internalize knowledge and leverage it for competitive advantage.

This perspective aligns with the view that alliances offer a platform for experimenting with new ideas, technologies, and practices, thereby facilitating innovation, and learning in ways that would be difficult to achieve independently.

For the successful acquisition and organizational learning through strategic alliances, firms must possess a robust absorptive capacity (Tzokas et al., 2015; Zonooz et al., 2011).

This capacity, as defined by Cohen and Levinthal (1990), is foundational for knowledge creation and involves the firm's ability to identify, assimilate, and exploit external knowledge. Absorptive capacity is not only a critical antecedent for organizational learning and knowledge transfer but also a determinant of a firm's ability to innovate and adapt to market dynamics (Lane et al., 2006; Valentim et al., 2016). The development of absorptive capacity hinges on the stability and effectiveness of the learning environment within the organization, highlighting the importance of fostering intra- and inter-organizational learning practices (Gebauer et al., 2012). This capacity facilitates a symbiotic relationship between learning and knowledge exchange, enabling firms to leverage alliances for continuous innovation and strategic development. Further elaborated by Ho et al. (2019) which emphasizes that accumulating relational capital among partners can mitigate the negative effects of knowledge protection on absorptive capacity and improve the impact of absorptive capacity on alliance performance.

#### 2.4 Summary theoretical framework

The theory explored above delves into the processes and strategic decisions promoting firms' internationalization and the formation of strategic partnerships. Further, theory presented in this section presents and highlights the importance of absorptive capability in knowledge transfer. Central to our understanding of these phenomena is the evolution from traditional models to contemporary perspectives that emphasize the dynamic, nonlinear nature of global business expansion and cooperation.

Table 2-1: Literature overview

Focus area	Key decision	Literature
Internationalization process	<ul style="list-style-type: none"> <li>• Stepwise/gradual process</li> <li>• Non-linear process</li> </ul>	<ul style="list-style-type: none"> <li>• Johanson and Vahlne (1977)</li> <li>• Santangelo (2021)</li> <li>• Schembri et al. (2023)</li> </ul>
Strategic partnership	<ul style="list-style-type: none"> <li>• Resource pooling for market entry and expansion</li> <li>• Competitive advantage</li> <li>• Resource constraints</li> <li>• Trust</li> </ul>	<ul style="list-style-type: none"> <li>• Kennedy and Keeney (2009)</li> <li>• Moen et al. (2009)</li> <li>• Coviello and Munro (1995)</li> <li>• Spence (2004)</li> <li>• Ferreira et al. (2022)</li> <li>• Ring and van de Ven (1992)</li> </ul>
Knowledge	<ul style="list-style-type: none"> <li>• Market knowledge transfer.</li> <li>• Knowledge acquisition.</li> </ul>	<ul style="list-style-type: none"> <li>• Liu et al. (2010).</li> <li>• Riviere et al. (2018).</li> <li>• Eriksson et al. (2000)</li> <li>• Brennan and Garvey (2009)</li> <li>• Fletcher et al. (2013)</li> <li>• Petersen et al. (2008)</li> </ul>

#### 2.4.1 Internationalization Process

At the heart of the discourse on internationalization is the Uppsala Model, posited by Johanson and Vahlne (1977), which suggests that firms typically internationalize through a gradual process. This model accentuates the role of experiential learning, proposing that businesses venture into new markets by initially selecting those with lower perceived risks and gradually increase their commitment as they accumulate knowledge and experience.



However, the relevance of this model has been challenged considering rapid technological advancements and the ever-changing global market landscape. Santangelo (2021) revises this perspective by arguing that the path to internationalization is increasingly characterized by non-linearity. This revision presumes that firms today are more likely to encounter and act upon strategic opportunities that prompt significant changes or leaps in their international engagement, independent of their prior level of market knowledge.

Schembri et al. (2023) further this dialogue by emphasizing the concept of "path-breaking opportunities," which provide firms with the potential to make substantial advancements in their international market commitment. This perspective suggests a shift from the incremental and cautious approach of the Uppsala model towards a more agile and opportunistic strategy, enabling firms to quickly adapt to new markets and conditions. The emphasis here is on the rapid accumulation and application of market knowledge, facilitated by engaging with unexpected opportunities that demand immediate and effective response.

#### 2.4.2 Strategic Partnership

The exploration of strategic partnerships and alliances highlights their significance in facilitating international market entry and expansion. The literature differentiates between strategic partnerships, defined as the collaboration between entities to pool resources and achieve common goals while remaining distinct. Strategic alliances, which are cooperative efforts for mutual benefit, often integrating the partners' activities to a greater extent. However, the main differentiator is that strategic alliances emphasize the inter relations between all actors in a network, whereas strategic partnership empties the relation between one focal firm and their partner(s) (Ferreira et al., 2022; Kennedy & Keeney, 2009). The motivation behind both approaches includes leveraging synergies, sharing risks, and combining resources to enhance competitiveness and market access (Lei & Slocum, 1991; Mahoney et al., 2001; Nielsen, 2003).

Research underscores the importance of carefully selecting partners based on a blend of task-related and partner-related criteria, including operational capabilities, local market knowledge, trust, and strategic alignment (Moen et al., 2009). These criteria are important for ensuring the success of the partnership and, by extension, the success of international market entries.

The discussion also extends to the role of strategic partnerships in high-tech and innovation-driven industries, where the acquisition of complementary knowledge and resources is crucial for sustaining growth and competitive advantage in global markets (Chen et al., 2022).

#### 2.4.3 Knowledge and Absorptive Capacity in Internationalization

A recurring theme across these discussions is the importance of knowledge—its acquisition, assimilation, and application—in the internationalization process (Johanson & Vahlne, 1990; Santangelo, 2021).

Research have proposed several important factors in international market expansion: 1) market knowledge, 2) international knowledge, 3) business knowledge, 4) institutional knowledge, 4) organizational learning, 5) product knowledge etc (Eriksson et al., 2000; Johanson & Vahlne, 1990). However, how firms attract relevant knowledge differ and one may distinguish between experiential knowledge (for example through own initiatives) and acquired knowledge (through hiring relevant person or strategic partnership) and it is here that the core of this study lies, how one can acquire knowledge in strategic partnership. Research have proposed a firms absorptive capacity as an important factor to transfer knowledge into the firm for future operationalization (Cohen & Levinthal, 1990).

The concept of absorptive capacity, as outlined by Cohen and Levinthal (1990), is central to this discussion, denoting a firm's ability to recognize, assimilate, and exploit external knowledge for commercial ends. This capacity is instrumental in enabling firms to innovate and adapt in response to global market dynamics. The literature suggests that a firm's internationalization endeavours are significantly influenced by its ability to leverage both internal and external sources of knowledge, thereby enhancing its strategic flexibility and responsiveness to new opportunities. Hence, a firm's absorptive capacity is an important factor to acquire and operationalise knowledge and/or resources for future initiatives.

### **3.0 Methodology**

The following section provides an overview of the methodologies applied and developed in the study. The section presents several relevant terminologies with a definition, broadly used in method. Initial section is presenting the research design of the study, then we present the case study relevant for the study. Further, we present the firms and respondent used in the data collection phase. At last, we present our analysis and data collection considerations done.

#### **3.1 Research design**

When conducting a study, it is sufficient with a purpose of the study to state the relevance and motives for the study. However, even though one have found an interesting purpose and following research question one need to develop a plan and routines to further determine how one can acquire and gain relevant insight to fulfil the purpose and answer the research question for the study, and this process is what is referred to as research design(Gripsrud et al., 2016).

One may argue that purpose of the study is highly connected to a “problem, or vise-a-versa. The goals is to find answers and opportunities connected to the problem, and based on the level of already existing theory, personal knowledge, research question and literature in the field of interest, determines between three research approaches: 1) explanatory, 2) descriptive and 3) explanatory (Gripsrud et al., 2016).

The selection between these three approaches determines how one can collect data, analyse and measure them and the overall approach to answer the research questions and overall purpose (Gripsrud et al., 2016).The main research question of this study is focused on qualitative observations and address a phenomenon without extensive use of quantitative data or results. Furthermore, the study focuses on describing a phenomenon and the study will therefore focus on descriptive research approach. This approach is applicable when the focus is to describe a certain phenomenon based on observation (Gripsrud et al., 2016).

Based on both theoretical reasoning from the theory section, as well as the characteristics of our developed interview guide, our initial research approach will focus on describing a phenomenon. Due to the characteristics of the developed research question for the study, which is presented in the introduction, the study will highlight different propositions in the discussion and conclusion sections and address the relevance of the developed propositions.

Therefore, one may argue that the study also applies an abductive approach, which is characterised by a wide generation of possible hypothesis (Yin, 2014). As this is a qualitative study, an additional quantitative study will have to be conducted to verify that our findings are statistically significant.

The study is solely based on a real-world business case and our main primary data is collected through in-depth interviews. Theory is collected with strong emphasis on strategic partnership, internationalization process and knowledge dynamics. Furthermore, other secondary data is proposed by the focal case firm and firms participating in the interviews.

### 3.2 Case selection

In the process of gathering information necessary to address the research question, "How does knowledge dynamics in strategic partnerships influence future international market expansion," a comprehensive approach involving both primary and secondary data sources were employed. Primary data refers to information that is directly collected to meet the specific objectives of a given study. This type of data is firsthand and tailored to the research's precise needs (Hox & Boeije, 2005). For this investigation, the primary data was sourced from a high-tech firm located in the Sunnmøre region of Norway and their potential partners. This particular firm and its partnerships were chosen due to their strategic collaboration focusing on knowledge sharing and joint learning processes, which are critical for understanding the nuances of knowledge dynamics in strategic partnerships.

Secondary data consists of information that has been previously collected by other researchers or organizations for purposes that may differ from the current study. This type of data provides a broader context and can help in understanding trends, theories, and outcomes observed in similar or related areas of research (Hox & Boeije, 2005). In this study, secondary data was gathered through a review of existing literature, including a range of sources to ensure a comprehensive understanding of the subject matter related to knowledge dynamics, strategic partnerships, and international market expansion.

The combination of primary and secondary data was crucial for exploring the intricate relationship between knowledge sharing within strategic partnerships and the potential for these collaborations to facilitate successful international market expansion. By focusing on a high-tech firm and its strategic partners, the study aims to uncover how these entities navigate

the complexities of exchanging and creating knowledge together and how these processes impact their ability to penetrate and thrive in international markets.

### 3.2.1 Sampling

The focus of the study is determined by its objectives, necessitating a purposeful selection of entities for examination in qualitative research, a principle underscored by (Jacobsen, 2022). In line with this study's aim, the decision was made to engage not only with a high-tech firm located in the Sunnmøre region, identified as the focal firm. Taken the focus of the study into considerations, we found the partners of the focal firm as our main interview objects. This approach frames the investigation within a case study design, enhanced by conducting interviews with five key informants from the focal firm and additional interviews with representatives from its partnering businesses.

The research question, "How does knowledge dynamics in strategic partnerships influence future international market expansion," guided the creation of a targeted list comprising the high-tech firm and its potential and existing partners. Following this initial step, a thorough screening process was employed to ensure that these firms met specific criteria relevant to the study's focus on knowledge dynamics, strategic partnerships, and international market expansion. The selected companies and partners were approached via email and telephone to introduce the research project's scope and objectives. Initial outreach aimed to establish contact with the suitable people, intending to be directed to individuals with in-depth knowledge of their organizations' strategic partnership practices and their impact on international expansion.

This strategic engagement led to the arrangement of detailed interviews with five individuals from the focal firm, all holding significant positions and possessing insights into the firm's strategic initiatives. Additional interviews are planned with representatives from partnering businesses, further supplementing the data collection process. These interactions are important for exploring knowledge sharing and collaboration within strategic partnerships and assessing their potential to drive the international growth ambitions of the focal firm and its partners. Through this methodical approach to participant selection and engagement, the study aims to capture a comprehensive understanding of the role of knowledge dynamics in facilitating successful international market expansion strategies.

### 3.2.2 Primary data

In conducting this study, the collection of primary data was achieved through interviews with the selected cases. The use of qualitative interviews was strategically chosen for their ability to empower participants to share their experiences, opinions, and challenges in an open-ended manner, offering a depth of understanding into the evolution of digitalization efforts and international expansion strategies (Hox & Boeijs, 2005). This method was important in gaining a deeper understanding of the underlying dynamics at play.

The modality of these interviews varied, including face-to-face interactions, digital communications via platforms like Skype, Teams, Zoom, and other methods such as phone calls or written exchanges through emails or chat (Jacobsen, 2022). The study initially leaned towards face-to-face interviews to able a transparent and trustful atmosphere, conducive to rich dialogue and interaction management (Jacobsen, 2022). Nonetheless, due to logistical constraints faced by some participants, digital interviews were also embraced. While digital interviews might introduce a level of detachment, they were effectively utilized here, maintaining an engaging and fluid dialogue (Jacobsen, 2022).

The unique value of interviews extends beyond verbal responses, as they capture the nuanced expressions, gestures, and tones of participants, offering insights that transcend spoken words (Yin, 2014). The interviewer's conduct and approach are important for the success of these interactions, impacting the quality of the information gathered (Jacobsen, 2022). Establishing a connection with the interviewees began with direct outreach via email and telephone, through which the authors introduced the study's aims and got to know the participants from the companies. By doing so, laying the groundwork for a comfortable and recognizable dialog during the interviews.

Ensuring the interviewees felt understood and engaged was important, achieved through active listening signals such as nodding and providing relevant reactions. The structured yet flexible interview design enabled exploration of topics and clarification of any unclear points. The start of each interview included a short introduction, detailing the author's backgrounds, the study's objectives, and the anticipated use of the collected data. The methodology, including the interview guide and its structured approach, is elaborately discussed in 3.2.2.1, outlining the framework for the interviews.

### Interview guide

Before the interviews were started, a semi-structured interview guide was developed acting as a blueprint of topics to be explored throughout the discussions. This guide varied in its degree of structure, with this particular study opting for a semi-structured format. Offering participants the freedom to introduce subjects of personal or professional significance while still adhering to a core set of questions (Bell et al., 2022). This flexibility benefits both the interviewer and interviewee, facilitating dynamic and responsive dialogue. Further, it enabled the interviewer to explore topics mentioned in the interviews, that are not explicitly mentioned in the interview guide. The approach supports researchers in keeping an open perspective, thereby supporting the evolution of theories and concepts from the data collected (Bell et al., 2022).

In the initial phase of developing the interview guide, the theory section was broken down into several keywords within out different theory section to ensure that our questions cover our theories discovered for the study. Further, the creation of the interview guide was aligned with the overarching research question of the thesis, encapsulated in a series of questions outlined in Appendix 1. Initially broad questions concerning industry dynamics set the stage, gradually narrowing into areas of strategic collaborations on knowledge sharing, before delving into their specific contributions to scaling international markets. The use of the semi-structured format was proven useful, as it enabled interviewees to contribute with additional insights beyond the guide's scope, thereby supplementing the research. This adaptability also allowed for refinements to the interview guide based on insights from earlier interviews, alongside the opportunity to delve deeper through follow-up questions.

According with qualitative research norms in academic settings, where small sample sizes are often a practical necessity due to resource and time constraints (Johannessen et al., 2020), this study engaged with five key informants from the focal firm and its strategic partners. Aligning with Tjora's (2021) recommendations, interviews were designed to last between 60 and 90 minutes—considered an ideal timeframe to encourage open and thoughtful discussion while allowing in-depth exploration of the topics at hand. However, due to limited schedule of our interviews, our interviews lasted 45-60min. A summary of the interviews, including participant details and the characteristics of the case companies and their strategic partnerships, is systematically presented in table Figure 3-1, offering a clear overview of the foundation of the study.

Tabell 3-1: Overview of respondents

Case Company	Role	Country	Type of interview
Focal Firm (Respondent 1)	Chief marketing officer	Norway	Microsoft Teems interview
Focal Firm (Respondent 2)	Chief executive officer	Norway	Microsoft Teems interview
Focal Firm (Respondent 3)	Chief growth officer	Norway	Microsoft Teems interview
Expert in relevant field (Respondent 4)	Extensive experience in the industry as well as operating with strategic partnerships.	Norway	Microsoft Teems interview
Partnering firm (Respondent 5)	Senior system development manager	UK	Microsoft Teems interview



### 3.2.3 Introduction of the firms

#### **Focal firm**

Our focal firm is an innovative organization based in the northwest region of Norway, specializing in solving complex logistics challenges through advanced software and robotics solutions. Founded in 1982, the firm began as a small operation and has evolved significantly over the decades. Today, it stands out in the logistics and retail sectors in Norway, serving some of the country's largest retailers.

By 2012, on its 30th anniversary, the firm had shifted towards modern solutions by introducing a product that bridged traditional systems to contemporary ERP platforms.

This adaptive front-end leveraged existing data while improving functionalities related to order, transport, and stock management.

In 2016, the firm expanded its technological capabilities by establishing a robotics division focused on developing warehouse robots. These robots played a crucial role in optimizing warehouse operations through automation.

In 2017, the firm transitioned from a consulting-based business to a software house model, leading to the deployment of a comprehensive SaaS solution that covered the entire logistics value chain. This shift streamlined service delivery and ensured that all existing clients were seamlessly onboarded to this new system, enhancing their operational capacities.

In 2020, the firm strategically co-located its robotics division and software development teams in Gangstøvika, Ålesund, facilitating the integration of software and robotic systems under one roof. This synergy paved the way for rebranding the combined entity to reflect a unified approach to scalable, sustainable, and integrative solutions in logistics.

The focal firm prides itself on fostering a work environment that values innovation and community. With approximately 100 employees, including project managers, developers, engineers, and domain experts, it emphasizes a culture of continuous development, social engagement, and skill-sharing among its team. This people-focused approach drives the firm's mission to lead in logistics through cutting-edge solutions in software and robotics.

## **Partner firm**

Since its founding, the firm has experienced extensive growth. By the mid-20th century, under the leadership of the third generation of the founding family, it expanded operations with major warehouses across two key regions and played a pivotal role in introducing a well-known retail brand to the UK in 1956. This partnership sparked significant growth, leveraging enhanced transportation networks to expand their distribution across northern England.

Leadership transitioned to the fourth generation in the late 20th century, introducing innovative campaigns that transformed the retail brand into a leader in convenience shopping. In the early 21st century, the firm expanded further by opening a state-of-the-art distribution center in 2010, designed to efficiently manage a diverse range of goods and fresh food production.

The firm also owns several manufacturing entities that supply quality food products to its stores and beyond. Additionally, its owned store division operates numerous convenience stores, enhancing community support and local service provision.

Today, with over 3,000 employees, the firm remains a major player in the retail and wholesale sectors in the UK, committed to innovation, community engagement, and sustainability. It maintains its legacy as a family-run business with deep community ties.

### **3.2.4 Secondary data**

To build a detailed and complete picture of the research subject, use of secondary data is important for enhancing and broadening the insight from primary data (Jacobsen, 2022). This process included a literature review to familiarize with the current body of knowledge related to the thesis topic. The goal of the literature review was to discover established information, pertinent concepts, and theories regarding the topic. Furthermore, it aimed to explore areas of controversies, gaps in knowledge, and outstanding questions within the research field (Hox & Boeijs, 2005).

Secondary data was mainly sourced from data archives (Hox & Boeijs, 2005). For the purposes of this study, databases such as Oria.no and Google Scholar were important in locating relevant literature, including books, articles, and academic journals. The literature review functioned as the initial step in formulating research questions, which were refined and expanded throughout the study. This review is detailed in Chapter 2. Secondary data, drawn from these sources, will complement the primary data obtained from interviews in the thesis's discussion section.

### 3.3 Research quality

In the coming section, implications in research quality will be presented and argued to ensure that the findings of the study accomplish a certain level of quality. Further, assessment of the reliability and validity of the data proposes the significance of the data and at last, the generalizability addresses whether the results and findings of the study can be used in different cases or real-world example.

#### 3.3.1 Reliability

The reliability is an important factor to consider when conducting research as it states, or indicates, to what degree one can trust that the results and findings of the study (Gripsrud et al., 2016). In other words, reliability is a measure of the probability of getting the same answer by asking the same question, or conducting the same research several times (Gripsrud et al., 2016). Our interview guide is structured with 2-3 similar questions, where the goal is to check whether the interviews tend to change their answer. This will in hand effect the reliability of our findings (Gripsrud et al., 2016).

Research reliability refers to the degree to which a study can be trusted to provide accurate and consistent results. Reliable research must gather data in a methodologically sound manner, ensuring the findings are consistent, dependable, and verifiable (Jacobsen, 2022). Reliability also involves transparently explaining the relationships within the research in the reporting process (Tjora, 2021). Enhancing reliability in qualitative research may involve using detailed data collection and analysis methods, collaborating with multiple researchers to enhance accuracy and consistency, and employing triangulation to confirm the findings.

This study employs a semi-structured interview format for data gathering. This approach introduces challenges related to replicability, as subsequent researchers might not have access to the follow-up questions posed by the interviewer, which extend beyond the prepared interview guide. Our interview guide is structured with 2-3 similar questions, where the goal is to check whether the interviews tend to change their answer. This will in hand effect the reliability of our findings Moreover, using the interviewer as the primary tool for data collection means that no two interviews can be exactly identical, potentially affecting the uniformity of the data collected (Bell et al., 2022; Jacobsen, 2022)

Despite these challenges, the research methodology is expected to yield results that are reproducible by other researchers. By adhering to the established methodology, other researchers should be able to duplicate the core findings and conclusions of this study, despite the inherent limitations of the method used.

### 3.3.2 Validity

When conducting a study, the validity of the result is a key determinant when addressing the research problem. In other words, validity is related to what extent the findings measure the study of interest (Gripsrud et al., 2016). The interview guide therefore asks for a person's perceived understanding of different questions or terminologies, to see if they are the same as the ones used in this paper. This will in fact affect the validity of our findings. If a study lacks validity, one may argue that the findings and results do not measure the intended object of measurement (Gripsrud et al., 2016).

Tjora (2021) emphasizes that validity in research relates to how well the conclusions truly reflect the phenomena being investigated. This involves scrutinizing the alignment between the researcher's depiction of reality and reality itself, highlighting the importance of ensuring that research findings are credible, reliable, and pertinent to the posed research questions (Jacobsen, 2022).

In this study, the initial phase involved contacting executives to secure access to knowledgeable informants familiar with the strategic partnerships and internationalization aspects of the firm. Leaders were specifically targeted for interviews to gain deep insights into the firm's operations. It is important to note, that we also included personnel from various organizational levels to offer a more comprehensive and nuanced understanding of the topics.

Conceptual validity in qualitative research is concerned with how accurately the concepts or constructs are depicted in the study. It checks whether the operational definitions used in the research align with the theoretical definitions (Tjora, 2021). To strengthen conceptual validity, it's essential for researchers to have a clear grasp of the concepts being examined.

To support this, the study involved an ongoing review of relevant literature and meticulous definition of key concepts and theories, which helped maintain focus and direction. Recording interviews and preserving audio files further supported the conceptual validity, allowing for detailed review and analysis of the data, ensuring the interpretations of the interviews were

accurate. Additionally, collaboration with a supervisor during the analysis phase was important in maintaining conceptual validity. This partnership involved meticulous review and comparison of identified themes and notes to ensure that the findings were coherent and well-supported.

### 3.3.3 Generalizability

The findings of the study are related to our focal firm and their respective partners. In other words, the paper investigates a relatively isolated example within a business area. Generalizability is related to what extent one can take the findings, results or the conclusion from one sample and relate that to every firm across a business area or population (Jacobsen, 2022). To assess the generalizability of our study is relatively objective and hard, however, one can assess this through the theory review from previous sections to find similar paths in other studies.

In qualitative research, generalizability refers to the extent to which the findings from a study can be applied to larger populations or different contexts beyond the specific scenarios or samples examined (Jacobsen, 2022). Although generalizability is not typically a central aim in qualitative research, which tends to focus on gaining a detailed understanding of phenomena, it can be a consideration for researchers who wish to extend the implications of their findings.

This study seeks to address the question: "How does knowledge dynamics in strategic partnerships influence international market expansion?" The insights derived from examining the knowledge sharing and collaborative strategies among businesses in strategic partnerships may have broader applicability. For instance, the findings might be relevant to other firms considering or currently engaged in strategic partnerships aimed at expanding into international markets. Thus, while the primary goal is to delve deeply into the specific dynamics of knowledge exchange within strategic partnerships, there is also an intent to outline how these dynamics can be generalized to aid other companies in similar contexts in navigating international market expansion.

### 3.4 Ethical considerations

As emphasized by the National Research Ethics Committees (2019), research must be carried out with strong moral responsibility. According to Bell et al. (2022), fundamental ethical principles identified by Diener and Crandall (1978) include avoiding harm, ensuring informed consent, respecting privacy rights, and avoiding deception. Researchers are increasingly held accountable to demonstrate that they have effectively addressed ethical challenges in their work.

Participants were fully briefed about these measures both in writing and verbally before participating in the interviews. This was done to mitigate any negative emotional or physical impacts on participants or the broader community, this thesis maintains confidentiality and ensures the anonymity of informants throughout. Information such as names, ages, occupations, and any firm affiliations, along with specific quotes, remain confidential. Care was also taken to steer clear of potentially sensitive topics to protect personal views and prevent any adverse future impact on the informants, aligning with privacy protection and harm avoidance standards.

To ensure informed consent, the study's purpose, goals, methods, and participants' rights were clearly outlined in initial emails to the participating companies. The research proposal, including how personal data would be handled, was submitted to the NSD, and approved without objections. We also sent out a “one-pager” with information about our study, where also the anonymity of the respondents were emphasized, see Appendix A. Furthermore, the confidentiality and objectives of the study were reiterated prior to interviews as outlined in the interview guide in Appendix B. To prevent deception, careful reproduction of audio files from the interviews was prioritized.

## 4.0 Data analysis

The section presents how the authors analysed the data collected from the in-depth interviews of the respondents in this study. In the following section, a brief explanation of the six steps in the thematic analysis approach will be presented, as well as, how the authors conducted the analysis of this specific study in connection with the chosen framework. The ending phase presents the framework which the authors will use to present the findings related to the interviews conducted in the qualitative data collection.

### 4.1 Thematic analysis

As several qualitative analysis methods were discovered, the researchers decided to use thematic analysis as preferred analysis as this approach seeks to categorise the findings into different themes or topics (Braun et al., 2022). Further, it enables the authors to align or elaborate on how topics or patterns can address gaps in the research question or theories applied.

In connection to this, one main argument is that the questions used in the interview guide was directly coded to the theory section, so in this way the authors could get a quick and easy overview of the data and relate them to different theoretical categories, hence, elaborate and explore the insight from the thematic analysis to get an deeper understanding of the underlying perspectives of the findings and relate them to the research question.

#### *Step 1: Familiarizing yourself with the data*

In the initial process, both authors coded and transcribed all audio recorded interviews individually to reduce the potential influence a common transcription process could have when generating codes. Furthermore, both authors agreed that one should not limit the number of topics and 2<sup>nd</sup> order codes identified to a specific number as one should strive to address necessary number of topics in the initial phase. After both authors conducted the initial codes, they had generated 4 topics of codes with several 2<sup>nd</sup> and 3<sup>rd</sup> level codes.

### *Step 2: Generating initial codes*

After the initial stage of generating ideas to pinpoint elements in the dataset, the next step involved creating initial codes relevant to the research question. According to existing scholarship, these codes serve as essential elements or components of raw data, enabling meaningful evaluation with respect to the studied phenomenon mentioned by Boyatzis (1998), in (Braun & Clarke, 2021) . The task of coding was performed individually to maintain our perspectives and prevent any influence between coders.

As codes were generated, both authors presented a number of topics, relevant to answers provided by the interviews, which in hand illustrated the complexity and coherence between several topics. However, not all topics were directly relevant to the scope of this study, but this provided a lot of insight on the intercorrelation between several topics in our field of study. Hence, this will be presented in future research in the ending phase of this study. Furthermore, a detailed examination of the derived statements and themes was conducted. This review aimed to achieve a common consensus on the themes, to ensure both consistency and validity across the findings. The formulation of these first-order codes laid a foundation for the following identification of themes within the data.

### *Step 3: Searching for Themes*

Following the individual coding processes, phase three of the data analysis involved actively searching for overarching themes within the dataset. This step was important as it transitioned from simply identifying initial codes to transforming these codes into broader, more meaningful themes. Each first-order code was carefully analysed to determine its contribution to potential themes, assessing how these codes could combine to form a comprehensive narrative within the data.

Braun and Clarke (2021) emphasize the importance of ensuring that data within themes should not only be coherent but also distinctly differentiated from one another. This principle guided the process, ensuring that each theme was internally consistent yet clearly separated from other themes. The development of these themes was closely aligned with the theoretical framework that had been previously established, ensuring that the themes were both relevant and grounded in established research paradigms.



During this phase, the iterative nature of thematic analysis became particularly apparent. It was often necessary to revisit and reassess the initial codes and their associations, allowing for a dynamic interplay between the authors' understanding and the evolving data patterns. This re-evaluation was crucial for refining the focus of each theme and ensuring that they accurately reflected the underlying data. The flexibility in thematic analysis was valuable during this phase, adapting to changes in understanding as deeper insights were acquired. This process not only enhanced the analytical depth but also ensured that the themes developed were robust and reflective of the data.

#### *Step 4: Reviewing Themes*

In phase four, the themes identified in the previous step were further reviewed. This phase focused on evaluating whether the themes accurately captured the essence of the data and met the criteria of internal coherence and distinctiveness as outlined by Braun and Clarke (2021). This involved a critical examination of how each theme was supported by the data and how clearly it was differentiated from other themes.

The review process often required the authors to go back to the dataset to cross-check and verify the themes against the raw data. This step was essential to ensure that each theme was not only theoretically sound but also empirically supported. The themes were scrutinized to confirm that they were comprehensive, capturing all relevant data points without overlapping significantly with one another.

Collaboration among authors played an important role during this phase. Discussions and debates helped to challenge and refine each theme, ensuring a collective agreement on the thematic structure. This collaborative scrutiny helped to eliminate personal biases and enhanced the reliability of the thematic analysis. Furthermore, the engagement with the theoretical framework continued to be important, as it provided a perspective on how the data was interpreted, ensuring that the themes remained relevant and grounded in academic discourse.

### *Step 5: Defining and Naming Themes*

The fifth phase involved defining and naming the themes clearly. This step was crucial as it translated the analysis into an understandable format. Each theme was defined by its message, capturing the core idea that was apparent across the dataset. This definition process also included naming each theme in a way that was both descriptive and reflective of the theme's content and significance.

Defining the themes was a careful process that involved integrating the insights gained from the previous phases into clear and concise statements. These definitions were crafted to convey the depth and scope of the data while being precise enough to provide clear guidance for the application of the findings. Naming the themes was also important, as they needed to be relevant, providing an immediate sense of what the theme represented.

The defined and named themes did not only provided a structured summary of the data analysis but also prepared the groundwork for the discussion and conclusions in the study. The fifth step ensured that the themes were not only carefully derived and reviewed but also effectively communicated, ready to contribute to discussion and a potential practical application in the field.

### *Step 6: Producing the Report*

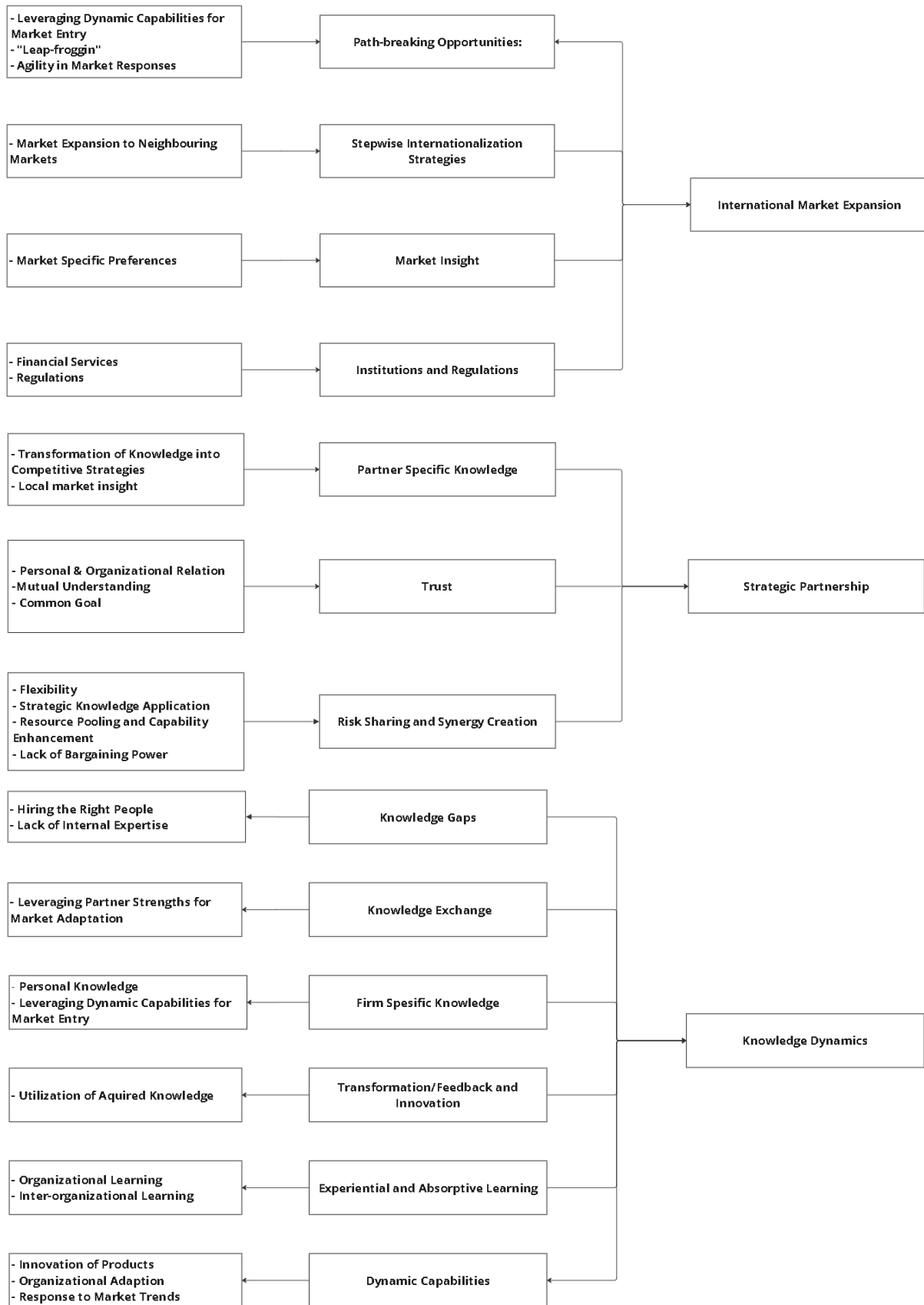
Upon finalizing the thematic map and confirming correlations between direct quotes, statements, first-order codes, and the developed themes, this step focuses on articulating these findings into a structured report. This report aims to clearly present the empirical data model, carefully illustrating how each element—from quotes to themes—interconnects within the established framework.

The initial step in this phase involves crafting a detailed description of the thematic map. This description is not only a visual representation but also a guide that shows the relationships and empirical structure of the themes. The thematic map is important for demonstrating the flow and integration of data from raw quotes to refined themes, providing a clear path of analysis and interpretation (Braun & Clarke, 2021).

As the statements were addressed, the authors connected relevant quotes to relevant statements to enhance the validity of the statements and identify potential connection between the statements among the respondents, used to describe each topic: starting from the statements that anchor the raw data, linking to the first-order codes that categorize these quotes, into broader themes that captures the research findings. This structure ensures that each level of the data analysis is thoroughly explained, offering both transparency and depth to the research methodology. In writing the report, each section of the report was carefully aligned with the next, ensuring a coherent narrative that enables easy navigation through the complex data.

Moreover, the report integrates visual elements, which provide a visual representation of the data and themes. The model for the structure of the empirical data was developed, as depicted below:

Figure 4-1: Thematic analysis framework



## 5.0 Findings

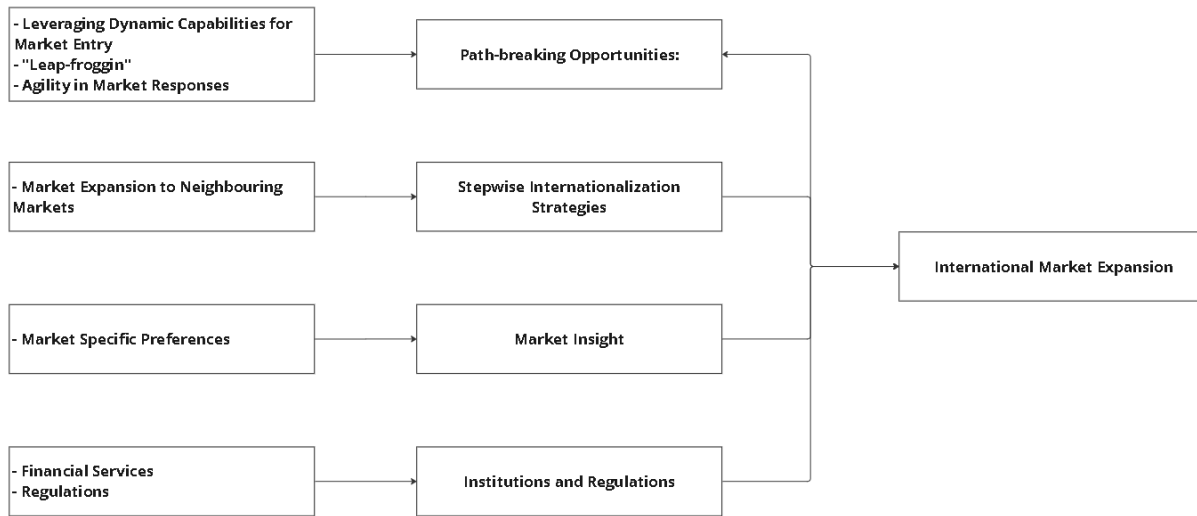
The coming section presents and illustrates findings emerged from our data analysis section. Based on 4 interviews in our case firm, as well as 1 additional interview with a strategic partner, our findings are concentrated in the three topics: 1) Internationalization approach, 2) strategic partnerships and 3) knowledge dynamics. Within each subsection, our findings will be exemplified with practical quotes from our interviews. As the findings aim to enhance our understanding of the three topics, we will develop and present propositions within all three topics. Presented propositions represent the practical findings in our study, which in hand, will be taken further into a theoretical discussion for further implications.

### 5.1 Internationalization approach

As our case firm seeks to expand their market presence into new and undiscovered international markets, mainly in Europe, our findings illustrate similarities with previous proposed theory presented in our theory section (Johanson & Vahlne, 1977, 1990; Santangelo, 2021). Successful market entry in new markets is a critical factor for international market expansion as products are getting more mature, hence, to understand contributing factors to successful market entry is critical.

As the initial topic for all interviews was international market expansion, the respondents were asked to address and discuss their own personal perceptions of international market expansion, further, also how their personal experience through practice has evolved their understanding of the topic. As important and interesting factors within different themes were identified and discussed, the respondents were asked to discuss on the relative importance of identified sub-factors to the main topics. Figure 5-1 illustrates our empirical data structure, developed in the data analysis phase, for the topic internationalization approach.

Figure 5-1: Empirical findings - international market expansion



### 5.1.1 Path-breaking Opportunities

As our focal firm seek to expand their market presence in a relatively high tempo, the respondents were quite clear that they have a offensive market entry approach, which in hand, is strongly related to an opportunistic approach where they seek to acquire market stakes fast. This approach is found to be an important factor in their market strategy approach, and the authors have found three key characteristics, followed by statements and quotes supporting and strengthening the relevance of the findings.

#### Leveraging dynamic capabilities for market entry

As our focal firm have strong technological competence within their field, they need to acquire relevant information regarding market specific technical needs. This insight was highlighted in several interviews, however, for some markets such information is hard to acquire or find. As our case firm have great market insight in nearby neighbouring market, this was highlighted as important factor to achieve successful market entry in new and undiscovered market which is not nearby markets.

Further, as our focal firm develop tailored market strategies in selected markets, they still lack a sufficient level of insight to have a successful market entry. Such information has come from their strategic partner in relevant market.

*"If we want to be out in the market fast to really set our footprint in the market, we might also invest in partnerships that get out our products fast and use this window of opportunity." – Respondent nr.2*

Depending on the market, the specification may differ. Therefore, our focal firm's ability to acquire such information and transform it into the physicality of their product is key determinant for successful initial market entry, or presentation. This process is related to our focal firm's dynamic capability.

*"It is important to find out How is the intralogistics, how is grocery in UK, Do they think the same way, is the warehouse built the same way, where are the provider of the solution, do we still fit, What are the cost of an employee, what is the cost of a picker in Norway versus UK" – Respondent nr.3*

For the UK market, our case firm have been involved in a partnership with a UK-based firm with great knowledge and insight within the grocery segment. As they learned to know each other, their product was more and more tailored to the UK market. Illustrating the importance of local knowledge.

#### **"Leap frogging"**

Respondents mentioned that there is a strong market pull in some markets, which in hand, increases their motivation to step into the specific market to acquire market stakes fast. In the respective market, they have a proven technology which seems to be highly attractive in respective market.

*"We are just experimenting a "leap frog" approach for one of our products by introducing it to the UK market first, as we see that there is a lot of opportunities and a strong market pull compared to other European markets" – Respondent nr.2*

As the focal firm have an offensive market entry strategy, once they have entered a new market they tend to strongly evaluate and determine the next markets to enter.

*"Then where do we go next then. Right now we are exploring 2-3 different markets." – Respondent nr.3*

Other finding in this sense, is that there is an uneven degree of market pull between selected markets. Further, considerations such as labour cost and return on investment (ROI) was mentioned in this sense.

*"Depending on our product, we want to explore other markets since some of our products attract different levels of interest between markets" – Respondent nr.2*

## Agility in market responses

Respondents highlighted agility in market responses as an important factor for firms aiming to successfully navigate the complexities of international markets. The firm's ability to quickly and efficiently adapt its strategies and operations to meet the varying demands and conditions of different markets is highlighted as an important factor in the initial market entry phase. This is also highly related to our statement on "leveraging dynamic capabilities". Through the statements we've received, agility for businesses expanding internationally, can involve several key aspects such as tailoring product offerings to align with local tastes and standards, adjusting marketing strategies, and modifying operational processes to comply with local regulations. Also mentioned by the respondents it includes the capacity to scale operations up or down based on market performance and feedback, ensuring that resources are allocated efficiently and effectively.

*"We often see that different products require different approaches in different markets" – Respondent nr.4*

This respondent highlights the adaptive strategies businesses must employ when entering diverse international markets. Furthermore, the necessity for flexibility in product offerings and marketing strategies can be tailored to economic, and regulatory landscapes.

*"That's entering a new market as a new player with no with limited references. That's really tough..." – Respondent nr.1*

The significant challenges faced by firms when they enter new markets without established reputations or local references are also emphasized by this statement. Which can be seen as critical for gaining market entry and competitive advantage. The statement reflects the inherent risks of international expansion and the need for strategic initiatives to overcome these barriers, such as building partnerships or local engagements that can provide credibility and support market entry strategies.

*"You have companies that are set up to actually grow internationally and have the purpose to grow and scale fast and we approach the market expansion more strategically, and let's say, even though its opportunistic there is a plan." – Respondent nr.2*



Furthermore, this statement underpins firms that are designed for rapid international expansion. Signaling the importance of having a clear growth strategy that, while opportunistic, is guided by a deliberate plan to scale operations and enhance market presence swiftly.

*“I think if we want to grow, we need to be able to produce the products fast enough” –*

*Respondent nr.4*

We also see that the respondents emphasize the operational capabilities that need to be enhanced for successful market expansion. Highlighting the ability to quickly scale production to meet the demands of new markets as critical, hence, operational agility supports market strategies by ensuring that supply can meet potential demand spikes without compromising quality or delivery times, which is vital for maintaining competitiveness in new markets.

*“I think also, the after-sales and service, etc., are going to be very important for us to be able to grow” – Respondent nr.4*

This quote highlights the significance of after-sales services and customer support in international market expansion. Robust after-sales service is crucial for building customer loyalty and enhancing brand reputation abroad. It signifies the firm's commitment to customer satisfaction and is essential for sustaining growth in new markets where brand recognition may initially be low. Effective service and support can differentiate a firm in competitive markets, fostering customer trust and facilitating long-term business success.

### 5.1.2 Stepwise Internationalization Strategies

Even though our focal firm have an opportunistic market entry approach, it was also revealed that some product adjustments are tested in their local market, as well as neighbouring markets in the initial introduction phase. Stepwise internationalization strategy is highly related to market expansion to nearby markets with low cultural differences, business practice, and the low difference in business practices were also highlighted as an factor important factor, when considering which markets one seek to introduce new and enhanced products.

### Market expansion to neighbouring countries

Even though respondent nr 2 strongly emphasise their opportunistic market expansion, respondent nr 1 also mentioned that for selected product prefer to test their new or enhanced product in nearby markets.

*“We need to be able to do the Nordic markets before we go further” – Respondent nr.4*

The main arguments in this sense were several, however, one important factor was that they know most of the decision makers in these markets and that they have developed strong relationships with businesses which facilitate demonstration of prototypes.

*“Our strategy has generally been to test nearby markets first, then gradually move to more distant ones as we build confidence” – Respondent nr.3*

Further, our case firms extensive market insight and personal relationship with key decision makers, simplifies their ability to demonstrate new product in these markets. In addition to personal relationship, the close collaboration with these actors when it comes to product development is also a key determinant for introduce new products in these markets.

#### 5.1.3 Market Insight

Several of our respondents mentioned and emphasised the critical importance of acquiring and maintaining market insight about all relevant markets. It was also mentioned that one seeks to identify markets where there are some similarities between new and existing markets.

*“Understand what the different markets are and then you need to analyse the market to understand the purchase and the habits of your buyer to make sure that they are as close as possible to your existing buyer” – Respondent nr.3*

### Market specific preferences

The importance of acquiring market specific insight was mentioned as an important factor, specifically related to who the decision makers are, as this is hard to identify in certain markets. Furthermore, identification of customer needs was also highlighted.

*"Which markets have the same problem?" - Respondents nr.3*

As some respondents were very clear about the importance of knowing the customer needs and decision makers, the importance of insight in the competitive landscape and what is provided in the market today was also highlighted:

*"It is also important to know what the market delivers today. Meaning, competition, partners, whatever, and what they are delivering to the customers today" – Respondent nr.4*

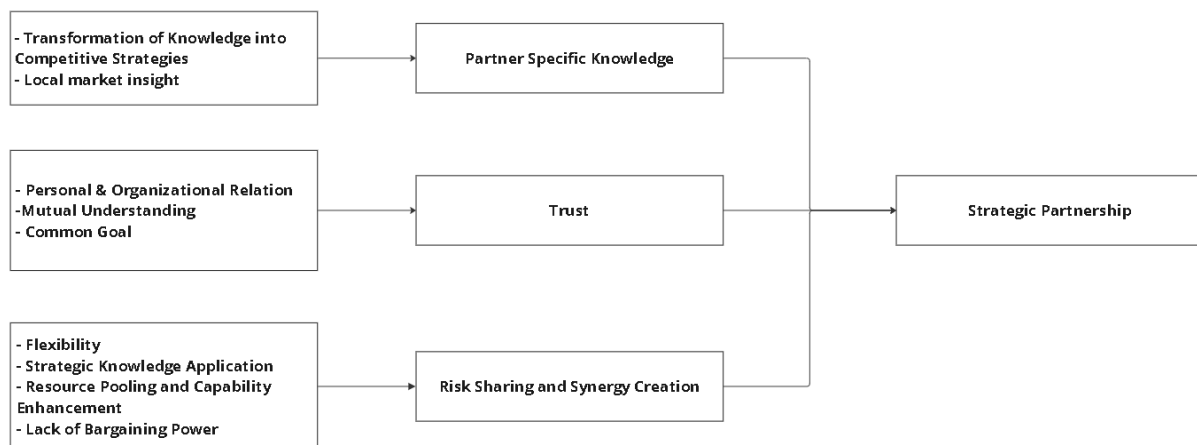
In total, having insight in what the market is offered today, competitive dynamics, customers' needs etc provides with critical market insight important when addressing the attractiveness of markets. The importance of local knowledge was also highlighted by several respondents, as this is knowledge which is hard to acquire as an outsider,

*"Market insight is the key. This is it. There is no other important knowledge" – Respondent nr.3*

## 5.2 Strategic partnerships

As our focal firm is looking towards strategic partnerships as a way of market entry, our qualitative interviews on strategic partnerships provided insightful perspectives on the dynamics of these partnerships, particularly in high-tech firms on international ventures. Through the thematic analysis, three major themes emerged: partner-specific knowledge, trust, and risk sharing and synergy creation. These themes reflect both the opportunities and complexities in strategic partnerships, emphasizing the critical elements that contribute to their success or failure in the international marketplace. The underlying points of Strategic Partnership, Partner specific knowledge, Trust, and Risk sharing, and synergy creations are supported by the following statements and quotes.

Figure 5-2: Empirical data structure – Strategic partnership



### 5.2.1 Partner specific knowledge

Participants consistently highlighted the transformation of partner-specific knowledge into competitive strategies as an important aspect of their partnerships. This knowledge, particularly insights into local markets, was deemed crucial for navigating foreign territories effectively. Respondents noted that leveraging this in-depth understanding led to more informed decision-making and strategic alignment with market demands, ultimately enhancing their competitive edge in new regions.

#### Transformation of knowledge into competitive strategies

The ability to transform partner-specific knowledge into competitive strategies is vital. As our theoretical framework suggests, knowledge transfer within strategic partnerships can significantly enhance a firm's capability to innovate and adapt to new market conditions.

This aligns with Kennedy & Keeney's view that strategic partnerships enable the pooling of specific skills and resources, thus supporting the development of unique strategies tailored to local markets.

*"These collaborations provide us access to critical market data that gives us an edge over competitors" – Respondent nr.5*

Their current strategic partners local market knowledge was highlighted as an important factor when tailor their products, in line with customer demands in relevant countries. Hence, they have a strong collaboration with their strategic partners in relevant countries to meet customer needs and create a product tailored in that specific market. This respondent illustrates how strategic partnerships facilitate access to market data that can enhance competitive positioning. This can give us an insight on how knowledge transformation within partnerships can be leveraged to create strategies that provide a competitive advantage.

*"We need to be able to deliver faster than that. So, we need to be ready for that. I also think the after-sales and service etc. are going to be very important for us to be able to grow" – Respondent nr.4*

This quote reflects the operational strategies derived from partnerships, emphasizing speed and enhanced service offerings as critical components for growth. It underscores the practical application of knowledge gained through partnerships in improving business operations and customer service to support expansion.

### Local market insight

Local market insights allow firms to tailor their products and marketing strategies to meet specific customer preferences and regulatory requirements. This is consistent with Moen et al.'s emphasis on the importance of local market knowledge and strategic alignment of partner firms for successful internationalization, highlighting how such knowledge directly influences market entry strategies and operational effectiveness.

*"It's probably more cost-effective to begin with to enable a strategic partnership...you're going to get local knowledge, thus you're going to get an understanding of the market" – Respondent nr. 5*

This quote highlights the financial and strategic benefits of gaining local market insights through partnerships. It underlines that partnerships are not just strategic but also cost-effective methods for gaining deep market understanding, which is crucial for successful market entry and operations.

### 5.2.2 Trust

Trust emerged as a cornerstone of effective strategic partnerships. This encompassed both personal and organizational dimensions, with a strong emphasis on building mutual understanding and a shared commitment to common goals. Interviewees pointed out that trust facilitated smoother coordination and cooperation between partners, reducing conflicts and fostering a more collaborative environment. This aspect was particularly emphasized as a buffer against the uncertainties and risks associated with entering new international markets.

#### Personal & organizational relation

Trust, as an integral part of both personal and organizational relationships, facilitates open communication and collaborative problem-solving, which are essential for managing the complexities of international markets. This reflects Ferreira et al.'s (2022) definition of strategic alliances, where coordination and joint capacity building are fundamental.

*“Big partners can push us over. However, it is important that big partners are familiar with operating with small companies. If not, they can hurt us.” – Respondent nr.4*

This quote reflects the dynamics and challenges in partnerships between large and small companies, emphasizing the need for mutual respect and understanding. It highlights the vulnerability of smaller partners and the importance of trust in ensuring that larger partners do not exploit their dominant position.

*“There is a lot of mechanism during the early stage of the process, one should try to understand and get to know the potential partner, to establish a sense of trust” – Respondent nr. 3*

This quote shows the proactive steps needed to build trust, underscoring that trust is not assumed but needs to be encouraged through efforts during the early stages of partnership formation.

*“Trust is key in Norway, and even more important in Europe” – Respondent nr.1*

We see that the respondent highlights the importance of trust in specific geographical locations, indicating that trust is a universally important element of strategic partnerships but may have elevated importance in certain cultures or regions.

*“If we do not have trust, they are customers rather than partners” – Respondent nr. 4*

This respondent highlights the difference between transactional relationships and strategic partnerships, emphasizing that trust transforms commercial transactions into collaborative partnerships.

### **Mutual understanding and Common goals**

Mutual understanding and alignment on common goals ensure that all parties are working towards the same objectives, minimizing conflicts, and enhancing cooperation. This concept is vital as it directly impacts the strategic direction and success of the partnership, as discussed in the theoretical framework where strategic partnerships are built on shared strategic objectives.

*"You want to make sure that you and the companies you're in relationship with, are working towards the same objectives or are broadly aligned" – Respondent nr.5*

This quote highlights the necessity for alignment in strategic objectives, which is foundational for the success of any partnership. It points to the alignment of goals as a critical factor in establishing and maintaining effective partnerships.

*“One should ensure that you are having a common way of doing things to create a solid foundation to stand of each other and understanding of what is my and others role as well as expectations and work processes” – Respondent nr.3*

Through this quote the respondent emphasizes the importance of establishing a mutual understanding of operational procedures, roles, and expectations in a strategic partnership. It emphasizes that a common operational framework is crucial for ensuring smooth collaboration and preventing misunderstandings that could jeopardize the partnership. The alignment in daily operations and processes underpins the foundation of trust and mutual respect, facilitating a more integrated and effective partnership.

*“I think we need to find partners with similar strategy, for relevant markets, as us. I think it is hard to change someone's strategy” – Respondent nr.4*

Furthermore, looking at this quote the respondent again highlights the need for strategic alignment between partners, but more towards their approaches to market engagement. It reflects the practical challenge of aligning strategies post-partnership formation and the ease of collaboration when partners initially share similar strategic visions and goals. This alignment can minimize conflicts and enhances cooperative efforts towards shared objectives. It highlights that partnerships are most effective when they build upon pre-existing congruencies in strategic outlook and market approach, rather than attempting to converge divergent strategies.

*“I think this is first and foremost a financial opportunity for us and for everyone” – Respondent nr. 3*

The respondent emphasizes that, beyond strategic and operational alignment, the fundamental driver for forming partnerships is often financial benefit. It highlights that partnerships are viewed primarily as vehicles for financial gain, suggesting that a successful partnership must present clear economic advantages to all parties involved. This perspective ties back to the theoretical frameworks where strategic partnerships are formed not only for operational synergy but also for enhancing financial performance and competitive positioning. This quote also serves to remind stakeholders that while strategic and operational alignments are critical, the ultimate measure of a partnership's success is its ability to deliver financial value.



### 5.2.3 Risk sharing and synergy creation.

The theme of risk sharing, and synergy creation highlighted the dual benefits of strategic partnerships. Participants valued the flexibility these alliances provided, allowing them to adapt to changing market conditions more swiftly. The pooling of resources and capabilities was frequently cited to enhance each partner's strengths, while compensating for their individual weaknesses. However, challenges such as a lack of bargaining power in some partnerships were noted, which sometimes led to imbalances in the relationship.

#### Flexibility

Flexibility in strategic partnerships, as derived from our interviews, is crucial for adapting to dynamic international markets. This flexibility, paired with strategic knowledge application, can enable firms to swiftly respond to changes and opportunities, which is a critical competitive advantage in high-tech industries known for rapid innovation cycles.

*“I would say you develop strategic partnership, usually, because you don't want to develop certain competence internally or they are too expensive to develop internally” – Respondent nr. 3*

The respondent exemplifies the strategic rationale behind forming partnerships—accessing competencies that are either lacking internally or would be too costly to develop in-house, highlighting the flexibility that partnerships provide in resource utilization.

*“So, you would want to use local competences, people who know the market, who can react quickly, who know the culture, the language and then you will basically find a local partner to work with to enable quick adaptation” – Respondent nr. 3*

Furthermore, the respondent showcases how strategic partnerships provide flexibility, important for adapting rapidly to local market conditions. By leveraging local expertise, firms can navigate cultural, linguistic, and regulatory landscapes more effectively and responsively. This aligns with the theoretical understanding that strategic partnerships should exploit local knowledge to enhance market entry strategies and operational agility, reflecting a practical application of flexibility in partnerships.

### Strategic knowledge application

The application of strategic knowledge in partnerships enables firms to leverage combined expertise to innovate and gain market share. This supports the theoretical insights from Kennedy & Keeney about exploiting synergies to enhance competence and market position.

*"Through partnerships, we've been able to gain a lot of insights that are crucial for us to effectively penetrate these markets" – Respondent nr.2*

The respondents statement demonstrates how partnerships are important in providing strategic knowledge that can be directly applied to enhance market penetration strategies.

*"It's all about finding the right partners where there can be a real exchange of knowledge to achieve value and profit" – Respondent nr. 4*

Looking at the respondent statement, they emphasize the critical aspect of strategic knowledge exchange in partnerships. It highlights the importance of choosing partners who not only bring essential market insights but also participate in a mutual exchange that adds value and drives profitability. This reciprocal sharing of knowledge is fundamental to leveraging partnerships for strategic advantages, aligning with the theoretical framework that strategic partnerships are formed to combine resources and capabilities for enhanced competitive positioning.

### Resource pooling and capability enhancement

Resource pooling and capability enhancement are fundamental for achieving synergies that neither firm could accomplish alone, underscoring the mutual benefits of strategic partnerships highlighted in our theoretical framework. This pooling often leads to enhanced capabilities, better market positioning, and shared risks, contributing to the sustainability and growth of the partnership.

*"If we can't establish partnerships where all parties see a benefit, these partnerships won't last, and they won't work" – Respondent nr. 1*

Looking at the respondent statement, the respondent underlines the importance of mutual benefits in partnerships, highlighting that for a partnership to be sustainable and effective, it must enhance capabilities and offer clear benefits to all parties involved.

*“It’s important to note, how would we develop our business together? What matters for you? What matters for me? What percentage you want of this and that, how long do you need for this and that, how do you want to perform that task?” – Respondent nr.3*

This statement also gives us an impression of that negotiation and planning processes are essential in forming and maintaining effective partnerships. It reflects the need for clear communication and alignment on business development goals, resource sharing, and role distributions, which are critical for maximizing the synergistic benefits of a partnership.

*“I would say you develop strategic partnership, usually, because you don’t want to develop certain competence internally or they are too expensive to develop internally” – Respondent nr. 3*

This respondent statement can provide a rationale for forming strategic partnerships based on the need to access certain competencies more cost-effectively than developing them in-house. It reflects a strategic decision to leverage external expertise to enhance capabilities without the substantial costs associated with internal development.

### **Lack of bargaining**

The lack of bargaining power in some partnerships, noted during the interviews, can lead to challenges in achieving equitable benefits. This finding stresses the importance of careful partner selection and strategic management to mitigate risks and ensure that partnerships are mutually beneficial, as highlighted in the broader literature on strategic alliances and partnerships.

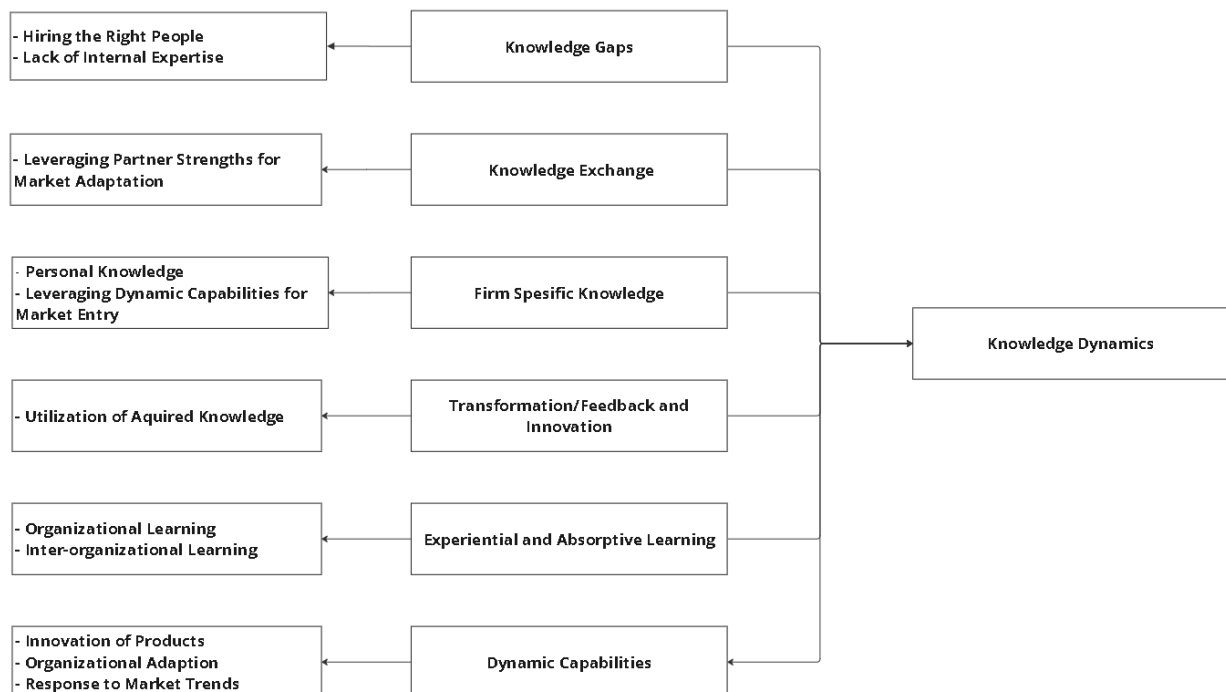
*“If the product is not a good fit for the market, then nobody is interested in working with us. Because working with the company or a building a strategic partnership requires a lot of upfront investment in term of hours, but also money” – Respondent nr. 3*

Looking at the quote, the respondent reflects upon the challenges and risks associated with establishing partnerships, particularly the need for significant investments which can be compromised if the product-market fit is not ideal, thus impacting bargaining power.

### 5.3 Knowledge dynamics

Our qualitative interviews exploring the dynamics of knowledge within firms during internationalization processes have surfaced critical insights into how businesses manage, share, and leverage knowledge to support their global strategies. Five distinct themes emerged from the analysis: Knowledge gaps, Knowledge exchange, Firm-specific knowledge, Transformation, feedback and innovation, and Experimental and absorptive learning. These themes highlight the complexities and strategic imperatives of managing knowledge in diverse and often challenging international environments.

Figure 5-3: Empirical findings – Knowledge dynamics



### 5.3.1 Knowledge gaps

Firstly, respondents reported facing significant knowledge gaps particularly when entering new markets. These gaps often referred to a lack of internal expertise which our case firm attempt to bridge by hiring the right people with relevant market and operational knowledge. This strategy underscores the role of targeted talent acquisition in assessing a firm's capabilities abroad.

#### Hiring the right people

Diving into the responds of our focal firm they express how they encounter specific skill shortages when they expand internationally. Hiring individuals with the requisite skills and local market knowledge directly addresses these gaps, facilitating smoother market entries and operations. This strategy is emphasized as crucial as it aligns with the practical needs of understanding and navigating new regulatory and cultural landscapes.

*“We're hiring new colleagues who bring valuable skills and the right personalities. One challenge is to retain these talented individuals, as they're in high demand across the tech industry. While we have some employees who have been with us for a long time and know the company well, attracting and retaining new talent is a challenge” – Respondent nr.1*

The respondents statement indicate that they are actively seeking to fill knowledge gaps by hiring skilled individuals who not only bring necessary expertise but also fit the firm's culture. But also retaining these hires is critical, given their high demand across the industry, highlighting a continuous struggle in talent management essential for maintaining innovative strength and competitive edge.

#### Lack of internal expertise

Furthermore, admissions of a lack of internal expertise mark the challenges they face in international settings where market dynamics and consumer behaviours can differ markedly from their home territories. Developing internal expertise or acquiring it becomes essential to manage these complexities effectively.

*“It is quite important to address and map internal knowledge gaps, because you can't turn a blind eye on where you have your gap, because that's where the risk is coming from usually”  
– Respondent nr.3*

Acknowledging and addressing internal knowledge gaps is emphasized for mitigating risks associated with unfamiliar market terrains. The focal firm is particularly focused on enhancing their competitive intelligence to better understand and strategize against competitors in new markets.

*“Knowledge about competition, the strengths and weaknesses of the competition, and who the actual competition is—are all areas we need to improve” – Respondent nr.4*

*“I think there are more holes than firm ground really, so now we have a lot of gaps in our knowledge when it comes to international markets” – Respondent nr.4*

There is a recognized need for a better understanding of international market dynamics, with the respondent highlighting that they are feeling the pressure of "more holes than firm ground" in their current knowledge landscape. This acknowledgment drives the pursuit of targeted learning and expertise development.

### 5.3.2 Knowledge exchange

In terms of knowledge exchange, the interviews revealed that our case firm as a focus on actively leverage their partners' strengths to adapt to and penetrate foreign markets. This involves a strategic cooperation where knowledge is not just received but also shared to mutual benefit, enhancing market entry strategies and adaptation efforts.

#### Leveraging partner strengths for market adaptation

Partnerships in international markets often provide access to local insights and operational capabilities that are otherwise hard to develop independently. This strategic leveraging of partner strengths allows firms to adapt more rapidly and effectively to new markets, enhancing their responsiveness and competitiveness.

*“By being objective and not because you work for a company, that all the other products are crap and there's actually a lot of good things there. Understanding what other products are good at and not good at” – Respondent nr. 3*

Seeing that having an objective evaluation of partner strengths and weaknesses aid mutual growth and adaptation, enabling firms to refine their market strategies based on collaborative insights.

*“If we find out that they don't, they don't have knowledge or they are not valuable and respecting and using that knowledge, then they won't be good partner for us” – Respondent nr. 3*

Furthermore, the respondents highlights that the value of a partner is significantly determined by their knowledge contributions and respect for shared insights, which are critical for productive collaborations.

*“We have to use our partners in the same way, allowing them to teach our organization” – Respondent nr. 4*

Moreover, allowing partners to educate and influence organizational practices is essential, especially for firms lacking extensive market knowledge. This reciprocal learning enhances market entry strategies and operational adaptations.

*“It's essential for our organization to learn from our partners how things are done in the international market, especially since we lack extensive market knowledge” – Respondent nr.4*

The process of learning from partners is crucial for firms to navigate international markets effectively, especially when their own market knowledge is limited. This underscores the strategic importance of choosing knowledgeable and cooperative partners as stated by the respondent.

### 5.3.3 Firm spesific knowledge

Firm-specific knowledge was another pivotal theme, with discussions focusing on how personal knowledge and dynamic capabilities of the organization are leveraged for market entry. This theme captures the internal strengths of firms, highlighting the use of inherent capabilities and learned knowledge to navigate new territories.

### Personal knowledge

The reliance on personal knowledge emphasizes the value of individual expertise within the firm, which can be crucial for strategic decision-making and operational adjustments in foreign markets.

*“We have a new colleague, who probably brings in some methodology and tools from her previous experience” – Respondent nr. 1*

As respondents state that new employees bring valuable methodologies and tools from their previous experiences, seemingly enriching the firm's resource pool and contributing to innovative practices.

### Leveraging dynamic capabilities for market entry

Dynamic capabilities such as adaptability, quick learning, and strategic flexibility proves critical for entering new markets successfully. Firms that can leverage these capabilities are better positioned to overcome entry barriers and capitalize on emerging opportunities.

*“Having multiple touch points within the organisation to kind of absorb their knowledge and structure it to create trust for our product and our way of working” – Respondent nr. 3*

Emphasized by the respondent that utilizing internal touchpoints to absorb and integrate diverse knowledge within the organization builds a trustworthy foundation for market entry and product support.

*“Together with Innovation Norway, I think they can play a vital role for us when entering new markets” – Respondent nr. 4*

Also stated that collaboration with external entities like Innovation Norway exemplifies strategic utilization of dynamic capabilities to facilitate market entry, demonstrating the importance of external partnerships in overcoming entry barriers.



#### 5.3.4 Transformation, Feedback and innovation

The theme of Transformation, Feedback, and Innovation reflects on how firms utilize acquired knowledge. The continuous loop of feedback from international markets fuels innovation and helps refine strategies and operations, demonstrating the transformative power of actively applied knowledge.

##### Utilization of acquired knowledge

The effective utilization of acquired knowledge translates into improved products, services, and processes. This continuous transformation, fueled by iterative feedback from market engagements, drives innovation, allowing firms to refine their offerings and strategies to better suit international markets.

*“I think an advantage for us is that we are quite small, so there aren't too many people involved, and they represent the relevant areas in robotics. We have representation from the marketing and sales side, the product team, and business development. I believe it's easier for us to utilize acquired knowledge than for a large organization because things don't get lost in the shuffle” – Respondent nr. 1*

The respondent statement emphasizes that smaller organizational size can be a strategic advantage in utilizing acquired knowledge efficiently, preventing the loss of valuable insights that might occur in larger, more segmented companies.

*“We have these forums in Slack, which is pretty much the same as teams as we use now. Where we share information” – Respondent nr.4*

Furthermore, that modern communication tools like Slack enhance knowledge sharing across departments, ensuring that information is disseminated and applied effectively.

### 5.3.5 Experimental and absorptive learning

Lastly, the theme of Experimental and Absorptive Learning emphasizes the dual process of learning within and across organizational boundaries. This encapsulates how firms not only learn organizationally but also how they absorb and integrate external knowledge from cross-border operations and partnerships, crucial for sustaining competitive advantages in foreign markets.

#### Organizational learning

Organizational learning involves developing new knowledge or modifying existing knowledge, processes, or products. Expresses as crucial for firms to remain competitive and adapt to changes within international markets.

*“We bought all the competitor's product and dismantled it. I look at it with my marketing eyes, The engineers look at it when they engineering's eyes, The purchaser would look at it with this purchasing/sourcing eyes, what kind of ball they use for this, what type of textile, how did these sew the textile, what colour did they choose to be on” – Respondent nr.3*

Furthermore, the respondent statement of dismantling competitor products for comprehensive analysis exemplifies an aggressive approach to learning, where different departments contribute their unique perspectives, enhancing the firm's competitive intelligence and product development strategies. Further demonstrating how the focal firm engage in hands-on competitive analysis to deconstruct and learn from rival products. It shows an active, multi-dimensional approach to learning that spans various departments, enhancing the organization's overall competitive intelligence.

#### Inter-organizational learning

Learning from interactions with international partners and other external entities enriches a firm's knowledge base. This not only enhances internal capabilities but also fosters a deeper understanding of international market dynamics, consumer preferences, and innovative practices.

*“We try to have as many face-to-face meetings as we can...to gain an understanding of the wider internal forces at play in those companies and countries” – Respondent nr.5*

This quote highlights the importance of direct engagement and personal interactions for deepening understanding of partner organizations and market dynamics, which is essential for effective inter-organizational learning and adaptation.

### 5.3.6 Dynamic capabilities

Dynamic capabilities refer to a firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments. In the context of international market expansion, dynamic capabilities are pivotal as they enable firms to maintain competitive advantage through responsiveness and adaptability. Our qualitative interviews have shed light on three specific areas where dynamic capabilities manifest: innovation of products, organizational adaptation, and response to market trends.

#### Innovation of products

Continuous innovation is essential to meet the diverse and evolving needs of international customers, helping them to stay relevant and competitive.

*“We are at their place days in day out and there is a very rapid internal communication with share of knowledge and market knowledge, share of the latest development and discussion at our customer’s site” – Respondent nr. 3*

This statement illustrates how constant engagement and communication at customer sites can drive product innovation by providing immediate feedback and insights, driving product innovation and responsiveness to customer needs.

#### Organizational adaptation

The ability to adapt organizational structures and processes in response to international market demands is a critical dynamic capability that supports sustainable international growth.

*“They are really in the middle of our development. What they say at the moment is one of the most important things. So, they give us feedback” – Respondent nr. 4*

The respondent underscores the adaptability of the organization in incorporating real-time feedback into its development processes, highlighting a responsive and flexible organizational structure that prioritizes external inputs for continuous improvement.

### Response to market trends

Rapidly responding to emerging market trends is crucial for maintaining competitiveness. Firms with strong dynamic capabilities can swiftly adjust their strategies to exploit these trends, securing market advantage.

*“I think in general we have a very rapid share of communication. Uh, and that does help a lot. Um to keep yourself up to date on market change” – Respondent nr. 3*

Emphasized by the respondent, how rapid communication within the organization helps keep the business agile and responsive to market changes, expressing the importance of dynamic capabilities in maintaining market relevance.

*“Going into the UK market has been quite a big adjustment for us and is going to be even bigger in the future” – Respondent nr. 4*

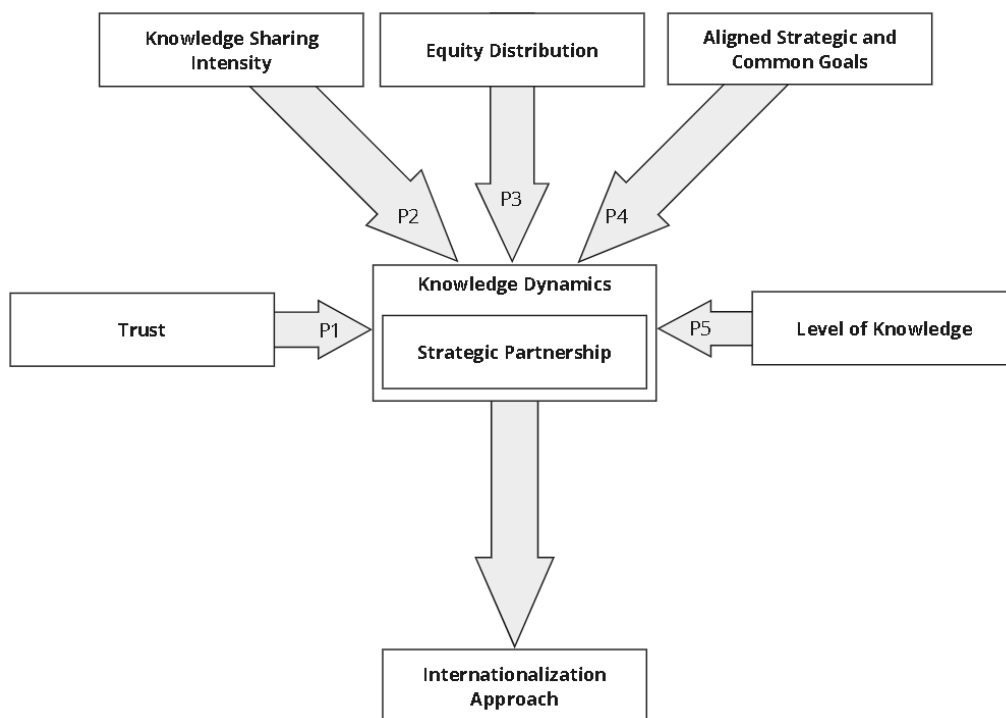
The statement reflects the ongoing adjustments and responsiveness required when entering and establishing a presence in new markets like the UK, representing a significant and ongoing challenge, emphasizing the need for dynamic capabilities in managing large-scale market adaptations effectively.

#### 5.4 Summary of findings and revised research model

After conducting the interviews and assessing the main findings, the complexity and interrelationship between several topic, within the field of study, is shown. Findings suggest that our focal firm has two main market entry strategies which is: 1) stepwise market entry and 2) opportunistic market entry. Further, findings suggest the main difference between the two approaches is connected to the level of market insight, market pull and the firm's ability to adapt to market conditions or needs.

Strategic partnerships are considered with several important factors. The respondents were addressing several important factors when considering strategic partnership, however, the importance of local market knowledge and insight in competitive dynamics were highlighted as the most important. Both in terms of customer needs and what the market is offered. Beyond the importance of relevant knowledge, the importance of trust was stated to be critical as several respondents. Respondents both within and outside our focal firm highlighted the importance of strategic alignment and mutual understanding. Establish both organizational and personal relationships was proposed as an important factor to enhance the trust in strategic partnership. As a result of sufficient level of knowledge and trust, resource pooling and lack of bargaining power was stated. Based on the findings presented in the section, the initial framework of the study has been revised and expanded as show in figure 5-4:

Figure 5-4: Revised framework



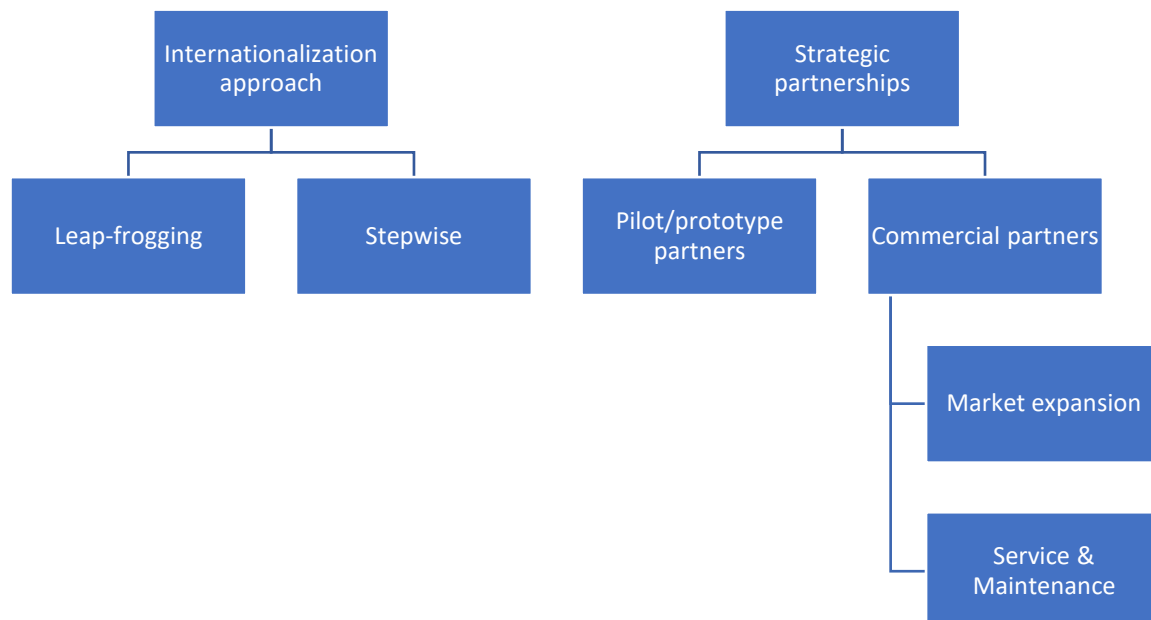
## 6.0 Discussion

In the following section, key findings will be discussed and drawn upon. First, general key findings will be discussed. Secondly, propositions will be presented and further discussed and connected to the theoretical framework developed in initial phase of this study. At last, we will summarize and discuss how both our general findings and propositions will answer the overarching research question for the study.

### 6.1 Highlights from findings

Previously research from Drago (1997) and Chen et al. (2022) argued that strategic partnerships occur more frequently with smaller firms due to limited resources and capabilities. As our case study is based on a smaller high-tech firm who seek to expand their international presence, our study finds that this is also the case within high-tech firms in the robotics industry. Further, Pangarkar et al. (2017) emphasised how learning effects from external firms can leverage strategic benefits. From findings, the authors have found that our focal firm have adopted a two-sided strategic partnership approach and distinguish between two types of strategic partners: 1) prototype partners and 2) commercial partners. Visualised by figure 6.1 below.

*Figure 6.1 Internationalization approach and strategic partner categories*



The main difference between pilot-partners and commercial partners is that, in our case, pilot partners provide a strong input on product feedback and suggestions for product enhancement. Further, the findings can indicate that such partners also move into the commercial partners category as they tend to provide market insight after a while. These partners are also shareholders in the focal firm, strengthen their motivation to provide product feedback and market insight.

Commercial partners are identified as non-equity stakeholders where we have two distinctive categories: (1) market partners, where the primary goal is to expand the market presence of our focal firms' products, and (2) service and maintenance partners, which seek to be provider of maintenance and service for sold products within specific market segments. Our study also highlights the importance of feedback in strategic partnerships. Our case firm frequently initiates these partnerships to access industry- and market-specific insights, which are crucial for improving their physical product. According to Dobrzykowski et al. (2015), such collaborations facilitate the exchange of valuable feedback that drives innovation and product enhancement. Additionally, Pangarkar et al. (2017) emphasize that these relationships often evolve from product-specific feedback to more comprehensive commercial advice, reflecting a deepening of trust and collaboration. This progression underscores the significant role of partners, who are also key stakeholders, in contributing to both product development and broader business strategies.

Furthermore, our focal firm have two different internationalizations approaches: stepwise and “leap-frogging”. As findings suggests, stepwise internationalization approaches are mainly related to new prototypes which is rolled out in the locations of the equity-strategic-partners for testing. Whereas leap-frogging approach is mainly related to “finished” products where our focal firm have limited market knowledge and presence.

## 6.2 Developed Propositions

From our findings in the previous section, the authors developed five propositions based on findings from the interviews, which are in line with the main research question of the study. In the coming section, a presentation and a theoretical reasoning around the propositions will follow.

### 6.2.1 Proposition 1

*Trust influences the effectiveness of knowledge dynamics in strategic partnerships.*

Proposition 1 emphasizes that trust greatly influences the effectiveness of knowledge dynamics in strategic partnerships, a factor that is essential for navigating the uncertainties of international markets (Ring & van de Ven, 1992). Findings from the interviews indicate that size of partnering firm can potentially influence the level of trust necessary in a partnership: “...it’s more important that big firms have the processes in place because they could easily, if not destroy us, at least hurt us” – Respondent 2. Further, the same respondent mentioned that trust is critical to ensure positive outcome and noting that major industry players also engage in strategic partnerships. However, this illustrates a significant challenge, in regards of determining to which extent one should share information with the other party. As trust is defined as the willingness to be vulnerable (Mayer et al., 1995), findings indicates that there is an uneven distribution of power in such relationships, and that smaller and newcomers firms may need to accept this, which also is supported by findings: “We are quite vulnerable compared to everyone that we should partner with” – Respondent nr.2. As trust can facilitates a deeper, more meaningful exchange of knowledge, this can be essential for collaborative innovation and successful market entry strategies (Das & Teng, 1998; Pangarkar et al., 2017).

According to social capital theory, trust is an asset that enables the formation and exploitation of network ties, promoting open communication and exchange of information (Putnam, 2000). As major players can provide extensive market access, Putnam (2000) page 17 suggests that trust that accumulates within social networks enables the ease of information flow, which can further reduce costs associated with transactions and collaborations, moreover, enabling access to this network. Regular, transparent communication, joint problem-solving initiatives, and shared training programs can help cement trust and align strategic objectives.



This ongoing commitment to trust is articulated by another interviewee: *“If we do not have trust, they are customers rather than partners,”* emphasizing that trust distinguishes strategic partners from mere commercial relationships. In the context of strategic partnerships, where the alignment of actions towards common goals is vital, the role of trust becomes even more pronounced. This distinction also points out that trust transforms commercial transactions into collaborative partnerships, supporting Grant's (1996) assertion that dynamic leveraging of knowledge through trust is essential for maintaining competitiveness.

Trust is highlighted as a fundamental mechanism within strategic partnerships (Moen et al., 2009). Furthermore, our findings suggest that it significantly influences the dynamics of knowledge sharing as emphasized *“There is a lot of mechanism during the early stage of the process, one should try to understand and get to know the potential partner, to establish a sense of trust”*- Respondent nr.3. The practical implications of this proposition are evident in information and knowledge exchange observed between partners, heavily influenced by the level of trust. In environments where trust levels are high, there is a noticeable enhancement in the comprehensive and seamless exchange of both strategic and operational knowledge, which is crucial for the success of joint initiatives, particularly in the nuanced and competitive terrain of international markets.

Trust is reaffirmed as a fundamental component for effective knowledge sharing within strategic partnerships, further supporting the principles of social capital theory (Putnam, 2000) and the dynamic capabilities framework (Teece, 2007). Trust extends beyond merely facilitating the transactional aspects of knowledge exchange; it greatly impacts the strategic application of shared knowledge, enhancing the flexibility and responsiveness of organizations to market changes. For example, a respondent's reflection that *“Trust is key in Norway, and even more important in Europe,”*- Respondent nr 1. This finding is important in understanding how partnerships can leverage trust to adapt and thrive in international environments.

The dynamic capabilities framework further elaborates this by suggesting that trust is essential in enabling firms to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece, 2007). In dynamic markets, especially those that are international in scope, the ability of firms to respond quickly to market changes can significantly determine their success. Trust enhances this capability by reducing hesitations and reservations partners might have towards real-time sharing and strategic adjustments.

Furthermore, firms should consider structured frameworks for trust-building that include both formal agreements and informal interactions to foster an environment of mutual respect and understanding. This approach helps mitigate risks highlighted by another interviewee: *“Big partners can push us over...it is important that big partners are familiar with operating with small companies. If not, they can hurt us.”*- Respondent nr.4. This example aligns with the necessity for trust in environments where traditional strategies might falter, emphasizing trust's role in safeguarding smaller or more vulnerable partners within the dynamics of larger partnerships.

### 6.2.2 Proposition 2

#### *Knowledge Sharing Intensity Affects Satisfaction in Strategic Partnerships*

Proposition P2 emphasizes the impact of knowledge sharing on the satisfaction and perceived value of strategic partnerships. This aligns with the theoretical insights from our framework, particularly those drawn from the Uppsala model and contemporary views on dynamic capabilities and strategic alliances (Johanson & Vahlne, 1977; Schembri et al., 2023; Teece, 2007). Respondents in our study articulated challenges and strategies around bridging knowledge gaps, especially in international settings. This is crucial for assessing and enhancing a firm's capabilities abroad. As one interviewee expressed, *“We're hiring new colleagues who bring valuable skills and the right personalities... attracting and retaining new talent is a challenge.”* – Respondent nr.1 This statement reflects the targeted talent acquisition strategy to mitigate knowledge gaps, emphasizing the necessity of integrating new skills to enhance market comprehension and operational capabilities in new regions.

Moreover, the acknowledgment of the need for internal expertise *“It is quite important to address and map internal knowledge gaps, because you can't turn a blind eye on where you have your gap, because that's where the risk is coming from usually”*- Respondent nr. 3. mirrors the theoretical assertion that recognizing and addressing knowledge deficiencies is critical for successful international expansion and partnership efficacy. The findings further illustrate how strategic cooperation and knowledge exchange are leveraged to adapt and penetrate foreign markets effectively. This reflects the theoretical perspectives that strategic alliances, particularly those involving knowledge sharing, are important for navigating the complexities of international markets (Chen et al., 2022; Kennedy & Keeney, 2009).

An interviewee highlighted the reciprocal benefits of such exchanges: *“By being objective and not because you work for a company, that all the other products are crap and there's a lot of good things there. Understanding what other products are good at and not good at.”*- Respondent nr.4. This indicates the practical application of strategic openness and collaborative learning to refine market strategies and enhance mutual growth within partnerships.

Furthermore, the emphasis on selecting knowledgeable partners *«If we find out that they don't have knowledge or they are not valuable and respecting and using that knowledge, then they won't be good partner for us”* - Respondent nr.3 underscores the necessity of aligning with partners who not only share but also respect and contribute actively to the knowledge pool, enhancing the overall strategic value of the alliance.

Integrating these findings with our theoretical framework supplements the understanding of how knowledge sharing within strategic partnerships is not merely transactional but also as a strategic choice. This aligns with the dynamic capability's framework, which suggests that effective knowledge management within alliances can significantly enhance operational flexibility and strategic responsiveness (Schembri et al., 2023; Teece, 2007).

The focal firm's strategy of leveraging partners' strengths for market adaptation and the focus on mutual learning and knowledge respect within partnerships encapsulate the practical application of these theoretical concepts. This approach aligns closely with the dynamic capability's framework, which emphasizes the necessity of developing and utilizing absorptive capacity for competitive advantage in foreign markets (Teece, 2007). As one interviewee stated, *“It's essential for our organization to learn from our partners how things are done in the international market, especially since we lack extensive market knowledge.”* Emphasizing the strategic importance of absorptive capacity in internationalization efforts which suggests that prior related knowledge enhances the firm's ability to value, assimilate, and apply new information (Cohen & Levinthal, 1990). Seeing a connection between the firm's absorptive capacity and the Uppsala model's emphasis on the gradual accumulation of market knowledge as a fundamental aspect of successful international expansion (Johanson & Vahlne, 1977). These insights illustrate how strategic partnerships can enhance a firm's ability to adapt and thrive in new markets by effectively integrating and leveraging collective knowledge.

The proposition, "Knowledge Sharing Intensity Affects Satisfaction and Perceived Importance of Relationship in Strategic Partnerships," reveals a clear and impactful outcome. Supported by both theoretical insights and empirical data, shows that the intensity with which knowledge

is shared within strategic partnerships directly influences their success and the satisfaction of the involved parties. Empirically, our findings demonstrate that firms that actively engage in the reciprocal sharing of strategic and operational knowledge with their partners report higher levels of satisfaction with these relationships. These firms perceive such partnerships as more valuable, attributing this perception to the enhanced ability to navigate international markets effectively and respond to dynamic market conditions with agility. This is particularly evident in the words of the respondents, who emphasized the importance of integrating and respecting shared knowledge to maximize partnership effectiveness and align strategic objectives.

Theoretically, the Uppsala model and dynamic capabilities framework provide a foundation for understanding these outcomes. These frameworks suggest that knowledge is not merely an asset to be exchanged but a fundamental strategic resource that enhances learning, adaptation, and competitive positioning in foreign markets (Johanson & Vahlne, 1977; Teece, 2007). By fostering an environment where knowledge sharing is a priority, firms can leverage their alliances to mitigate risks associated with entering new markets, thus enhancing their overall market performance and strategic flexibility.

In conclusion, the outcome of the proposition is that firms must prioritize establishing and maintaining robust mechanisms for knowledge sharing within their strategic partnerships. This approach not only ensures immediate operational synergies and strategic alignment but also secures long-term partnership success by embedding adaptability and learning into the core of the relationship. This strategic emphasis on knowledge sharing translates into more satisfying and strategically beneficial partnerships, highlighting its role in the sustained success of international business endeavours.

### 6.2.3 Proposition 3

*Equity distribution can influence knowledge dynamics in strategic partnership.*

As our thematic analysis suggests that knowledge dynamics consists of several factors, such as knowledge gaps, knowledge exchange. In other words, knowledge dynamics effectiveness is related to the access and willingness to share knowledge and mitigate knowledge gaps, utilizing the resource pooling in strategic partnerships to reach the common goal, thereby success. In several of our interviews, it is highlighted that our focal firm lack sufficient level of local market knowledge in several markets. Both in terms of the customer needs, product specification, competition dynamics etc. In order to acquire such knowledge, findings suggests that product attractiveness is an essential contributor to knowledge dynamics.

Our findings suggest that product attractiveness is one of the important drivers for international market expansion, as this issue also is exemplified in the interviews though strong market pull in selected markets. As some strategic partners, or customers, seek to enhance their own warehouse processes and increase their efficiency and profitability, such partners also emphasise the technical solution itself and evaluate solutions that fit with their operations today. One respondent mentioned: *“We didn’t really want to build a new warehouse or extend our warehouse, so we wanted to try and find some sort of system that could be easily integrated and implemented into our current warehouse layout”* – Respondent 5. In other words, product attractiveness is determined by customer needs and that investments should fit their current operations. However, as the relevant partnering firm also is shareholder in our focal firm, such insights in both customer needs and the commercial side may be provided on the basis that they can achieve economical profits at a later stage. Our findings therefore suggests that equity distribution may influence partners willingness to share knowledge. This implication is also stated by Mowery et al. (1996), which highlighted that equity distribution promotes knowledge sharing and transfer.

Even though contributing factors towards product attractiveness seem to be emphasized differently between stakeholders, findings shows that economic metrics (roi, increased efficiency, revenue etc) is a strong determinant of such. Furthermore, one may argue that different stakeholders emphasise different factors differently when evaluating the product attractiveness.

However, strategic partners who seek to increase their sales revenue by selling the respective product, one may assume that they emphasise the potential increased profitability by selling the product, as well as, that the product shall fill a gap in their current product portfolio. Such partners are stated to have a market position to defend, hence, they may seek to identify products who fill a gap in the market.

Moen et al. (2009) emphasized trust, reputation, access to market knowledge, access to network and relatedness of business when considering strategic partnerships initiative. Respondents highlighted the importance of feedback from customer when it comes to product enhancements. Such feedback is named to be critical for future innovation and product enhancements by our focal firm. Further, as our focal firm lack sufficient level of local market knowledge in several markets their ability to have access to such knowledge is important when initiating strategic partnerships. From the interviews, market specific feedback on the technical specifications of the product was highlighted. Even though it was argued that such feedback might only be applicable to the respective market, our focal firm adopted the feedback and implemented it to their existing product and argued that such product adjustments are critical to the product as these issues potentially can occur in other markets and that future customers demand a as good as “plug-and play” product. Kennedy and Keeney (2009) highlights that the overall goal of a strategic partnership should be to gain synergies and positive outcome for both parties. Through the interviews, respondents 5 mentioned that as the product are getting more known in the market, it is shown that partners who initially were giving suggestions on the physical products now are providing more insight into the actual market dynamics, decision makers and other commercial advice, exemplifies and highlighting the importance of theory from Kennedy and Keeney (2009).

As meeting customer needs is stated as one important factor for successful market entry, respondents highlight the importance of identifying customer needs and getting customer feedback for product enhancements initiatives. However, Liu et al. (2010) argues that willingness to share market knowledge is highly related to the economic outcome. When considering whether different markets required different degree of knowledge sharing, hence knowledge dynamics effectiveness, findings suggests that markets with low cost of acquired customer is preferred to be approach by our focal firm themselves which in hand requires low knowledge sharing from potential strategic partners in relevant markets.

However, markets with low cost of acquired customers is stated to be nearby markets with low cultural differences where our firm have had extensive international appearance, emphasizing an experiential learning approach with low entry barriers (Brennan & Garvey, 2009). Even though market with low cost of acquired customers is easy to penetrate, meeting customer needs and to identify the decision makers, one has to consider the potential economic advantages a current or potential strategic partner can achieve in relevant markets.

However, even though a potential partner, whose main objectives is to expand the market presence of the product, have limited motivation on sharing market knowledge and economic outcome the same market can provide economic outcome for a service and maintenance partner. One important factor when doing such considerations is the overall quantity of products available in the relevant market.

Even though the as the primary goal, for focal firm when initiating strategic partnerships, is to fulfil economical metrics by expanding into new international markets as product are maturing in respective markets. One must evaluate the motivation for partnering firms in different markets. As emphasized by Liu et al. (2010), economic outcome seems to be a driver for knowledge sharing. Hence, as partnering firm is introducing the products into new markets as the product are getting more mature in present markets, one may argue that satisfaction in a strategic partnership can decrease when the strategic partner lack market insight into new undiscovered markets and that the economic gains are rather small, and also on the opposite side, our focal firm is not expanding into preferred market neither are they getting any market insight to it resulting in decreased satisfaction from both parties. Aspects mentioned above enhance our focal firms' incentives by acquiring market insight and identifying customer needs so they can enhance or develop new products which may be more pulled towards certain markets. As result, this ensures that commercial partners can provide attractive products in related markets.

In conclusion, proposition 3 emphasizes that product attractiveness significantly influences knowledge dynamics within strategic partnerships. Our analysis shows that the interplay of knowledge gaps, knowledge exchange, and market insights is fundamental to effective knowledge dynamics, which rely on access and the willingness to share information. The strategic partnership's strength is grounded in building trust and pooling resources to mitigate knowledge gaps and achieve shared success.

However, as Moen et al. (2009) highlighted, factors like market knowledge, reputation, and access to networks significantly impact these partnerships. Our findings reveal that strategic partners play a critical role in providing local market insights, such as technical specifications, competitive dynamics, and decision-making frameworks. Despite varying motivations for knowledge sharing based on economic outcomes (Liu et al., 2010), these partnerships are vital for meeting customer needs and enhancing product innovation, as Kennedy and Keeney (2009) suggest. Thus, identifying strategic partners with mutual goals and complementary market insights is crucial to ensuring satisfaction, fostering trust, and achieving sustained success in international market entry.

#### 6.2.4 Proposition 4

*“Aligned strategies and common goals are determinant factor for effective strategic partnerships”.*

Several of our respondents has highlighted the importance of common goal or aligned strategies within strategic partnerships. Besides being present in relevant market and the core business being either expand the product into markets or service provider, Thereby, factors such as expectations, conflict handling, communication, scope of firm etc were mentioned. Kennedy and Keeney (2009) states that strategic partnerships are pooling of resources to achieve both common and individual goals. When combining different resources one can assume that one creates some inconsistencies between different resources and capabilities,

and one can also argue that such inconsistencies is what the motive for strategic partnerships is. Hence, identified knowledge gaps in respective firms. From findings and theory, to reduce the risk of opportunistic behaviour in strategic partnerships one should therefore strive to achieve common goals (Kennedy & Keeney, 2009; Mudambi & Navarra, 2004).

Our findings highlight the importance of identifying potential strategic partners who suits the focal firm's strategy and goals rather than attempt to reconfigure potential partners' strategies. Chen et al. (2022) emphasise that one should link goals and missions to enhance the resource usability. Though interviews, our focal firm states that they seek to identify potential partners who aim their market strategies to their preferred customer segments, or in other words, match up with firms which have similar market strategy as themselves. It was also highlighted that, due to the firm size, our focal firm cannot really change a potential partners strategy. Further, it was highlighting that even though potential parkers are big, there need to be a mutual goal



between the two firms, and they addressed that it is unlikely that a potential partner will change their market strategy to cooperate with them. When dealing with larger organizations, our focal firm are so small that they need to trust their potential partner and ensure that they have the processes in place to not delete them, even though the contractual part is fulfilled. Findings also highlight the difference between product enhancements and market expansions. Even though one has aligned market strategies, the partner firm may emphasise their own revenue and down-prioritise communication in terms of product enhancements. One should therefore aim to match several aspects of a strategic partnership to achieve successful market expansion (Capik & Brockerhoff, 2017; Kennedy & Keeney, 2009).

This alignment facilitates not only resource sharing and market expansion but also ensures a unified approach towards handling challenges and opportunities within the partnership (Capik & Brockerhoff, 2017; Kennedy & Keeney, 2009). Furthermore, again drawing on the dynamic capability's framework, it is important that both firms demonstrate the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece et al., 1997). This adaptive approach should ideally extend to the alignment of strategic objectives, which are crucial for maintaining the sustainability and resilience of the partnership. Strategic alignment helps in mitigating risks associated with opportunistic behaviours and enhances cooperative synergy, thus contributing to the overall success of international market entries. These aspects emphasize the importance of not only selecting partners with similar strategic objectives but also continuously aligning these strategies as market dynamics evolve. Therefore, firms must place a strong emphasis on strategic coherence and flexibility in their partnerships to fully exploit the collective strengths and mitigate the inherent risks of collaborative ventures.

### 6.2.5 Proposition 5

*“Level of internal resources and knowledge determines use of strategic partners for international market entry”.*

In the context of the proposition "the level of internal resources and knowledge determines the use of strategic partners for international market entry," the concept of absorptive capacity is particularly relevant. According to Cohen and Levinthal (1990), absorptive capacity is the firm's ability to recognize the value of new, external information, assimilate it, and apply it commercially. This capability is crucial for firms seeking to leverage strategic partnerships effectively in their internationalization efforts.

Absorptive capacity, as further elaborated by Zahra and George (2002), and Mazloomi and Jolly (2008), enables firms to harness external knowledge sources effectively, a critical aspect in today's rapidly evolving business landscape. This capacity allows firms to adapt to environmental changes, innovate, and meet customer demands promptly, which Dobrzykowski et al. (2015) recognize as a key determinant of competitive advantage.

The findings indicate that firms with higher levels of internal resources and market insights tend to rely less on strategic partners in markets where they already possess strong capabilities. This suggests that a well-developed absorptive capacity enables firms to integrate external knowledge more effectively, reducing the dependency on partners by enhancing their ability to operate independently in new markets.

This theoretical framework underscores the importance of not just acquiring external knowledge but also the firm's capacity to assimilate and apply this knowledge towards operational and strategic innovation. Thus, the ability of a firm to develop its absorptive capacity could be seen as a strategic asset, influencing its approach to international market entry and the extent to which it engages with strategic partners.

As findings indicate two different internationalization approaches: stepwise and leapfrogging, which is further based on resources availability and market insight in new markets, one may argue that the level of market insight is key determinant when addressing the success of market entry initiatives. The two approaches are also stated by Johanson and Vahlne (1977) and Schembri et al. (2023), where the level of market commitment is determined by the resource commitment. Respondents highlights the focal firm's knowledge about nearby and local markets, stating the low need for strategic partners in markets where they have sufficient degree of market insight, related to both customers need and competitive dynamics in such markets.

Further, Schembri et al. (2023) highlights the importance of a firm's dynamic capability to capitalize on opportunities which can occur, illustrating the focal firm's ability to identify customers' needs and operationalize to product.

As our focal firm expand their partnership network, they should still seek to obtain and acquire a sufficient level of market insight in all markets which they are present in to reduce their dependency on their partners, or partner networks. Research states that internationalization barriers can be reduced by experiential knowledge (Brennan & Garvey, 2009), however, as our focal firm approach markets through strategic partnerships, they should strive to acquire relevant market entry experiences along with their strategic partners. Resulting in increased understanding of market entry between markets. However, research also states that length of international presence does not diminish knowledge gaps when entering new markets, nor the probability of successful market entry (Petersen et al., 2008).

This increases the need for monitor new customers preferences in the respective market, without losing the message through partners, hence, feedback from partners within specific markets, supporting the importance of local market knowledge. Mudambi and Navarra (2004) highlight that strategic dependency mitigate bargaining power, and they further argue that firm tend to use power to pursue their own goals. However, one can argue that the number of strategic partners in our focal firm, conducting the same task, will influence their individual bargaining power as the switching cost is reduced.

Through interviews, one of the respondents highlighted the open communication, suggestions for product enhancement and the desire for successful resource utilization. Furthermore, as the partner is providing customer need in terms of how the product should be, they learn how warehouse automation works and how they can utilize their warehouses to meet such future demands.

Looking at the dynamic capabilities of our focal firm we see that they play an important role in enabling the firms to harness path-breaking opportunities for international market entry. These capabilities, which include rapid technological adaptiveness, agile decision-making, and quick resource reconfiguration, allow firms to respond swiftly to emerging trends and regulatory changes in new markets (Teece et al., 1997).

For instance, firms such as our focal firm with advanced digital transformation capabilities can leverage data analytics to gain insights into consumer behaviour rapidly, thus identifying and exploiting niche market segments more effectively than competitors as stated in this quote: *"These collaborations provide us access to critical market data that gives us an edge over competitors"* - Respondent nr.5. This strategic agility not only facilitates a deeper penetration into new markets but also aligns with Santangelo's (2021) revised interpretation of the Uppsala model, which suggests that contemporary internationalization processes are increasingly non-linear and driven by opportunistic strategies. Firms that cultivate such dynamic capabilities are better equipped to manage the complexities of global market dynamics, thereby enhancing their international competitiveness (Schembri et al., 2023).

Bridging the gap between theoretical insights and practical applications, firms considering strategic partnerships for international expansion should undertake a thorough assessment of potential partners. This assessment should focus not only on resource compatibility and strategic alignment but also on cultural fit and shared long-term visions (Geringer, 1991). Practical strategies might include conducting pilot projects to test partnership dynamics before full commitment, using structured frameworks for regular performance and alignment reviews, and developing contingency plans to address potential misalignments or conflicts. As emphasized in the findings: *"It's probably more cost-effective to begin with to enable a strategic partnership...you're going to get local knowledge, thus you're going to get an understanding of the market"* -Respondent nr.5. Firms should consider the establishment of joint innovation labs or co-development initiatives, which can enhance learning and integration between partners, fostering a collaborative environment that drives joint value creation (Kale & Singh, 2009) . Such proactive approaches ensure that partnerships are not only formed based on immediate needs but are sustainable and capable of adapting to evolving market conditions and strategic objectives.

### 6.3 Main research question of the study

*“How does knowledge dynamics in strategic partnership influence international market expansion”*

The question of this research emphasizes the dynamics in strategic partnerships, specifically asking: "How do knowledge dynamics in strategic partnerships influence international market expansion?" This question is intended to explore the complex relations among various critical factors within strategic partnerships. It focuses on examining the role of knowledge sharing, trust, strategic alignment, and their combined effects on the effectiveness of international expansion efforts.

Understanding these dynamics is crucial as they capture the essence of how firms leverage collective intellectual resources and collaborative synergy to penetrate and establish a foothold in new geographic markets. By revisiting this research question at the outset of our discussion, we ensure that the analysis remains aligned with our central theme. This approach not only refines the focus of our discourse but also serves as a constant reminder of the study's goals, which are to explain the mechanisms through which strategic partnerships can effectively manage and utilize knowledge for international market success.

In this context, the research question acts as a lens through which we view the data and theoretical insights, seeking to understand the strategic nuances that influence market expansion. We will examine how factors within partnerships, such as the trust between entities, the alignment of strategic objectives, and the capacity to share and utilize knowledge efficiently, impact the ability of businesses to navigate and succeed in uncharted markets. By clearly stating this question, we frame the entire discussion, providing clarity and direction for the analysis of how strategic partnerships can effectively drive international market expansion efforts.

In the initial phase of the discussion section, it was presented two different partner strategies: pilot partners and commercial partners. Findings and discussion suggest that there might be some differences when addressing what kind of knowledge one prefers to share, depending on the partner category. Even though our study might lack respondent from actors which are not stakeholders in our focal firm, the authors see that pilot partners to a larger extent provide product feedback to enhance the overall product. Furthermore, the commercial partners are preferred to provide such feedback as well.

The main differentiator in this discussion is that commercial partners might not be able to be a facilitator for prototypes of enhance products, whereas pilot partners can facilitate such.

The alignment of our findings with these established theories emphasizes trust as a critical enabler of effective partnership dynamics. However, our study not only confirms these traditional views but also extends them by illustrating how trust impacts the strategic capabilities of firms in volatile international markets such as the high-tech markets. This extension is particularly relevant as it highlights the necessity for trust in environments characterized by uncertainty and rapid change, where traditional market strategies might falter.

When compared with prior studies, our findings reveal a broad alignment with the literature that recognizes the foundational role of trust in enhancing partnership outcomes(Mayer et al., 1995). However, our research contributes new insights into how trust functions not just as a protective mechanism that guards against opportunism but also enables the strategic deployment of knowledge. When partners trust each other, they are more likely to disclose valuable insights and proprietary knowledge that can lead to innovative solutions and competitive advantage (Zaheer et al., 1998).

*Proposition 1* Trust influences the effectiveness of knowledge dynamics in strategic partnerships. The research demonstrates that trust is fundamental in international partnerships, affecting power dynamics, knowledge sharing, and collaboration. Trust acts as a facilitator for open communication and reduces risks for smaller firms, enabling better knowledge exchange and innovation. By strengthening strategic partnerships through transparent communication and shared objectives, trust transforms commercial transactions into collaborative relationships, enhancing market adaptability and responsiveness.

*Proposition 2* reveals that knowledge sharing intensity enhances the perceived value and satisfaction within partnerships. The research illustrates how sharing information bridges knowledge gaps, fosters mutual learning, and aligns strategic goals. Firms that prioritize knowledge sharing report higher satisfaction and adaptability, demonstrating that it is crucial for responding to dynamic international markets and mitigating risks.

*Proposition 3:* Product attractiveness influences knowledge dynamics in strategic partnerships. The attractiveness of a firm's product plays a significant role in shaping the knowledge dynamics between partners. The research indicates that strategic partners provide critical market insights and technical feedback that influence product development.

Trust, willingness to share, and economic outcomes are crucial factors, suggesting that product attractiveness enhances market entry by meeting customer needs and aligning partners' goals.

*Proposition 4:* Aligned strategies and common goals are determinant factors for effective strategic partnerships. The research emphasizes that shared strategies and common goals are essential for successful partnerships. Strategic alignment reduces opportunistic behaviour, enhances cooperation, and facilitates effective resource pooling. Partners with common objectives can navigate challenges together, ensuring flexibility and resilience in dynamic international markets.

*Proposition 5:* The level of internal resources and knowledge determines the use of strategic partners for international market entry. This proposition highlights the importance of internal absorptive capacity in leveraging strategic partnerships. Firms with robust resources and insights rely less on external partners, while those with fewer resources need strategic partners to navigate unfamiliar markets. The ability to absorb, adapt, and apply new knowledge internally is crucial for firms in their market entry strategies.

The propositions discussed collectively address the role of strategic partnerships in international market entry by emphasizing how trust, knowledge sharing, product attractiveness, strategy alignment, and internal resources shape these collaborative relationships. Trust, as highlighted in Proposition 1, is crucial for fostering an environment for effective knowledge sharing and collaboration. By establishing trust, partnerships enable straightforward communication and reduce uncertainties, allowing for more open sharing of sensitive information. This trust is essential for transforming transactional interactions into collaborative relationships, which significantly enhances market adaptability and responsiveness to new challenges and opportunities. Managing trust effectively ensures that partners provide accurate and honest market feedback, which is critical for refining marketing strategies and product alignment with customer needs. However, this type of trust must be carefully managed to ensure that these partners also provide accurate market feedback that reflects customer experiences and expectations. This feedback loop is vital for adjusting marketing strategies and aligning product offerings with market needs, thus enhancing the product's market fit and competitive edge. This becomes crucial in both mass-selling strategies and pilot project feedback processes, where managing trust helps firms accurately receive and utilize feedback to refine their market strategies and maintain a competitive edge.

Knowledge Sharing Intensity, discussed in Proposition 2, affects the satisfaction within strategic partnerships and their success in international markets. Intense knowledge sharing helps bridge information gaps and align strategic goals, which is indispensable for navigating the complexities of global markets. This dynamic of mutual learning and strategy alignment enables partners to respond proactively to market demands and regulatory changes, enhancing their joint market entry strategies and operational effectiveness. Product Attractiveness, central to Proposition 3, significantly impacts knowledge dynamics within strategic partnerships. An attractive product draws the attention of capable partners and encourages them to invest resources and share critical market insights. These insights are instrumental in refining the product to meet localized market demands and in formulating effective entry strategies. The attractiveness of a product thus fosters a collaborative environment where strategic partners work together to ensure the product meets market needs, enhancing its competitiveness and market success.

Strategic Alignment, the focus of Proposition 4, is crucial for reducing opportunistic behaviour and enhancing cooperation. When partners share similar objectives and visions, they are more likely to collaborate effectively and pool resources efficiently. This alignment helps partners collectively navigate the complexities of international markets, jointly assess risks, and adapt strategies to market volatility, fostering resilience and flexibility in their partnership. Looking at internal Resources, examined in Proposition 5, determines a firm's reliance on external partnerships for international market entry. Firms with robust internal resources can leverage these assets along with external knowledge to maximize their strategic advantage in new markets. Conversely, firms lacking in resources rely more heavily on strategic partners to gain necessary market insights and entry support, highlighting the importance of choosing the right partners and managing these relationships effectively.

Together, these propositions provide insight regarding our research question *«How does knowledge dynamics in strategic partnership influence international market expansion»* They show that the dynamics of knowledge sharing, underpinned by trust, attractiveness of the product, alignment of strategies, and the strength of internal resources, are crucial for navigating the complexities of global markets. These factors collectively enhance a firm's ability to enter new markets successfully and sustain growth internationally, answering the central research question and illustrating the profound impact of well-managed strategic partnerships on global business success.



In summary, these propositions collectively emphasize that success in international market entry relies on managing strategic roles within partnerships by developing tailored approaches to trust-building and knowledge exchange. Trust is not just foundational but strategic, underpinning the success of both mass selling and continuous product improvement. Ultimately, the propositions provide a comprehensive framework for addressing the research question by demonstrating that effective management of strategic partnerships—by aligning trust, knowledge sharing, and internal resources with strategic goals—enables firms to achieve improved market performance, strategic adaptability, and sustainable success in international markets.

#### 6.4 Contribution to theory

Theories established from the theory section, overarching the whole paper, are well known theories within their respective fields. Internationalization Process (IP) presented by Johanson and Vahlne (1977) has been a subject of research for decades. Our study has provided a case specific practical insight on theories from Santangelo & Schembri are applied in practical settings. The case has confirmed that both theories are still relevant today, however, the study have also identified connections between theory from Santangelo (2021) & Schembri et al. (2023) and strategic partnership as entry mode, suggesting that strategic partnerships is an effective entry mode when focal firm lack sufficient level of market knowledge. The importance of knowledge has also been a subject of research; furthermore, the study has provided increased understanding within the researched field. As our study provides a practical insight into how strategic partnerships and knowledge dynamics functions within a high-tech firm, following our focal firm in the study, Furthermore, our study finds that our focal firm shall emphasise economic outcome when evaluating potential strategic partners, as theory suggests that knowledge sharing increases in accordance with economic gains(Liu et al., 2010).

As our study combines internationalization in strategic partnership and knowledge dynamics, the study seeks to expand the border of the research field by introducing a case study. Furthermore, the study provides a practical example of how the phenomenon develops in an isolated business case, hence, identifying and highlighting several implications which can occur in such relationships. As findings are discussed in connection with well-known theories, the study seeks to confirm these theories while focusing on a specific Norwegian firm. Further contributing to increased understanding of motives for international expansion from the perspective of Norwegian high-tech firm, as this perspective have limited emphasis in existing research within similar field.

## **7.0 Concluding remarks.**

This thesis has examined the dynamics of knowledge sharing within strategic partnerships and its impact on international market expansion, specifically within the high-tech robotics sector. Our study drew on a rich dataset from a case study of a smaller high-tech firm and engaged deeply with both empirical findings and theoretical frameworks to unpack the multifaceted role of strategic partnerships in internationalization processes.

We found that trust, a fundamental cornerstone of partnership effectiveness, not only facilitates the exchange of knowledge but also enhances the strategic integration necessary for navigating international markets. Trust was shown to be essential for the open communication and collaborative problem-solving that underpin successful strategic partnerships in strategic alliances. Moreover, the intensity of knowledge sharing was directly linked to the satisfaction with and perceived value of partnerships, reaffirming the role of knowledge as a strategic asset in fostering adaptable and resilient market entry strategies.

Our study also highlighted the importance of aligning strategic objectives and having common goals, which optimize resource sharing and improve market penetration outcomes. The ability of firms to integrate, build, and reconfigure internal and external competences was critical, particularly in rapidly changing international environments. This aligns with the dynamic capability's framework, which underscores the necessity of flexibility and responsiveness in sustaining competitive advantage.

Furthermore, the study provided insights into the dual internationalization approaches—stepwise and leapfrogging—adopted by our focal firm, driven by varying levels of resource availability and market insight. The effectiveness of these strategies was contingent upon the depth of market understanding and the extent of internal resources, highlighting the need for strategic partners that can fill knowledge and resource gaps.

The contributions of our study extend the boundaries of existing research by providing empirical evidence and theoretical insights into how strategic partnerships can be leveraged for international market expansion. We have expanded the discourse in international business and strategic management by integrating the perspectives of knowledge dynamics, trust, and strategic alignment within the context of high-tech industries.

In conclusion, our study underscores the role of strategic partnerships in enhancing a firm's capabilities to enter and thrive in new international markets. The dynamic interplay of trust, knowledge sharing, and strategic alignment within these partnerships is crucial not only for immediate market entry but also for long-term sustainability and growth in global markets. As firms continue to navigate the complexities of international expansion, the insights from this study offer valuable guidelines for developing robust, effective, and mutually beneficial strategic partnerships.

### 7.1 Limitations

This thesis, while providing insightful analysis into the dynamics of strategic partnerships in international market expansion, also faces several limitations that should be acknowledged. First, the generalizability of our findings may be restricted due to the single-case study design focusing on a small high-tech firm in the robotics industry. The specific characteristics and strategies of this firm may not represent those of other firms in different sectors or of different sizes. Additionally, the qualitative nature of our data, primarily derived from interviews and thematic analysis, while rich and in-depth, may contain inherent biases from respondents and interpretive biases from the authors.

Secondly, while our propositions are supported by the case study data, they are based on observations at a single point in time. Longitudinal studies could provide further insights into the evolving nature of strategic partnerships and their long-term effects on international expansion. Moreover, our focus on trust and knowledge dynamics, though critical, leaves out other potentially influential factors such as economic, political, and technological changes which could impact strategic partnership outcomes.

Lastly, our study's reliance on established theories such as the dynamic capabilities framework and the Uppsala model, while grounding the study in robust academic foundations, might also limit the exploration of alternative theoretical perspectives that could offer different insights into strategic partnership dynamics.

## 7.2 Practical and managerial implications

Our findings propose several perspectives which companies within the high-tech industry can try to implement in their own operations. Firms within industry with similar market characteristics are also encouraged to implement our findings and suggestions. As the study identifies a two-sided strategic partner approach, where one clearly distinguishes between commercial partners and pilot partners this can be applicable to industries or firms which have a high degree of innovation, hence, increased demand for testing of new and enhanced products. Such, one can clearly distinguish between R&D activities and sales-and marketing activities, where one allocates R&D activities to a limited number of partners for testing before introducing it to the whole market.

The study also proposes implications related to addressing knowledge gaps, and how firms can utilize strategic partners existing knowledge to enhance own operations. Further, the study emphasises both market expansion partnerships and product enhancements partnerships, which in hand, can provide learning for both parties within such partnership.

The findings of this thesis offer several practical and managerial implications for firms considering or currently engaged in strategic partnerships for international expansion. Firstly, the importance of trust as underscored in our findings suggests that firms should invest in building and maintaining trustful relationships with their partners. This involves regular, transparent communication, shared goals, and collaborative problem-solving efforts, which not only enhance partnership efficacy but also facilitate smoother strategic integration.

Managers should also recognize the critical role of knowledge dynamics in strategic partnerships. Effective knowledge sharing can significantly improve satisfaction levels and the perceived value of these relationships. Firms should establish robust mechanisms for knowledge exchange that prioritize transparency and mutual respect, thereby enhancing operational flexibility and strategic responsiveness in foreign markets.

Furthermore, aligning strategies and common goals is essential for the success of strategic partnerships. Managers should seek partners whose strategic objectives complement their own and work continuously to ensure that these objectives remain aligned as market conditions evolve. This strategic coherence is crucial for mitigating risks and maximizing the benefits of cooperative ventures.

Lastly, understanding the local market and integrating this knowledge into strategic decisions is paramount. Firms should leverage their partners' local insights to adapt and fine-tune their market entry strategies, thus enhancing their competitive positioning in new international markets.

### 7.3 Theoretical implications

Our study contributes to the existing literature by highlighting the nuanced role of trust and knowledge sharing in strategic partnerships, especially within the context of international market expansion. By integrating social capital theory and the dynamic capabilities framework, this thesis enriches the theoretical discussion around strategic partnerships and provides a deeper understanding of how these elements interact to facilitate successful international expansion.

The findings suggest that trust is not only a foundational element of partnerships but also a dynamic enabler that enhances knowledge exchange and strategic flexibility. This insight extends the existing literature by emphasizing trust's role in not just mitigating opportunistic behaviour but also in fostering a collaborative environment that is conducive to innovation and strategic agility.

Furthermore, by exploring how knowledge dynamics influence partnership satisfaction and market entry success, this study contributes to the dynamic capability's literature. It underscores the importance of not only possessing knowledge but also effectively managing and deploying it within strategic partnerships to adapt to and thrive in new markets.

In conclusion, this thesis not only confirms several established theoretical perspectives but also challenges and extends them by demonstrating the complex interdependencies between trust, knowledge dynamics, and strategic alignment in the high-tech sector's internationalization efforts. These theoretical insights invite further research into the conditions under which these dynamics operate most effectively and how they may vary across different industries and market conditions.

#### 7.4 Future research

As our study suggest several propositions, our developed propositions need to be underpinned by quantitative studies to be significant. Further, one can also validate whether our propositions is applicable to new origin countries, several case studies, or a larger sample of respondents within the field of study to increase the validity of our proposed positions.

This thesis has explored strategic partnerships within the high-tech robotics industry, focusing on how such alliances facilitate international market expansion. While the study has provided valuable insights into the dynamics of trust and knowledge sharing, the specific context of a single industry and firm size limits the generalizability of the findings. Therefore, several areas for future research emerge from this study, promising to deepen and expand our understanding of strategic partnerships across various contexts.

**Expanding Industry and Firm Size Contexts:** Future research should investigate strategic partnerships across a broader spectrum of industries and firm sizes. This would determine whether the dynamics observed in this study, such as trust and knowledge sharing, are consistent across different sectors or vary significantly. Comparative studies could particularly focus on contrasting high-tech industries with more traditional sectors, or comparing small startups with multinational corporations, to explore how contextual variables influence partnership dynamics.

**Longitudinal and Quantitative Studies:** Implementing longitudinal research designs would provide insights into the evolution of strategic partnerships over time, offering a deeper understanding of how these relationships develop, mature, and possibly dissolve. Additionally, employing quantitative methodologies could validate the propositions developed in this thesis through statistical analysis, thus enhancing the robustness of the findings and potentially broadening their applicability.

**Cultural and Technological Impacts:** The role of cultural differences in shaping strategic partnerships presents a rich area for investigation. Research could explore how variations in cultural norms and values affect the formation, maintenance, and outcomes of strategic alliances, especially in an international context. Similarly, as digital transformation reshapes industry landscapes, examining the impact of emerging technologies on the dynamics of strategic partnerships could yield important insights. This includes how technology influences communication, trust building, and knowledge sharing within and across organizational boundaries.

**Governance Structures and Sector-Specific Challenges:** Investigating how different governance structures impact the effectiveness of strategic partnerships could elucidate which mechanisms best support successful alliances. Additionally, sector-specific challenges, particularly in rapidly evolving fields such as biotechnology or renewable energy, could be explored to understand how strategic partnerships address unique industry-specific obstacles and opportunities.

**Integration of Alternative Theoretical Frameworks:** Lastly, incorporating alternative theoretical frameworks such as network theory, institutional theory, or complexity theory could provide new perspectives on strategic partnerships. These theories might help explain additional layers of complexity, such as the influence of external institutional environments or the network effects of strategic alliances.

In conclusion, this thesis marks a foundational step in examining the role of strategic partnerships in international market expansion within the high-tech robotics sector. The proposed future research directions aim to build on this foundation, encouraging a broader examination of these dynamics across different contexts and over time. Such research not only advances academic understanding but also offers practical insights for businesses strategizing on global expansion through strategic partnerships.



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## We are Solwr's - Exploring Knowledge Dynamics in Strategic Partnerships for International Market Expansion

A Master Thesis Collaboration with Solwr

### **Summary of our thesis:**

Our master thesis explores the role of knowledge dynamics within strategic partnerships and how these relationships influence a firm's expansion into international markets. With the global business environment becoming increasingly complex, the ability to share and leverage knowledge across organizational boundaries is crucial. Our study delves into the mechanisms through which strategic alliances facilitate the exchange of critical information and expertise, highlighting the impact of these collaborations on a firm's strategy and success in foreign markets. Through interviews and case studies with various stakeholders at Solwr, we aim to uncover the nature of knowledge sharing in strategic partnerships and its effect on international expansion efforts.

The core of our research lies in understanding how strategic partnerships can be harnessed to boost a firm's growth beyond its domestic market. By examining the operationalization of shared knowledge and its contribution to overcoming market entry barriers, our thesis seeks to offer valuable insights into the strategic management of alliances. The findings are expected to provide both theoretical and practical contributions, guiding businesses on optimizing their partnerships for global market success and offering a framework for future research in the field of international business strategy. Through this comprehensive analysis, we contribute to the broader discourse on

*Our thesis will study strategic partnerships, focusing on:*

- Theoretical frameworks underpinning strategic alliances and knowledge transfer.
- Case studies highlighting successful partnerships within and beyond Solwr.
- Impact analysis of knowledge dynamics on market expansion strategies.

### Participant Involvement

**Your insights are valuable.** We seek to engage with you through:

- Interviews : Conversations aimed at understanding your experiences and observations.
- Confidentiality: Assurance that all discussions will remain anonymous, respecting your privacy.
- Collective Insight: Your participation will significantly contribute to a nuanced understanding of how do knowledge dynamics in strategic partnerships influence international market expansion?

## Appendix B - Interview guide

### **Interview guide – Master thesis 2024 – The Influence of knowledge dynamics in high-tech strategic partnership for international market expansion.**

Date: \_\_\_\_\_ Location: Teams

Respondent nr: x Position: \_\_\_\_\_

Participants: \_\_\_\_\_

#### General notes:

- Duration of the interview is approx. 60min.
- Interview object is oriented about transcription of interview.
- The respondent will be fully anonymous.
- The answers are under full confidentiality, and all parties are known with that.
- The project is approved by SIKT, which ensure that all information is handled with focus on ethical considerations and privacy.

#### Initial routines before interview:

- Presentation of interviewers (name, background, master programme)
- Presentation of the interview object (name, background, prior experience etc).
- Purpose of the interview.

#### 1. Firm Background

- What is the firm name, HQ location, main markets, main product segments, core activity?
- Can you please tell us about yourself, such as your role in the firm and how long you have been there, as well as your experience with international markets.

#### 2. Personal Experience and Knowledge Transfer

- In what way is your personal experience and knowledge about international markets important for your firm?
- How has your personal experience been developed and implemented in the firm you are working for today?
- How do you work to acquire important, or relevant, market insight in your department?
- What drivers you and your colleagues to acquire more market insights and market stakes?

#### 3. Understanding of International Market Expansion

- What is your understanding of international market expansion?
- What kind of knowledge do you think is important in international market expansion?
  - How do such knowledge change between countries and product segments?
- What is the hardest with market expansion?

#### 4. Strategic Partnerships - Speed to Market and Knowledge Sharing

- What do you think is the main reasons why firms initiate strategic partnerships?
- What is the main reason firms tend to initiate strategic partnerships with your firm?
- How is the dialogue and collaboration between partner firms?
- How has long-term partnerships impacted your partnering firm level of market knowledge and their capability to acquire such?

- How does the level of product attractiveness impact your communication with partner firms?
- How do strategic partnerships contribute to your firm's understanding and approach to international market expansion?
- Can you provide examples of any challenges or barriers your firm has faced in transferring or acquiring knowledge through strategic partnerships? How were these challenges addressed, and to they differ between borders?
- How does your firm balance the risks and benefits of sharing sensitive or proprietary knowledge with strategic partners?
- How do you ensure that the knowledge acquired from strategic partnerships is disseminated and utilized across different departments or units within your organization?
- Can you discuss any specific tools or methodologies your firm uses to map out knowledge flows between your organization and strategic partners?
- How do legal and regulatory considerations in different international markets affect the way you share and utilize knowledge within strategic partnerships?
- Can you elaborate on the importance of trust in strategic partnerships?
- How does your organization incorporate feedback and lessons learned from strategic partnerships into your ongoing and future strategies for international market expansion?
- Market strategy may seem important to both your own and partnering firm, how do you collaborate to align these two strategies/interests for mutual benefit?
- How does your organization track and evaluate the competitive dynamics in international markets, and how does this influence your choice of strategic partners?

#### 5. Knowledge Dynamics

- How does your organization identify and prioritize which knowledge is critical for its success in international markets?
- What role does leadership play in fostering an environment where knowledge sharing is valued and promoted?
- Can you discuss any challenges your organization faces in maintaining the relevance and currency of its knowledge base in rapidly changing markets?
- How do you assess and address gaps in your organization's knowledge, particularly those related to emerging or unfamiliar markets?

#### 6. International Market Expansion - Strategy and Challenges

- How does your organization, or partnering firm, assess the attractiveness and readiness of potential new international markets?
- Can you describe the steps your firm takes to adapt its products or services to meet the needs of different international markets?
- How does customer feedback from international markets influence your organization's product development and innovation strategies?
- Can you discuss a time when your firm had to pivot or adjust its strategy in an international market in response to unexpected challenges or opportunities?
- What role does local market knowledge play in your organization's international expansion strategy?
- How does your organization manage the logistics and supply chain challenges associated with international market expansion?



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