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“The Internationalization Strategies of the Greek Boat Manufacturing Industry”

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**A dissertation submitted in partial fulfilment on the requirements for the
Master’s Degree in Business Administration.**

**Glasgow University Adam Smith School of Business and Management
November 2016**

Abstract

The ability of a firm to involve in an internationalization process is a well discussed topic. The aim of this dissertation is to develop an understanding of the internationalization process of Greek Boats Manufacturers, how and why these firms internationalize. Driven by the gap in current research, the study intends to contribute to internationalization research by providing insightful information and understanding of the nature of the internationalization process of the Greek boat manufacturing industry in both theoretical and empirical aspects. Greek economy faces the most severe economic crisis since the end of the Second World War. The boat manufacturing sector has suffered disproportionately in comparison with other sectors of economy, mostly due the introverted nature of the sector. The steep decline in domestic sales made Greek firms, which previously were focused on domestic market, respond to foreign market opportunities and reconsider their market orientation. Since 2008, when economic crisis broke in Greece, their business strategies have been undergoing radical transformation. In the meanwhile, the free fall in domestic sales resulted in hindering the efforts for international expansion by reducing the financial and non-financial resources.

The sector faces great difficulties. Government policies, such as the increase of taxation, and domestic structural deficiencies, have further weakened the firms' ability to compete internationally. On the other hand, the Greek government seems willing to implement various policies intended to promote national competitiveness. The research intends to provide, first of all, a theoretical contribution as regards the existing entry modes of foreign markets by GBMs, in an attempt to help the GBMs understand how they should design their strategies in order to be successful, and how to take the right and appropriate decisions.



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Project Title: The
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Abbreviations

Abbreviation	Description
SEKAPLAS P.E.E.Y	Greek Marine Manufacturers Association (Hellenic Union of Manufacturers of Polyester and other Boats)
ICOMIA	International Council of Marine Industry Associations
GBM	Greek Boat Manufacturers

Chapter 1

The internationalization strategies of the Greek boat manufacturing industry

1.1 Introduction

This study is driven by the lack of research on the internationalization process of the Greek boat manufacturing industry. The last few years, and more specifically since 2008, when economic crisis broke in Greece, the boat industry is undergoing a steep sales decline in the domestic market, which traditionally was its main target market. Unquestionably, Greek economy faces its most severe crisis since the end of the Second World War. This critical economic situation is a major factor which changes how firms think. Indeed, it drove them to change their market focus and become more internationalized (Bell et al. 2004).

The Greek government shows a growing tendency to implement various policies intended to promote national competitiveness (Voulgaris et al. 2014). As Westhead et al. (2000) suggest, policy makers motivated to assist domestic firms should create export oriented programmes, customized for the needs of the established micro and small firms. However, no such policies have been implemented so far in the Greek boat industry, which faces a series of major difficulties affecting the sector's internationalization. This study divulges the sector's dramatic deterioration, which hinders its international expansion. One of the causes of the sector's downturn is domestic structural deficiencies. Even before the economic crisis arose, the Greek manufacturing sector, which is overwhelmingly dominated by SMEs, was suffering from low structural competitiveness (Ioakimoglou et al. 2001).

International business has changed and influences the way business is made in domestic markets too (Fletcher, 2001). New trade agreements, the establishment of global organizations imposing global policies, and a tendency towards the end of national borders, illustrated by the expansion of the internet, is just one face of the change. The other one is the information revolution, the rising importance of cost reduction, the spreading of technology to more countries, and the shorter product life-cycles demanding increase in expenses for research and development. All these require strategic alliances to be formed between firms across borders (Fletcher, 2001).

Thus, the importance of identification of the key strategies is crucial. Accordingly, the importance of identifying the successful international entry modes of GBMs is vital for their success. Every country has unique competitive advantages, and no nation can be competitive in every industry, yet it can be competitive in a number of them (Porter, 1990). Hence, companies have different capabilities and resources. By identifying the problems that GBMs face in international markets and by identifying the applicable strategies for going international, the sector's international activities will become more efficient and profitable.

The steep decrease of sales in the domestic market and the frustrating forecast about the future of the country's economy urge more than ever companies to rethink their strategies for international expansion. Despite this strategic orientation, the literature reveals that relatively little is known about the strategies Greek boat manufacturers implement. With the aim to fill that gap, this study intends to identify and outline the different strategies Greek boat manufacturers use, in an attempt to support Greek boat industry by providing them with insights into the industry and acquaint them with the strategies companies use when they try to expand their business internationally.

1.2 Dissertation overview

This dissertation has been organized into five chapters. Chapter one is the introductory chapter of the study. The first chapter provides an overview of the components of this study and outlines the objectives and aim of the study, by pointing out its significance for Greek boat enterprises. Also, the research questions are addressed in this chapter. Additionally, a brief but concise description of the current Greek and global boat markets is given. Lastly, the scope of the study is mentioned.

The second chapter gives a detailed review of the relevant literature. As the literature about the internationalization process of GBMs is quite poor, definitions and brief descriptions of some important terms and phenomena involved in the internationalization process of SMEs are presented. Further, the motives for internationalization as well as the obstacles are presented. Initially, the process of internationalization of SMEs is analyzed more specifically, the entry modes of SMEs manufacturing companies in new markets. After that, the motives that drive the SMEs to internationalization are investigated. Additionally, an analysis of the factors which affect selection of the businesses' target market is performed. Finally, the development strategy which is used by the companies when they become international is examined.

The third chapter describes the methodology of the investigation and in particular the type of research that was selected as well as the process followed for its implementation. The chosen method for data collection is also described in this chapter. More specifically, the third chapter includes the sampling procedure, participant selection, questionnaire design, method for data collection, and method for data analysis.

The fourth chapter is dedicated to a detailed presentation of the results of this investigation with the help of tables and graphs where needed. The findings from the collected data were transcribed to word format. Thematic analysis is taken place. This presentation leads to the next and final chapter.

Chapter five, the final one, presents the discussion and the conclusions drawn from the research, the author's suggestions and the limitations of this study. Finally, an argument about the significance of this research for interested parties was made as well as suggestions for future research.

1.3 Aim of the research

The aim of this study is to gain a better understanding of the internationalization process of Greek boat manufacturing companies, and particularly to investigate the behaviour of Greek boat manufacturing companies while they expand into international markets, and to identify the different market entry modes observed. This study assesses the motives and the factors affecting the entry mode selection.

1.3.1 Objectives of the research

The aim of the research is accomplished by meeting the following research objectives:

- 1) What are the motives for Greek boat manufacturing companies to decide to go global and enter international markets?
- 2) What are the key points companies consider before choosing a new market?
- 3) How do they make decisions about the appropriate entry mode in their attempt to enter a new market, and which factors are the most influential?
- 4) How often do they change their deployed entry mode strategies when they have already entered a new market?

1.4 Significance of the study

A practical contribution of this study is that it contains insightful information which could assist the Greek government and other decision makers, such as the European Union, in making more informed decisions on designing SMEs support programs. At the same time, this paper serves not only the Greek boat entrepreneurs, but also other SMEs managers in their quest to learn how a SME can internationalize, so that they can develop appropriate internationalization strategies for their businesses. Its findings will improve understanding of the way Greek entrepreneurs deal with important decisions regarding international expansion, based on which practical insights can be gained about potential strategies. Also, the findings can be used by the European Union as a tool to improve its knowledge of the Greek market, as well as to generate new ideas relative to the sector's strategies. The Greek government can also make use of this study in order to encourage entrepreneurship and formulate and support strategies for the sector's international expansion.

Apart from the practical contribution, there is also a theoretical contribution to the field of international entry mode of small and medium-sized manufacturing companies. Although the small and medium companies account for the biggest part of international trade, there is not much empirical research on how they make international entry mode decisions (Brouthers et al. 2004). Moreover, there is a limited amount of qualitative research on the small firm sector; as a result, this qualitative study will contribute to the theoretical study of the SMEs (Shaw, 1999).

The research that looks at smaller firms can be classified into three categories, according to the main object of study: 1) factors leading to entry success, 2) motives for entering an international market, and 3) differences between exporters and non-exporters (Brush, 1995). This study focuses on the first two, namely factors and motives, enriching the theoretical knowledge of SM manufacturing companies.

1.5 The Greek market

Research reveals that there are three pillars that support the sector's activities. SEKAPLAS, the Champers, and Enterprise Greece - Invest and Trade. Enterprise Greece is an official agency of the Greek state; part of its role is to promote exports as well as to contribute to the extravert orientation of the Greek economy. The Champers' mission and goals are, among others: to provide free services and consulting to all the members; to support and promote entrepreneurship; and to organize and participate in trade missions to and from foreign countries, aiming at the expansion of international economic relations. Finally, SEKAPLAS is the union of Greek boat manufacturers. Currently (2016), according to the list of SEKAPLAS, there are 41 registered GBMs, slightly fewer than what the number was in 2013 (45). The Greek boat manufacturing sector has been affected disproportionately by the on-going recession.

Number of companies in the manufacturing sector of recreational boating (NACE C3012)

Country	2008	2009	2010	2011	2012	% change '08-'12
Netherlands	740	811	923	905	895	21%
Italy	1.081	940	711	694	598	-44%
Sweden	610	596	583	576	564	-8%
UK	620	620	594	552	541	-13%
France	-	352	385	394	390	-
Poland	210	383	381	354	316	50%
Germany	252	166	297	337	256	0%
Finland	259	259	253	254	238	-8%
Croatia	107	105	103	105	103	-4%
Greece	45	45	44	44	75	66%
Spain	49	52	57	47	-	-
EU 28	4.663	4.648	4.660	4.701	4.475	-4%

Source: Structural Business Statistics, Eurostat (2014).

Figure 1

But when we compare numbers between 2016 and 2006, we find an impressive decrease of registered members (see figure 2). Nevertheless, we should take into account that there are some manufacturers that have not registered, thus it is difficult to define how many those are.

The Greek boat building industry is a contradictory industry. It is neither a strategic sector of Greek economy nor a current key driver of growth. But it is unique in its vigour, contrary to the weak country's industrial production; boating industry boasts a significant amount of knowledge, technological innovations, and production capabilities – a heritage from a long maritime tradition (Thanopoulou, 2007). Servicing the Greek market, indigenous companies provide high-quality products and benefit from production efficiencies that make them competitive worldwide (Thanopoulou, 2007).

The domestic market has been almost entirely focused on commercial and leisure boats, with almost no tradition in paramilitary craft, though some efforts have been made towards that direction by a small number of companies; these aimed at supplying initially the Greek armed forces and later possibly expand into the global market.

It is well accepted that the strong traditional boat industry in Greece is suffering considerable losses since the outbreak of the economic crisis in 2008 and the implementation of austerity measures that followed. Boats are luxury products and the decrease in available income caused decrease in demand. As a result, the boating industry experienced significant losses.

Some policies affected the boating industry directly. One of them was the extension of an annual luxury tax to include all recreational boats over five metres (16ft); another was the increase of this tax from 10 to 13 per cent. As a result, the number of new registrations dropped from 12,000 per year in 2009 to only 2,500 in 2015. Moreover, even this frustrating number is questionable, since among the 2,500 registrations some are about new owners of second hand boats, thus the sales of new boats must be lower. Of course, there were registrations of second hand owners back in 2009 too, but one can only assume that their *percentage* probably grows in times of severe recession. In any case, this drop affected the Greek manufacturers, who traditionally dominate the market. It is estimated that this steep decline in production cut down employment rates. Many companies bankrupted and suspended trade.

This new economic environment led GBMs to become more export oriented. Although the European market is the main export destination, other countries are becoming more and

more important. It should be noted that the substantial decrease in the wages lowered the production cost, thus making the industry more competitive.

1.5 The global market

The boating industry is generally a highly internationalised sector. The global boat market is expected to grow to \$25.2 billion by 2020, the major drivers for growth being the high replacement rate, changes in technologies, increased boat size, and high-net-worth population increase. Boating is rapidly growing as a result of the increased demand for recreation. The American Trade Administration in its 2016 report, which is a Market Assessment Tool for U.S. exporters, identifies Australia, Brazil, Canada, China, Japan, Korea, Mexico and Western Europe as the top markets for the recreational marine subsector (2016 ITA Recreational Transportation Top Markets Report). This provides us with an indication about the future trend of sales.

In terms of statistics, the biggest boat manufacturing industry in the world is the U.S.A. with more than half a million boats built very year (see figure). France comes second, with approximately 25,000 boats built on an annual basis. U.S.A. is, of course, also the biggest consumer for that market (2016 ITA Recreational Transportation Top Markets Report).

Recreational boating sales are highly dependent on consumer confidence, and the major economic downturn in 2008 had a negative impact on boat sales. More specifically, the economic slowdown impacted on the overall demand for recreational crafts, particularly so in Europe. Consequently, the market has been shrinking since (less ownership, less days spent on a boat) and shifting (more rental). European manufacturers, noticing the steep drop in new boat registration during 2009 in the European market (40%), turned their focus to other markets, like the north-American, where the demand skyrocketed: more than 47% increase in 2013 (Global Recreational Boating Industry Analysis and Forecast 2015-2020). Interestingly, approximately 95% of the companies doing business in the European Union in the boat manufacturing sector are SMEs (Global Recreational Boating Industry Analysis and Forecast 2015-2020).

Recognizing the exporting power and the industry importance of the U.S. recreational marine craft, the U.S. government included it in the recreational transportation priority sector

of the National Export Initiative (NEI), whose aim is to help U.S. exporters increase their sales overseas in these sectors and in priority foreign markets. It must be pointed out that the North American market represents 40% of the global demand (2016 ITA Recreational Transportation Top Markets Report).

The Chinese boat building industry, although considered weak by international standards, is also committed to a rapid advance in technology, and, with new designs and marketing promotion, it is expected to be a world class competitor as well as a first class market (Eur-lex.europa.eu, 2016).

1.6 Scope of the study

The focus of this study was on the Greek boat building industry. Greek boat building industry is part of the European recreational boating industry, which is quite a broad one. The significance of this industry is so important that the European Commission identified the European recreational boating services industry as one of the most important for the realization of the EU's Blue Growth agenda (Eur-lex.europa.eu, 2016).

The International Council of Marine Industry Association (ICOMIA) makes a distinction between four sectors in boat industry: boat builders (5 different types); engine manufacturers; boat accessory and marine equipment manufacturers; and service providers. The European Boating Industry classifies manufacturers differently: boat builders; equipment manufacturers for boats; equipment manufacturers for water sports; infrastructure builders and operators (marinas); and service providers. The figure below (see figure 3) shows a general breakdown of the industry, which also illustrates the broad scope of the sector (Eur-lex.europa.eu, 2016). Manufacturing sector is the scope of this study.

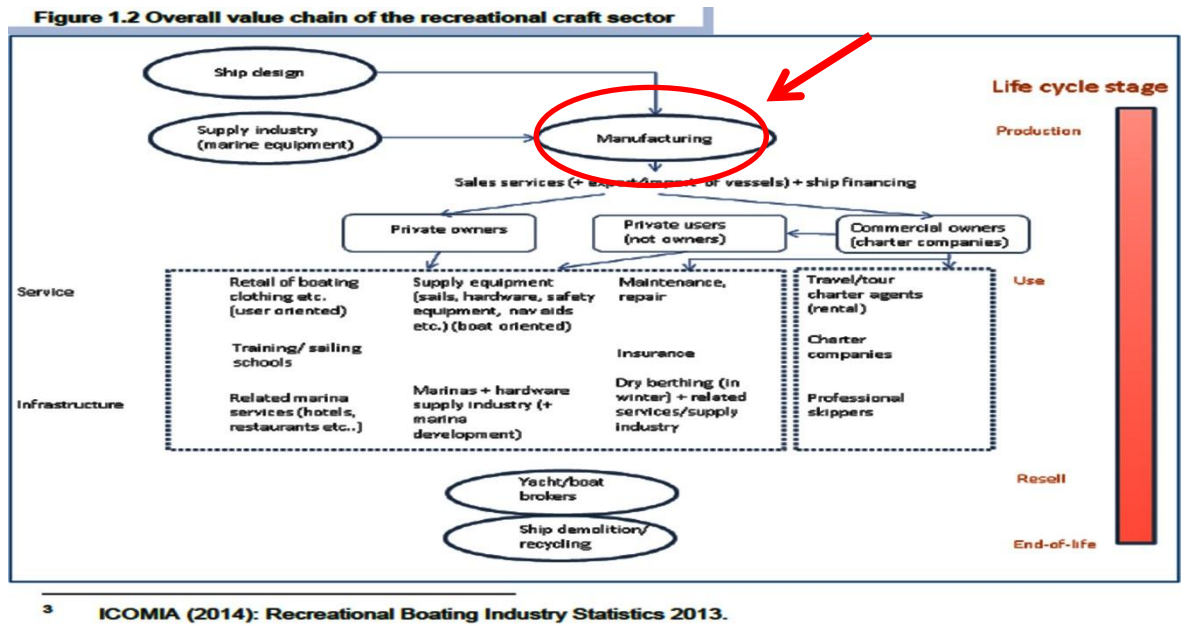


Figure 3

Since this research limits its scope to Greek recreational boat industry, it adopts the definition given by the European Union (EU directive 94/25/EC) for those products. The definition is stated as follows: “*Recreational craft* shall mean any boat of any type, regardless of the means of propulsion, from 2,5 to 24 m hull length, measured according to the appropriate harmonized standards intended for sports and leisure purposes” (Eur-lex.europa.eu, 2016).

Accordingly, Eurostat identifies boat manufacturing as: ‘*manufacture of inflatable boats and rafts, building of sailboats with or without auxiliary motor, building of motor boats, building of recreation type hovercraft, manufacture of personal watercraft, canoes, kayaks, rowing boats and skiffs*’. In line with the revised work plan, it is decided to also include vessels which are commonly known as “super yachts”. In practice, this means that there is no specific restriction to the hull length (Eur-lex.europa.eu, 2016).

Additionally, the definition of the recreational boating sector in the Directive 94/25/EC excludes surfboards, canoes, kayaks, rowing boats and skiffs. In the data analysis this definition will be applied, meaning that the range of the definition of the manufacturing sector by Eurostat is narrowed down (Eur-lex.europa.eu, 2016).

Similarly, since scope of this study is limited to SMEs of the boat manufacturing industry, the official definition by the European Union for SMEs companies was adopted: SMEs are

those who have less than 250 employees. The same classification identifies three different subgroups according to the number of employees: microenterprises, having less than 10 employees; small enterprises, having between 10 and 49 employees; and medium enterprises, having between 50 and 249 employees (Eur-lex.europa.eu, 2016).

Chapter 2

Literature Review

After the introduction of this study in the first chapter we proceed to second in which a review of the literature, along with the theories which are related to the research questions of the dissertation, are provided. The theoretical framework on which this analysis will be based consists of the theory regarding the entry modes for foreign markets of SMEs, their motives, the factors that influence their decisions, and will answer the research questions raised in Chapter One.

2.1. Internationalization

Although much research has already been conducted related to the drivers that lead SMEs to deploy specific internationalization strategies, there are still considerable questions that need to be addressed regarding this matter (Nissar et al. 2012).

The growth of the multinational enterprise as a dominant characteristic in the world economy is well recognized and attracts most of the attention of firms. In today's globalized economic world, the selection of the internationalization strategy plays a tremendous role, having a significant impact on a firm's sustainability and growth. The way that companies attract business in other countries around the world, is described by the notion of internationalization (Raymond et al. 2015).

Internationalization is a necessary strategy for small and medium sized companies to achieve growth and profitability (Leonidou et al. 2009) though a broader explanation might be that companies already have a competitive advantage in the domestic market and are merely attempting to exploit it abroad (Fernandez et al. 2005). Internationalization, however, requires a very complex strategy, and is something that any company can undertake, no matter its size. More significantly, it is vital if they are to prosper in a constantly evolving and changing world (Fernandez et al. 2005). The internationalization of a SME has benefits for the company, in that it will become bigger and acquire knowledge. In addition, the step taken by an SME to expand outside of its home country may even strengthen its financial performance (Lu and Beamish 2001).

The internationalization of businesses and firms has been examined in numerous streams of literature. A comprehensive definition describes internationalization as “the process of increasing involvement in international markets” (Welch et al.1988). Calof and Beamish (1995) later defined it as “the process of adapting firm’s operations (strategy, structure, resource, etc.) to international environments.”

A broader definition of internationalization is that the “Internationalization of a firm concerns the relationships between the firm and its international environment, derives its origin from the development and utilization process of the personnel’s cognitive and attitudinal readiness and is concretely manifested in the development and utilization process of different international activities, primarily inward, outward, and cooperative operations.” (Lehtinen et al. 2003).

2.2 Entry Mode

Before going international, each company has to make 3 important decisions (Hill, 2007). First to identify the preferable market accordingly firm’s priorities. Secondly, to identify the appropriate entry time, taking into consideration the advantages and disadvantages of each decision (first-mover or later-entrant) and finally has to decide about the scale. Which either will be small or large depending on the degree of resources commitment (Hill, 2007)

The entry mode on the other hand is the term that is used in order to define the method that a company uses for the expansion of its activities into a foreign market. In particular, “*Foreign market entry modes are institutional arrangements for organizing and conducting transactions in host markets.*” (Andersen, 1997). Sharma and Erramilli (2004) defined entry mode as ‘*a structural agreement that allows to a firm to implement its product strategy in a host country either by carrying out the marketing operations, or both production and marketing operations there, by itself or in partnership with others*’.

The entry mode choice is the most critical decision that a company has to take before entering in a new market abroad (Ramaswami, 1992). The entry mode sets the level of involvement the company will have in the new foreign market (Erramilli, 1990). By determining the entry mode, the company simultaneously determines the amount of risk which it is willing to undertake (Hill et al. 1990). The time estimation which is normally needed

for the completion of this activity, meaning the entering of that company into a foreign market, is three (3) to five (5) years (Root, 1994). Other authors suggest that there is not rationality on that. Why firms should go through specific stages? (Reid, 1983). Others, suggest that in some cases firms are internationalized from their inception (Oviatt et al. 1994)

The consequences of the selection of the right and appropriate entry mode into a foreign market have an impact on both the performance of the company and its survival in the market. These consequences are far reaching and significant (Gatignon et al. 1988) i.e., the selection of an inappropriate entry mode may even lead to the withdrawal of the firm from the foreign country. For instance, Merrill Lynch was unsuccessful in its attempt to enter the Japanese private-client market during 1980 because the entry mode choice was against Japan's restrictive regulations (Hill, 2002).

Finally, the choice of the entry mode affects the strategy that the company follows and therefore its future competitiveness in the new foreign market as regards the efficiency of the distribution of the products and the number of sales, or the maintenance of the value of the products (Leonidou et al 1996).

2.1.1. Types of entry modes

When we talk about modes of entry into an international market we refer to the channels through which a company tries to enter a new international market (Andersen, 1997). The entry mode choice is very important because it determines the level of control (Brouthers, 2002). Thus the company has full control over the foreign unit or has limited control. This is a very complicated procedure composed of a variety of entry modes (O' Farrell et al. 1998). Broadly speaking, there are three main categories of entry modes for a company when it wishes to enter a new and foreign market. These categories are export modes, contractual modes, and investment modes (Erramilli et al 1990).

More specifically, export mode is when a company manufactures products in its home country or in a third country and then transfers them to a new international market, being the one of the host country. This procedure is called export and happens either directly, indirectly or co-operatively (Sidoryuk, 2006). Exporting consists of one of the quickest entry modes, is for foreign market penetration, and is classified as being among the most effective (Achetenhagen, 2011). Regardless of a company's size, exporting is an essential

entry mode (Katsikeas, 2003). However, small manufacturing firms prefer exporting instead of all the others types of entry modes (Porter, 1990).

Any company that wishes to enter a new foreign market has to establish the export channels that it will need in order to succeed that and has to decide on which responsibilities it will be liable for and which ones it will pass on to external agents so that they will manage them on their behalf. This is particularly true of small firms that lack the necessary knowledge and resources to handle the cost and risk of their international expansion. Consequently, the need to rely on other modes of operation is key (Zaxarakis, 1997).

Exporting requires the least possible cost and entails the minimum possible risk compared to the other entry modes because it constitutes the least commitment of a company's resources (Anderson et al.1986). Companies, especially the SMEs which have relatively small capital resources, have a preference in exporting, while entering in a foreign market (Porter, 1990). This method also gives a company the possibility of withdrawing from the new project whenever it wishes to do so or if it is necessary; thus it offers a high level of flexibility (Anderson et al 1986).

There are two main types of export modes, indirect and direct. Indirect export is when a manufacturing company does not take care of its exporting activities but uses an independent firm instead such as an another domestic or international company to manage it for them (Root, 1982). It may even be the case that the manufacturing company is not involved at all in the foreign sale of its products. This is commonly the case when companies do not have enough information concerning the new market or that they are not experienced enough in order to reduce the risk of such a venture.

Direct export is when the manufacturing company takes care of the exporting procedure themselves. In this type of export the company is in direct contact with the customer or importer in the foreign market (Root, 1982).

A sub-category of the direct mode is the co-operative mode in which the manufacturing company agrees to collaborate with other local companies in order to produce the products that will be exported. This is a method which especially attracts those SMEs which are not able to achieve an economy of scale in manufacturing whether this is due to the small size of the local market or a lack of available sources. The company evaluates the

advantages and disadvantages of each entry mode before it decides which one will be chosen. The table below shows these advantages and disadvantages:

Export Mode	Advantages	Disadvantages
<i>Indirect Exporting</i>	<ul style="list-style-type: none"> ● <i>Export intermediaries know the specific of foreign market</i> ● <i>Exporting firm is free from financing of export operations and credit risk</i> ● <i>Exporter is free from dealing with export documentation</i> ● <i>There is the export opportunity without</i> 	<ul style="list-style-type: none"> ● <i>Absence of control over overseas operations</i> ● <i>There is no exporters' image in the target market</i> ● <i>Export intermediary can enter into transactions with many other companies in order to maintain big volume of operations (sometimes such behavior of local intermediary is harmful for the exporter)</i> ● <i>Dependence on the intermediary that can show the opportunistic behavior</i>
<i>Direct Exporting</i>	<ul style="list-style-type: none"> ● <i>Access to local market and contacts with potential customers</i> ● <i>Shorter distribution chain (compared to indirect exporting)</i> ● <i>Market knowledge acquired</i> ● <i>More control over marketing mix (especially with</i> 	<ul style="list-style-type: none"> ● <i>Little control over market price because of tariffs and lack of distribution control (especially with distributors)</i> ● <i>Some investment in sales organization required (contact from home base with distributors or agents)</i> ● <i>Cultural differences, providing communication problems and information filtering (transaction costs occur)</i>

¹ Source: Svend Hollensen (2004)

¹ Global Marketing, Pearson Education, England, P324

2. Contractual (intermediate) mode is when the parent company shares its knowledge and its skills with a foreign company. It also shares the ownership and the control of the newly formed company with the local one. Such intermediate entry modes can be categorized as:

i. Licensing which is defined as “the method of foreign operation whereby a firm in one country agrees to permit a company in another country to use the manufacturing, processing, trademark, know-how or some other skill provided by the licensor” (Hollensen, 2004).

When a company wishes to establish a local product in a foreign market it uses this specific entry mode which is usually for a longer term than the one for a manufacturing contract. The new company establishes without a capital investment and it involves more responsibilities for the local company.

A licensing agreement is when a company in one country gives something of value to a company of another country in exchange for certain performance. This agreement must be formal and therefore must be written in a document. The second company is obliged to pay the first company.

The first company gives to the second one the license to use a patent of a product or a process, the know-how of manufacturing, the use of a trade mark or a name, and technical and marketing advice and assistance. The table below shows the advantages and disadvantages of such licensing (Hollensen, 2004):

Advantages	Disadvantages
<ul style="list-style-type: none"> ● <i>Firm avoids the risks related to investments in the physical assets of the firms (equipment) by transferring the license to the company in the target market</i> ● <i>Gives licensees the opportunity to gain and develop valuable experience in the marketing sphere; allows them to establish long-term relationships with licensors</i> ● <i>Licensing is advantageous for the newly internationalized company as the need for research of the target market is reduce; often possible to encourage the licensee to support the product in the host-country market</i> 	<ul style="list-style-type: none"> ● <i>Licensee can misuse the transferred firm-specific assets of the licensor.</i> ● <i>Long-term risk of creating a direct competitor for the licensor in the foreign market due to ability of licensee to develop its own skills and knowledge on the basis of the transferred technology</i> ● <i>Licensees can utilize transferred rights even after contract expires</i>

² Source: Johansson, J.K. (2006)

ii. Franchising is an entry mode whereby the franchisor gives to the franchisee the “product and trademark,” along with the “business format”. In return for these services the franchisee pays a fee as well as a percentage of the future income. This means that the franchisor sells to the franchisee the right to use his trademark, his operating system, his reputation and his continuous support (such as local advertisements) in order to maintain the image of the trademark or the training of the employees (Johansson, 2006).

There are two (2) major franchising systems:

1. Product and Trademark, meaning a distribution system in which the suppliers make contracts with the dealers for the selling and buying of goods. Dealers then use the trademark of the parental company and its product line.

2. Business format package, meaning all the elements which are required for the establishment and profitable running of a business. The package contains the trademark of the parental company, the designs, patents and the know-how of the business. In return for these services the franchisee pays both an initial and a continuous fee.

The table below shows the advantages and disadvantages of franchising:

² *Global Marketing: Foreign Entry, Local Marketing and Global Management, 4 ed., Mcgraw-Hill, New York.*

Advantages	Disadvantages
<ul style="list-style-type: none"> ● <i>Compared to licensing the control is higher</i> ● <i>Low cost and therefore a low risk entry mode</i> ● <i>Using businesses which have highly motivated contacts with money along with local market knowledge</i> ● <i>It is generating economies of scale</i> ● <i>It may be a precursor to possible future direct investments in foreign markets</i> 	<ul style="list-style-type: none"> ● <i>Searching for a franchisee who is competent may be time consuming and expensive</i> ● <i>High cost in creating a reputation globally and retaining it</i> ● <i>High cost creating a unique package of products</i> ● <i>There may be problems with the legislation of another country</i> ● <i>The opening of the internal knowledge of a business may create a future competitor</i> ● <i>The international reputation of a company may be destroyed</i> ● <i>There is no control</i>

³ Source: Johansson, J.K. (2006)

iii. Contract manufacturing is the entry mode which gives the opportunity to a company to have foreign sourcing without being committed to it. This means that the company develops and controls the marketing, distribution, sales and service of its products on an international basis. The responsibility of the production though belongs to a local company. The table below shows the advantages and disadvantages of contract manufacturing:

³ *Global Marketing: Foreign Entry, Local Marketing and Global Management, 4 ed., McGraw-Hill, New York*

Advantages	Disadvantages
<ul style="list-style-type: none"> ● <i>The market entry is of low cost</i> ● <i>There is not a local investment and therefore not a risk of expropriation</i> ● <i>There is control from the parental company over the sales</i> ● <i>There are no financial problems</i> ● <i>There are no transfer pricing problems</i> 	<ul style="list-style-type: none"> ● <i>It is very difficult to transfer the know-how of production</i> ● <i>It is very difficult to find a reliable manufacturer</i> ● <i>The subcontractor may become a competitor in the future</i> ● <i>The local manufacturer needs a lot of technical training</i> ● <i>It is difficult to control the quality of the manufactured products</i>

⁴ Source: Johansson, J.K. (2006)

iv. Joint ventures

Here we have two (2) or more companies who join together in order to create a new entity which will be totally independent from the parental one. The ownership of the new business will thus be shared (Osland, Taylor & Zou, 2001). The main reason for such a venture is that the new entity will be very strong as far as capital is concerned and the risk will be divided.

The table below shows the advantages and disadvantages of joint venture:

Advantages	Disadvantages
<ul style="list-style-type: none"> ● <i>Both the market and the political risk are reduced</i> ● <i>The companies share their knowledge and their resources</i> ● <i>They produce economies of scale</i> ● <i>They are able to contact the local markets</i> ● <i>Any type of local barrier is avoided</i> ● <i>The risk of failure is shared</i> ● <i>They cost less than the acquisitions</i> ● <i>They create a better relationship with the national governments</i> 	<ul style="list-style-type: none"> ● <i>The partners make large investments of resources</i> ● <i>The partners are locked into relations which may be long termed</i> ● <i>The transfer may create pricing problems</i> ● <i>The cultural differences often lead to management differences</i> ● <i>They are often not flexible enough</i>

⁵ Source: Johansson, J.K. (2006)

⁴ Global Marketing: Foreign Entry, Local Marketing and Global Management, 4 ed., McGraw-Hill, New York.

3. Hierarchical-investment mode

This is an entry mode in which the initial company is the unique owner of the new foreign one and therefore controls it completely. There are two (2) ways for the parental company to enter a new market in such a way:

i. Merger or Acquisition is when a local company chooses a foreign one and merges with it in order to enter that market. Alternatively, the local company purchases the foreign company and therefore acquires its control. By doing that it succeeds in having immediate access to the facilities of an international manufacturing network. The advantages and disadvantages of this particular entry mode are the following:

Advantages	Disadvantages
<ul style="list-style-type: none"> ● <i>Not time consuming</i> ● <i>Ease of execution</i> ● <i>The company has an immediate stake of the share of the market</i> ● <i>By taking over the possible rivals the competition is diminished or even vanished</i> ● <i>The investor relies on the existing goodwill of the business that he acquired</i> 	<ul style="list-style-type: none"> ● <i>The acquisition of a company in a foreign country is a very complicated task</i> ● <i>Sometimes the foreign country imposes many restrictions on the acquisition of local companies by foreigners</i> ● <i>Any labor problem that the company of the host company may have is transferred to the acquired company</i>

⁶ Source: Johansson, J.K. (2006)

⁵ *Global Marketing: Foreign Entry, Local Marketing and Global Management, 4 ed., McGraw-Hill, New York.*

⁶ *Global Marketing: Foreign Entry, Local Marketing and Global Management, 4 ed., McGraw-Hill, New York.*

ii. Greenfield is the procedure of expanding the operation of a company into a foreign country. This procedure requires the purchase of local property along with the local man power. The advantages and disadvantages of this are shown below:

Advantages	Disadvantages
<ul style="list-style-type: none"> ● <i>There is no risk of losing technical competence from a competitor</i> 	<ul style="list-style-type: none"> ● <i>A lengthy procedure as it begins from scratch</i>
<ul style="list-style-type: none"> ● <i>The operation of the problem is highly controlled</i> 	<ul style="list-style-type: none"> ● <i>It faces a lot of competition even before it starts the business</i>
<ul style="list-style-type: none"> ● <i>New jobs are created in the local market</i> 	<ul style="list-style-type: none"> ● <i>A lot of research has to be carried out before the establishing of the new company</i>
	<ul style="list-style-type: none"> ● <i>An emerging market may be unsta-</i>

⁷Source: Johansson, J.K. (2006)

2.2 Motivation for a SME to become international

Unlike large companies SMEs face a series of considerable disadvantages relative to their international expansion. These are mostly related to the lack of resources and the necessity for an immediate return of investment, both of which narrows down their potential entry mode options (Kubickova et al. 2014). Moreover, it is often the case that SMEs managers are sceptical of entering a foreign market due to the feeling of being constrained by their personal ability to manage and operate within an unknown environment (Hutchinson et al 2006).

From an empirical perspective, motives can be divided in four categories: growth motives, motives related to the company's knowledge, those that emerge from social relationships,

⁷ *Global Marketing: Foreign Entry, Local Marketing and Global Management, 4 ed., McGraw-Hill, New York.*

networks and business relations and, lastly, motives related to the domestic or foreign market (OECD, 2012). Scholars have classified the internationalization motives differently, however. Some scholars classify them as being internal or external (Leonidou et al. 2002) while others distinguishes between pull and push motives (Onkelix et al 2012) or as reactive and proactive motives (Czinkota et al. 2012, Hollensen, 2004).

The proactive motives are those that provide the company with a stimulus to try to change the strategy that it currently follows. This stimulus is based on either the interest that the company may have in exploiting competences which are unique (i.e., the special knowledge they may have about something) or on the possibilities of the new market.

According to Hollensen (2008) the proactive motives are profit and growth objectives, technological competences, managerial initiatives, product uniqueness, market information, economies of scale, foreign market opportunities, and tax benefits.

On the other hand, the reactive motives mean that the company reacts to pressures and threats that the market may have and finds ways to adjust to them by gradually changing its activities (Hollensen, 2004). These kind of motives might be competitive pressures, a small and saturated domestic market, overproduction and excess capacity, unsolicited foreign orders, the possibility to extend sales of seasonal products, proximity to international customers, or a psychological distance (Albaum et al. 1994).

It is well accepted that there are many reasons for a local company to enter a new international market. This study considers the classification given by Leonidou et al. (2002) who separated them in internal and external motives. More specifically classified motives in two main categories. Those associated with the human resource area, the financial area, the research and development area as well as production and marketing. Those according Leonidou et al. (2002) are the internal motives and the external motives are separated into those related with the market, the government, the intermediaries, the customers, the competition and miscellaneous (see figure).

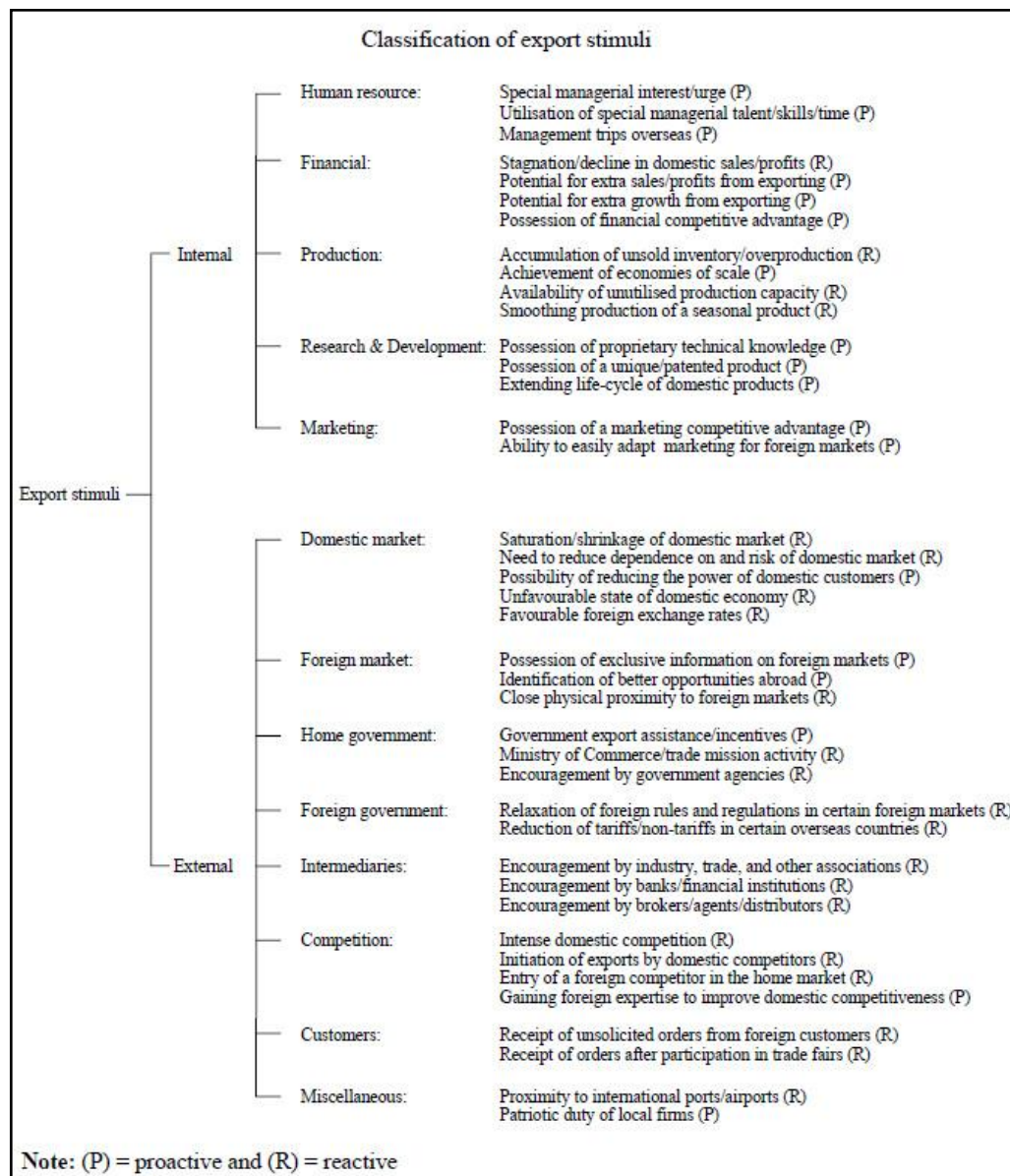


Figure 4

2.3 Export barriers

Barriers to exporting are those attitudinal, operational, structural and other constraints that prevent a company from initiating, developing or sustaining international operations in foreign markets (Leonidou 1995). These barriers are characterized by the internationalization process from the first until the last step (Gavusgil et al. 1980). According Leonidou (1995) export barriers are known with many names such as obstacles, hindrances, disincentives, impediments, or problems and such barriers are characteristics of firms who tend to engage, or are already engaged in export activities. Such impediments are a more severe problem for small companies than large companies (Ghauri et al. 1989).

Internal barriers are those obstacles related to the firm's capabilities and organizational resources as well as to obstacles related to the selected approach to internationalization (Leonidou, 1995). External barriers refer to obstacles connected with both the foreign and domestic market environment (Leonidou, 1995). Barriers can be categorized as being internal and external (see figure 3) which can be broken down to functional, informational and marketing for internal, and procedural, governmental, task and environmental for external (Leonidou, 2004).

Neither internal nor external barriers alone can forbid or constrain a company from exporting. In order for these barriers to influence export activities, there must be some triggering factors (idiosyncratic characteristics of the manager, organizational structure, and operational environment of the firm), (Barrett et al 1985). Subsequently, although barriers for firms are the same, the impact or the intensity varies from company to company (Leonidou 2004).

Managerial factors are related to the degree of managers' aversion to risk, their personal skills and capabilities, as well as if they are inward or outward oriented managers (Bilkey et al. 1977). Managers' perceptions related to costs, profit and growth characteristics towards export activities are major influencing factors too (Katsikeas et al. 1998).

Organizational factors are those related to the time firm's operation. More experienced firms are not generally so sensitive to impediments as firms that have not been in the market for very long (Leonidou 2000). Additionally, small sized firms are more sensitive to problems arising from the lack of adequate resources, managerial difficulties, or trade restrictions (Katsikeas et al. 2004).

As regards environmental factors, these have a twofold influence. Firstly, there are barriers related to the domestic market and, more specifically, to a government's policies, the infrastructural facilities or logistic systems. Secondly, barriers may be the result of the political, economic, cultural, and social characteristics of the host country where operations are taking place (Leonidou 1995).

2.4 Conclusion

The internationalization characteristics of manufacturing SMEs are influenced by a number of motives. GBM firms being SMEs follow the same configuration. Boat manufacturers need to verify the main motives that drive them to the internationalization process. The identification of the specific motives is very important because it allows managers to choose the right internationalization and differentiation strategies (Baldauf et al 2000).

GBMs are forced to make decisions that take into consideration the limited amount of strategic resources available and the uncertainty and complexity of international expansion requirements. This environment sometimes discourages them from seeking new markets abroad (Fernandez. et al. 2005).

Having limited resources, GBMs need to consider carefully the characteristics of the target market. The theory underlines that the allocation of limited resources is crucial for the international expansion of the SMEs, but of more importance is the contingent reallocation of those resources (Kalafsky, V. 2009). As a result, GBMs should re-examine their deployed strategies and make adjustments when it is required. Accordingly, the acquisition of accurate market information on new business opportunities is a very important part of the export strategy (Kalafsky, V. 2009).

The managerial team plays an important role in setting the strategic goals and implementing the strategy (Omri and Becuwe 8-42). Moreover, the ability for international expansion of small firms is mainly detached from their capability to exploit their local advantages on the international markets.

Chapter 3

Research methodology

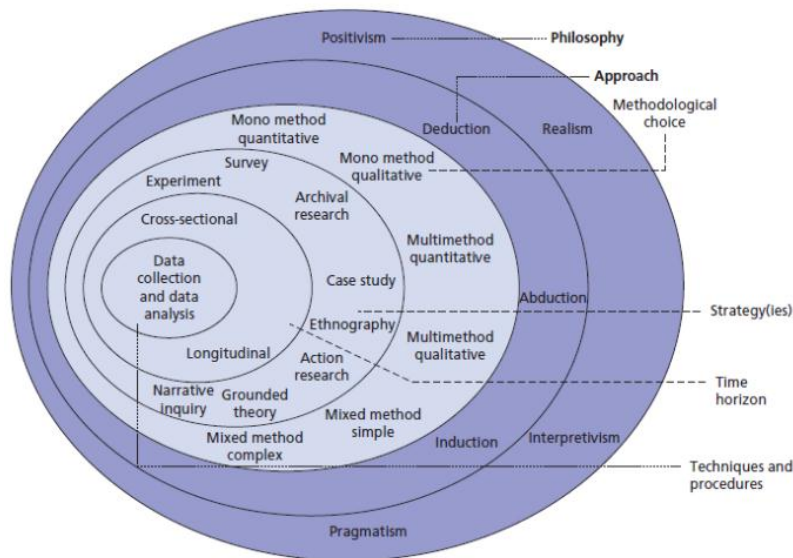
3.1. Introduction

The purpose of the research which was conducted for this dissertation was to investigate and thus to understand how the GBMs expand into the international markets. In other words, we tried to find out the motivations of the GBMs which expand to the international markets, along with the determinants on entry mode choice and the barriers that influence them. The literature review and theories about the motivations, the barriers and the different entry modes that led the above mentioned GBMs to internationalization have already been analyzed in the previous chapter. This chapter includes a description of the research methodology that was utilized for this study.

3.2. Definition of research methodology

As research we define the process of collecting information and data in order to create the theoretical framework of the issue that is being analyzed. According to Saunders et al. (2009) research is “something people undertake in order to find things out in a systematic way, thereby increasing their knowledge”. Subsequently, when a research is being conducted, there is a “research problem” which needs to be either answered or solved. The research methodology is the way to find out a result for that issue (*Industrial Research Institute, 2010*).

As shown in *figure 5* each research includes various steps. Saunders et al. (2009) suggest that research methodology has six defining elements. These are the following: research philosophy, research approach, research strategy, research choices, time horizon and analysis of the collected data (Saunders et al 2009).



Source: Saunders et al. (2009)

Figure 5

3.3. Research design

According to Myers (2008), a research design consists of the specific steps which a researcher follows in order to discover new data, analyze them, interpret the results and disseminate the findings. These choices have a certain design. Saunders et al. (2009) distinguishes three different methodologies as regards research design. According to his opinion, the investigation approach of the research may be either qualitative or quantitative or mixed (see figure 1).

The qualitative research is mainly an exploratory one, which is used in order to find out and understand the reasons that the specific issue exists. It provides the researcher with information on the matter that is being examined and helps him analyze it, test it, and possibly develop new ideas and solutions for it (Van Maanen, 1979). A qualitative research may also uncover the trends of society on the issues in question and look deeper into them. The size of the sample used is usually small (Wyse et al. 2011). The mixed method research design is a combination of the quantitative and qualitative data collection techniques (Saunders et al., 2009).

Strauss et al. (1998) provide us with a comprehensive definition of qualitative research. According to them, qualitative research is “*Any type of research that produces findings not arrived at by statistical procedures or other means of quantification. It can refer to research about persons’ lives, lived experiences, behaviours, emotions, and feelings, as well*

as about organizational functioning, social movements, and cultural phenomena". They conclude that this kind of research is valuable in order for an unknown area to be explored. Hence, this study adopted qualitative approach as the most appropriate to explore in depth the internationalization strategies of GBM.

Research approach

Furthermore, a qualitative research may be either deductive or inductive (Burnard et al. 2008). According to Burnard et al. (2008), though, every research can be handled in many different ways. The deductive research tests the existing theory and it usually begins with a hypothesis. Its aim is the definition of the causes of the specific phenomenon that is being analyzed (Saunders et al. 2009). The inductive research, on the other hand, is concerned with the generation of a new theory; this theory emerges from the data that has been collected (Saunders et al. 2009).

In this study the conducted research was deductive. Through the literature review the researcher tried to gather all the relative secondary data and theories concerning the different entry mode choices, followed by the motives and the factors that mostly drive SMEs companies to expand abroad. By gathering qualitative data the researcher aims to find out if the findings relate to existing theories, thus moving from the specific towards the general. According to Burnard et al. (2008), the deductive approach is very useful in studies where researchers use known theories.

Selecting responders

The field research process begins with the definition of the population, i.e. those companies that are eligible to participate in the research (Saunders et al. 2009). The population is defined by four parameters.

a) The information, meaning the potential respondents to this survey who are internationalized, i.e. boat manufacturing companies in Greece. All companies are required to have export activity, either currently or in the past.

b) The sampling unit, that is, the basic unit that contains the elements of the population. In this work we know the details of the GBM companies which have been internationalized and thus we defined the sampling unit as the total of them (Kervin, 1999).

c) Area being searched is the geographical region within which the questionnaires are distributed. In this case, all companies that participated in the research were located in Greece and subject to taxation under the Greek law.

d) Time is the exact period during which the research is conducted. In this case, September 2016.

The sampling frame defines those lists that include all potential respondents from which the sample is chosen. In this research we proceeded to create a list of candidate companies using data provided by the SEKAPLAS P.E.E.Y. The participants were chosen on the grounds of their export orientation. Out of the complete list of GBMs we created a short list of 41 candidates, all of which were SMEs. We promised them that their names will not be disclosed, abiding by the rules of data protection. We guaranteed to them anonymity and confidentiality. We made initial telephone contact with each firm in order to verify their names and addresses.

Selecting appropriate method

The choice of the appropriate sampling method is a critical decision in order to achieve high accuracy at low cost. According to Saunders et al. (2016), there exist two sampling method techniques: probability and non-probability sampling. In the present investigation the chosen sampling strategy is purposeful sampling, which is typically characterized as a qualitative research (Sandelowski, 1995). Thus, the selection of participants was made according to the requirements of this study (Glaser & Strauss; Morse, 1991). Hence, the author chooses participants able to provide the maximum amount of information necessary for detailed research (Patton, 1980).

Sample size

The selection of the appropriate sampling techniques along with the determination of the right size for the sample decreases the probability of errors. Van Kaans (1959) stated that for a phenomenological study to be successful, the required sample must consist of at least 10 companies. Other researchers hold different opinions. An adequate sample size is the one that allows the researcher to gain a deep understanding of the case, helping insightful analysis to be produced (Sandelowski, 1995). Conclusively, the desirable sample size is one that can provide the intended qualitative result based on the available resources, rather than a predefined theoretical standard (Sandelowski, M., 1995).

According to Patton (2002), with non-probability sampling techniques the most important issue is not the size of the sample but the ability of the researcher to gather data along with his analytical skills. Similarly, Creswell (2013) suggests that for a general study a sufficient number of interviews should be between 5 and 30, when the group of participants is homogenous.

In this study 8 interviews were conducted and, although it is a relatively small number, the researcher actually gathered all the necessary data and reached the saturation level. Reaching saturation level during interviews means that no new data is discovered from additional interviews (Alveson et al., 2010).

Data collection Tools

Using more than one method for collecting data gives the researcher the opportunity to check the different angles of the gathered data and to understand more deeply the issue. According to a study that was conducted in 2005 by Bryman and Bell, interviews are the method more often used for a qualitative research; interviews are carried out either face-to-face or by phone. For this study the researcher chose the in-depth semi-structured interviews with open questions as the method for data collection, in order to focus directly on the specific issue and gain deep insights.

Questionnaire design

This research required collection of primary data. This collection could be achieved with several methods and in this work the semi-structured questionnaire with open-ended questions was used. Details are given in the Annex, at the end of this paper.

For such a research, interview questionnaire is a fundamental and indispensable scientific tool. The data and measurements derived therewith can be considered complete and accurate. A questionnaire's content should fully cover both the general and specific objectives of the research, taking into account the time available, the constraints and the resources.

The questionnaire is a standard method for collecting and recording information with an acceptable degree of accuracy and completeness. The preparation of the questionnaire, is the most critical and delicate task. An efficient questionnaire should have completeness, clarity, consistency, appropriate structure; it should include audit questions, be brief, be perfectly correct in terms of grammar and syntax, and include instructions for completing as well as conceptual explanations (Javeau, 2000).

In this study, a questionnaire was designed to fully respond to the research questions and objectives. The design and creation of the questionnaire follow the necessary steps required: identification of the appropriate variables which are going to be used; formulation of the questions; and drafting an introductory note to explain to the interviewees the aim of the survey.

The questionnaire consists of 16 pre-determined questions which are divided into three (3) sections. All questions are simple, clear, interesting and accurate, allowing the interviewees to express their personal opinions on each subject (see Appendix 3 for examples). The first section contains questions concerning the general characteristics of the company.

The second section deals with the configuration of the strategy for entering new markets. It includes questions about the companies' motives for internationalization. Additionally, the questions about how a company decides to internationalize

are based on the combination of the theories by Messner (1994) and Han (1999). Finally, the entry modes and the development strategy used by GBM are investigated.

The third and final section contains four questions inviting general comments from the interviewees, encouraging them to also mention any suggestions they may have. It consists of one open question, where the respondents have the possibility to comment on the study, and two open questions, where interviewees make their own suggestions addressed to the policy makers and to the other GBMs. The fourth and last question asks the interviewees if they wish to be notified of the results of this research.

Design and making of interviews

This study was carried out in and around Athens, Greece, and all interviews were conducted in the companies' premises, usually in an office next to production facilities. Interviews were taken on one-to-one basis. Eight participants were contacted via telephone and invited to participate in the study. All accepted the invitation and appointments were made at times convenient for them. All interviews were audio taped, with the consent of the interviewees. The researcher made every effort to refrain from commenting and interfering, in order to not influence interviewees' opinions. Although initially each interview was meant to last 60 minutes, this plan proved to be unrealistic. The duration varied and was determined by each interviewee's available time. Thus, durations ranged from 45 minutes to 65 minutes. In any case, within these limits, time sufficed for the interviewees to answer the questions.

The interview's design, i.e. semi-structured with open-ended questions, allowed the researcher to be flexible and adjust the questions to the flow of each individual conversation. Semi-structured interviews favor building trust between the research and the interviewee, so that more information can be gathered. Every interview relies on the interviewer's communication skills (Clough & Nutbrown, 2007). For that reason semi-structure interviews were preferred to unstructured interviews-

Semi-structured interviews have sampling advantages, including greater control

over target group selection, and hence more depth, context and flexibility in the process of inquiry (Casselluj et al., 2004).

Finally, the research time for the interviews to be conducted was chosen. According to the classification of Saunders et al. (2009), time horizon falls into either of two categories. To the first, named cross-sectional category, belongs research carried out in relatively short time, taking in essence a snapshot of a phenomenon; whereas to the second, named longitudinal category, belongs research that can provide data for a longer time period and record any change or development (Saunders et al., 2009).

Data analysis method

The methods for analysing qualitative data are totally different from the analysis of quantitative data (Barbour, 2008). Since this is a qualitative study, the data analysis has a two-fold purpose. The first is to interpret participants' recorded arguments and understand their perspectives, and the second is to provide adequate answers to the research questions.

Another reason why the qualitative method was preferred is that with quantitative research, findings have to wait until the researcher has finished or is about to finish the data collection. In contrast, with qualitative research the analysis often starts with the first data collected (Burnand et al., 2008).

The chosen method for analysing the qualitative data is the thematic analysis. Qualitative interpretation of data is a diverse, complex and nuanced procedure (Holloway et al., 2003). Thematic analysis is a method that allows theoretical freedom, which makes it a useful tool when complex and detailed data are to be analyzed (Braun et al., 1998). This flexibility helps a novice researcher analyze data more effectively.

Once the interviews were completed, a three stage procedure followed (Hureman, 1984). The first stage was transcription of the data in order to be ready for the following analysis; the second stage included identification of the emerging themes and data reduction; the last stage was data labelling with representing codes (Creswell, 2007). Indeed, as soon as the emerging themes were identified, patterns finally emerged.

No computer qualitative data analysis software, like CAQDAS, ATLAS or NVino, was used. Instead, the researcher made the analysis by hand. The small number of the interviews allowed for manual analysis. The researcher also did the transcription and the translation of the interviews.

Ethical considerations

This study is undertaken in accordance with the Adam Smith Business School code of ethics at all times (see Appendix 1). By compliance with the ethics committee of Adam Smith Business School, (consent form & plain language statement, Appendices 2 & 3 respectively). Participants were also asked to sign a consent form (see appendix 4) giving permission to the researcher to use their responses for the purposes of his dissertation. Additionally, they were given the option to withdraw their permission anytime.

Since all participants signed the consent form, it is rightful to say that the study was based on voluntary participation. In the initial telephone contact, participation in the research was encouraged by explaining the purpose and the benefits of this study. The aims of the study and the data collection technique were also clarified. Moreover, the author explained how this study could enrich the participants' insights, by providing them with valuable information about the internationalization process.

To protect participants' identities, their names have been omitted from the final draft along with certain other details such as age and location. For the same reason, no transcript of the interviews was included in this dissertation but one, which serves as an example.

Chapter 4

Findings

4.1 Introduction

This chapter presents the findings from the participants' interviews. Firstly, we evaluate the descriptive statistics in order to establish the basic characteristics of the Greek boat market. This first section of the chapter, titled General Information, same as the first section of the questionnaire, sets out the descriptive statistics. The population interviewed comprised 8 interviewees selected through a non-propose sampling approach.

Secondly, we carry out an analysis of the second section of the questionnaire, titled History, which includes the factors, motives and entry choice modes GBMs use in order to access a new foreign market. In this section the interviewees express their opinions about the most important variables in regard to the internationalization process of their firms, as well as about their actions during the internationalization expansion.

Finally, the third section, titled Practical Contribution, is where the participants make their own suggestions for the improvement of the internationalization process and share any other ideas related to the subject.

Discussion of the findings presented in this chapter will ensue in chapter 5 and it will decide if the research questions are answered by the findings. Furthermore, comparison of these new findings with current knowledge will determine the degree of agreement between the former and the latter.

4.2 Firm size

All interviewees reported worsening of their business situation. The research revealed that a company's configurations were changed during the last few years, influenced by external factors, such as the financial slowdown. The current number of employees is a result of the crisis which has been crushing the Greek economy since 2008. The impact on GBMs seems tremendous. All companies were forced to downsize their personnel. All interviewees said that drop of demand challenged their companies' finances and left them with no choice but to lay off employees. The results confirm that the average number of employees among the companies participating in this study has dropped from 20 (before the crisis broke) to 7 (current). An important observation is that among the 8 companies not even one managed to sustain the number of employees it had before the crisis. All were forced to reduce it.

The average timespan of operation among these businesses is 35.75 years; the shortest is 21 years and longest 62. This variation already tells us how different the companies that participated in the survey are. The same applies to the number of their employees. They employ an average of about 6 people, while the smallest staff comprises 1 employee and the largest 10. Just before 2008 the numbers were entirely different. The average number of staff was about 24, the smallest 2 and the largest 50. Six companies admitted that when the production demand rises, they hire temporary employees; one of them outsources the whole production anyway; and only one meets the demand with the existing staff. The interviewed firms have all experienced increases and decreases in size regardless of the need for and success of the internationalization strategies they have formulated and followed. That's because the majority of their sales is in the domestic market.

Years of operation	Employee number just before 2008	Employee number in 2016
Minimum 21	Minimum 2	Minimum 1
Average 37.75	Average 24.375	Average 6
Maximum 62	Maximum 50	Maximum 10

Figure 6

The sample consisted of eight Greek boat manufacturing companies and the interviewees were four CEOs and four Presidents.

Then we analyse the data related to the internationalization of these companies. We note that the average timespan of international presence is 13.125 years, the shortest being 5 years and the longest 30 years. One of the companies has been transferred from abroad and has strong export experience. This company has extreme timespans (62 years of operation, 30 years of international presence), which place it far away from the main distribution. By leaving this company out, we get a more realistic picture, where the average timespan of international presence is 10.71 years, the shortest 5 years and the longest 16 years(see figure 6).

Years of international presence		Years of international presence		Years of operation	
8 participants		7 participants		8 participants	
Minimum years	5	Minimum	5	Minimum years	21
Average years	13.25	Average	10.71	Average years	37.75
Maximum years	30	Maximum years	16	Maximum years	62

Figure 7

4.3 Geographic areas of operations

First of all, among the companies examined there is a geographical concentration of their manufacturing facilities and sales departments in the broader area of Attica. This happened for two reasons. The first is that most of the GBMs are registered in Attica. The second is that this way they save time and money. Only one of the companies stated that apart from their production facilities in Attica they own production facilities in a neighbouring country.

4.4 Geographical spread of activities

The data demonstrate a clear preference for trading with countries of the European continent and especially with members of the European Union (see figure7). Only two of the companies reported exports to Australia and only one operates in African, Arab or other Asian countries. Furthermore, none of the interviewed companies operates in the American continent.

Geographical spread of activities in Europe	Percentage %	Frequency
Germany	50%	4
Italy	50%	4
France	50%	4
Holland	37.5%	3
Cyprus	100%	8
Bulgaria	12.5%	1
Spain	12.5%	1
Turkmenistan	12.5%	1
Romania	12.5%	1
Malta	12.5%	1
Great Britain	25%	2
Croatia	12.5%	1
Serbia	12.5%	1
Norgay	12.5%	1
Turkey	25%	2
African countries	12.5%	1
Asian countries	12.5%	1
Australia	25%	2
Rest of the world	12.5%	1

Figure 8

4.5 Thematic Analysis

The following sections outline the main themes and subthemes emerging from analysis of the interviews transcripts.

4.5.1 Motives for international expansion

There are various motives that drive Greek boat manufacturers to expand in international markets. The majority of the participants demonstrated limited international activities until the end of 1990. In order to find out the prior motive for internationalization we asked the participants to indicate what is driving them to expand their business internationally. Noticeably, none of the interviewees mentioned competitive pressure in the domestic market as the main motive. For instance, interviewee No 4 stated that because he used to live in a foreign European country, where he first founded his company, when he relocated to Greece he was already dealing with countries abroad. For him, initially the main motive for the expansion was that he wanted to...

“... grow the clientele. The more the clients, the lower the risk. When you have ten clients and you lose three of them, you are still in business. But when you have only one, lose him and it's all over.”

For participant No 3 the main motive to expand internationally was, according to his statement, to take advantage of a patent he had been granted. He is the inventor of a production innovation called ‘hard nose’, that gave him a competitive advantage in the domestic market and he then tried to take it to the international markets.

“When I set out, I had been granted a patent for an invention of mine, called hard-nose; I had been granted classification ‘A’ from Hague, being the first person in the world to come up with this idea.”

He was the only one among the 8 who also identified low competition in some foreign markets as another motive for internationalization. In his words:

“Entering a new market early can have advantages.”

Similarly, participant No 1... stated that his main motive initially was the excess productivity of his company. They were able to produce more, and they were looking to export that production abroad:

“We entered the market of Cyprus in 2006. We did not know that a crisis of such magnitude laid ahead of us. We just thought that with the productivity we then had we could support the Cypriot market as well.”

Participant No 7 reported different initial motives. This company happened to collaborate with a foreign manufacturer from whom at some point it bought the license and the know-how to produce their products in Greece. At first, this participant sold the new products in the Greek market, but after a while, having already built a strong position in the local market, he decided to expand, and manufactured boats for the European markets as well. Participant No 5 explains:

“Our collaboration with the foreign manufacturer opened the door for us to meet foreign dealers. So, in 2000 we started production of a new line and exports to these dealers. After a while we had our own network of representatives.”

Participant No 2 stated that for his company the initial expansion was due to unexpected demand from foreign markets. During a boat show in Athens, some fishing professionals from abroad got interested in his boats and placed a big order. This then was followed by another one. Participant No 2 remembers:

“Our first export came by chance, we had not planned this. Some big fishing boat owners from abroad saw my boats in that show in Athens and decided to buy a number of them as escort boats for their big ones.”

Participant No 5 also expressed the same initial motivation, namely unexpected foreign demand for his products. He reports:

“We took part in boat shows, where people noticed our products and placed orders. These were high quality, awarded products.”

As all GBMs pointed out, boat shows are the most effective promotion strategy.

Some participants think that the strongest motive for their internationalization was the steep decline in the domestic market and the subsequent financial difficulties they faced. Finding new markets was the only way to compensate for the sales decrease in the domestic market. In particular, participant No 1 pointed out that

“...it was all about revenue. We had to find new markets. There was a huge decline in sales, more than 50%, which drove us abroad.”

The steep decline in domestic sales helped them realize that the only way to survive was to turn to exports. Accordingly, participant No 1, in agreement with participant No 8, underlines that

“...we turned to exports, because in Greece there is no market anymore, there are no customers.”

In addition, participant No 8 stated that looking for a new market he was confident about the quality and value of his products. In his words:

“The main reason was that domestic demand sunk. We did some research and realized that our products would look good in other markets, both in terms of quality and cost.”

Noticeably, quality of products is a common concern among all interviewees. They all were confident about their products' quality and performance. They all were convinced that their products could compete in the international market.

For instance, participant No 5 said:

“My products were of very high quality. Actually, we have received awards for the quality of our products.”

Participant No 2 concluded:

“Our boats are excellent!”

Participant No 1 made clear that

“The products manufactured by my company are first class. You could say they are among the best made in Europe. We make products of value and this is surely noticed by foreigners.”

Participant No 2 went so far as to say that

“In some cases the Greek market is bigger and more demanding than other markets.”

Participant No 2 was so confident about the level of quality of Greek boats that he made a general judgment about Greek products:

“I’d say that we make boats of higher quality in Greece. Not only my shipyard, but others too, even those which are considered second class here, are clearly better than many foreign ones.”

This belief seems to be supported by the fact that the domestic market is very demanding. Greek consumers are known for insisting on very high levels of quality. Manufacturers had to meet the requirements. In doing so, they reached a high level of manufacturing quality.

4.5.2 Barriers to internationalization

Many participants had assumed that the boom of Greek economy before the crisis would last forever. Then, when the recession occurred, they thought that it would not last for long and would not be so severe. It took them a lot of valuable time to realize what was really going on. Participant No 5 felt that the crisis broke suddenly and unexpectedly; they were totally unprepared. Considering the global range of the recession, he added that other countries, with a long and important boat building tradition, like Italy, were better prepared to overcome the financial slowdown. Italy is the number one boat builder in Europe.

“They dealt with severe crisis too (the Italians) and made a better judgment; they realized in time how bad things were and they reacted. We, on the other hand, thought it would soon be over and we’d be OK.”

This manufacturer is the only one from the group that in 2009 stopped selling abroad. Participant No 5 explained:

“We could not have known that a crisis so long and severe was coming.”

Needless to say, such statements indicate lack of strategic thinking.

All participants felt safe with the Greek market, they thought it would keep absorbing their production and saw no need to turn focus to exports. For instance, participant No 5 noted, in regard to the Greek market:

“Let me give you an example, so that you get the picture. There was a time when in France there were sold 30,000 outboard boats and in Greece 13,000 with higher average horsepower.”

Another important reason for focusing on the domestic market was that Greek manufacturers, typically SMEs, were insecure about their managerial skills and doubted they would be competitive in the international markets.

Those mixed feelings of safety about the Greek market and insecurity about their own skills, kept manufacturers hesitant and reluctant to change. They stuck to the domestic

market and tried to make the best out of it in order to grow their business. Only a small number focused on boosting exports. The rest kept exporting only small numbers of boats.

4.5.3 Productivity

One factor which creates some uncertainty and puts a barrier to international expansion is the current productivity level of the companies. The manufacturers are aware that their current productivity level is low and does not allow them to deliver a big order while they keep satisfying domestic demand; domestic demand is important, because, albeit decreased, it comes from loyal and repeat customers. The majority of the manufacturers relocated their production facilities to smaller premises. For example, participant No 6 noted:

“We used to operate in a place with four times the space and production capacity. The recession made us relocate to a much smaller space with lower production capacity. But still, we have to satisfy our long-time customers, as we can’t afford to lose them. As a result, we had to turn down a big order for a hundred boats, because if we had taken it, we would have had to deny service to our steady customers.”

Consequently, companies are limiting their internationalization strategies and their international business goals.

Another participant, No 2, commented:

“With our current facilities it’s difficult to go international, we can’t do it.”

4.5.4 Manpower

In order for a big order to be delivered, an appropriate number of staff is required. Lack of adequate manpower prevents businesses from taking big orders. Many participants felt their current employee number was insufficient to satisfy a high demand. Moreover, the majority of the participants hold that recruiting experienced staff is no easy task, since there is no technical school in the country, either public or private, to provide proper training. It is every manager’s responsibility and concern to train the new personnel in all the sector’s technical requirements. This situation creates operational problems and limits production capacity. Unskilled employees demand considerable time and effort in order to acquire the skills they need so that they can perform at a professional level. As participant No 2 noted,

“We are understaffed, because trained employees are hard to find. In the 90s there used to be training seminars, but those were not a long term solution and they were discontinued anyway. When the industry began to decline, many of the specialized employees left, to seek employment in other industries that would offer them job security.”

The lack of experienced staff, increases difficulties, as companies have a hard time finding new employees when they need them, and even if they do the cost is higher. As participant No 4 put it:

“Young people don’t want to do this job, they prefer to wear a tie and sell insurance. And foreign workers cost more.”

Moreover, the tax on employers is generally believed to be too high. The state should lower it, so that the industry’s companies can be more competitive in international markets. Cost reduction is a critical point in the internationalization strategy of Greek boat manufacturers.

4.5.5 Promotion

Another issue noted by all participants was the lack of brand recognition, which limits the effectiveness of their promotional campaigns. Not only boats, but Greek products in general lack support. All participants appear to understand the importance of brand recognition and relate it to their difficulties in selling their products abroad. They cannot apply effectively product differentiation strategies able to make their products more appealing in foreign markets than those of local competitors. The limited financial resources do not allow them to create a brand image strong enough to provide them with market penetration capabilities. Opinions vary whether it’s the governments’ job to support the industry’s internationalization process by creating a brand name. Some participants believe that the government should take the initiative and help towards that end, though they doubt it will ever do. Participant No 4 commented:

“Foreign markets don’t trust Greek products, and that’s because we have not created a brand name. Other countries have, although they don’t make better products. It’s like we did with the olive oil. We produce the best olive oil in the world and give it wholesale to the Italians. Now the Italians have the best market position in the USA, while we cannot sell a single bottle. Same goes with boats; when it was time to penetrate the markets, we couldn’t do it. It’s all about branding, you know.”

Other participants thought the exact opposite. According to their view, the Greek government lacks a solid strategic plan; government officials make decisions based not on the most beneficial policies but rather on political criteria. These participants believe that every time the government interferes it is bound to create more problems than it may solve, because for the government, any government, it’s always the political benefit that counts the most. As participant No 7 noted:

“I wouldn’t like the government to take part in the creation of a brand name. Nothing good can come out of it. The state is nothing but a hindrance.”

All participants focus on creating and sustaining a good brand name. Participant No 5 noted that the lack of brand recognition forces Greek manufacturers to lower their products' prices and, as a result, their profits diminish. In his words:

“When you have no brand name, you sell for peanuts.”

Interviewees' recognize the importance of competitive pricing strategies. The price should be low enough to generate sales and compete with rivals' products, but at the same time they should be high enough to generate substantial profit for the firm. Setting the product's price is one of the most significant aspects of their internationalization strategy. The final price should be affordable for the customer and competitive in the market. Entrepreneurs face a remarkably strong competition from other firms. Participant No 7 is very specific about it:

“So, if you have no brand name, you cannot compete with the Turks, who can sell cheaper, because they operate under a weaker currency. Neither can you compete with the Polish, whose production facilities are located closer to the center of Europe, so they don't have to charge as much for transportation, to deliver the product.”

Participant No 1 is the only one who clearly stated that his product was recognized in most of the European markets, as a result of successful promotion strategies and participation in popular boat races. A number of victories in the latter helped him to promote effectively his products.

“The company is known in Europe since 2006, as a result of participating in boat races. Our boats won some of those races as well as the reputation of good performance. This gave us a great advantage in terms of promotion and advertisement. The races played a key role.”

Participant No 1 thought that the Greek economic crisis destroyed every effort that was made to promote Greek products in the international markets. Customers abroad expect all Greek products to have low prices. He says:

“The European consumer thinks that, since Greece undergoes a serious recession, Greek products should be cheap. Period. All our efforts to make a brand name have been crushed by the crisis.”

All participants of this study agree that the most effective way to boost brand recognition and make their product noticeable to international customers is the participation in international boat shows. Additionally, boat shows give manufacturers the opportunity to see with their own eyes how attractive their products can be in a competitive environment. It is also important for the consumers to be able to closely examine the product, feel its quality with their skin. As participant No 1 put it:

“The best way to promote and advertise our products is to load a boat on a truck and take it to a boat show abroad. We get most of our customers in these shows. You don't buy a boat before you get on board and, realize the dimensions, touch the material.”

Participation in international boat shows provides more than brand recognition and opportunities for networking. It is also a way for manufacturers to demonstrate a solid commitment to doing business. Participant No 2 explains:

“You have to show commitment and consistency. When an important German dealer notices you come to this boat show every year, one year exhibiting in a pavilion of 200 square meters, the next in one of 400, and the year after that it’s 400 again, all this is bound to boost your business.”

Although participation in boat shows is the best way to advertise their products, all boat manufacturers realize the opportunities new technologies offer them to get in touch with foreign agents, distributors and customers. An increasing number of consumers use social media and mobile internet to do some initial research on products and prices before making their choices. More importantly, by using new technologies GBMs can find opportunities for collaboration. Participant No 6 suggests that manufacturers

“should try to use the internet in order to get in touch with foreign merchants.”

4.5.6 Government support

The issue “lack of government support” came up frequently throughout the interviews. All participants felt that the current recession in the industry is so severe due to lack of government support. Most of the GBMs regard the state as a hostile force instead of a helping hand. They believe the state is hostile not only to their industry but to every manufacturing activity. In their view, the Greek government should take measures to encourage all types of manufacturing firms able to generate economic growth and employment and improve the net exports of the country, rather than drive them to extinction.

This situation has brought uncertainty and insecurity to all manufacturers. There was a strong feeling among the participants that politicians will never support them, they will only cause more trouble. Participant No 5 does not beat around the bush:

“The state was always against us, always hostile to entrepreneurship.”

Participant No 6 adds:

“The state is an opposing force. It’s not fair. The state should see the big picture, what’s good for the country, in what ways can revenue be generated.”

This sentiment was echoed in the words of participant No 6:

“The state does not help at all. There are many ways to help. In all other European countries the state helps.”

This situation makes manufacturers more hesitant about internationalization, as they know that they can expect to receive no help or guidance, which means that the process would consume a serious part of their resources and challenge their managerial skills.

4.5.7 Taxation

According to all participants, a big part of the blame for the decline of the industry falls on taxation. High taxes don't allow firms to offer their products at competitive prices, thus they undermine the prospects of recovery and the competitive presence in international markets. Government policies were regarded as harmful by all participants. As participant No 5 pointed out:

“With so high taxes and a VAT of 24% there is no business. A VAT of 15% would be tolerable. In other Balkan countries business taxes are low. In Bulgaria it's 12%. When business taxes are high, product prices go high and the foreign consumer buys from somewhere else. It's that simple.

Similarly, participant 7 expressed his frustration by noting that there is no future for manufacturing in Greece. He is the only one among the participants who created a joint venture with a third party in a neighbouring country, keeping in Greece only the production facilities, to serve the domestic market.

“Taxes are high, there is no future for manufacturing in Greece. Greece is the place only for tourism and services. That's why we decided to go to Turkey and form a partnership there.”

The motive for this strategic decision is lower taxation. Almost all the manufacturers have considered forming a partnership abroad.

However, the height of taxes is not the only problem of tax policy. Another serious problem is inconsistency; the tax system is as unstable as the weather, with changes legislated every few months, making it hard for manufactures to keep up with the present and plan for the future. Greek boat manufacturers show some understanding for the height of taxes, given the austerity and all, but don't understand instability. Participant No 3 explains:

“Of course, business taxes should be lowered. But if the government cannot do that, at least it can provide a stable environment, where taxation will not change every couple of months.”

Frequent changes in taxes affect the cost of production and make it difficult for Greek manufacturers to keep a steady and reliable price list for foreign customers. This is a point on which all participants agree.

During the analysis of the interviews transcripts, it was noted that high taxation was mentioned as one of the factors that have impeded the internationalization effort.

4.5.8 Finance

Another important obstacle is the access to capital. Finance is one of the most important functions of any business. All participants indicate finance as one of the most important factors in managing their business growth. The increase of staff number following a big order, the development of a new product, relocating to new production facilities and in-

vesting in international markets, all these investments need financing. According to all participants, debt finance such as business loans, short term loans that are necessary in order to finance the cost of a new order, e.g. buying the necessary materials and equipment, is out of question in Greece during the crisis. Participant No 6 comments:

“For certain people, who don’t even have a productive activity, it’s easy to get a loan of 50 or 70 millions. For us, manufacturers, it’s difficult to get even 2,000€. Say, if I go to a bank and ask for a short term loan, that is 4,000€ or 5,000€ to pay this week’s salaries, they will turn me down. This is a big issue. With out any finance whatsoever you cannot run a business, or take a big order, or expand, or internationalize. You’re stuck.

Debts from old loans is another issue that holds back GMBs. During the years of prosperity companies made investments and borrowed money, which after the collapse of the domestic market was hard to pay back. Participant No 5 admits:

“Nowadays, none of us is clear with the banks, there is no way! Everybody has issues with their loans, everybody is behind in payments.”

In addition, GBMs have also to deal with credibility issues of Greek banks. Participant No 4 explains:

“My providers wouldn’t accept a letter of credit from a Greek bank, they only would accept one from a foreign bank. But that would have raised the cost by 10 per cent. The order was for an African country and the contract was cancelled.”

In addition to all these finance problems, another barrier emerged with the implementation of capital controls, a measure taken by the Greek government in order to limit the cash flow in and out of the Greek economy. Capital controls made imports a difficult procedure. According to the participants, banks are not helpful and the whole procedure creates delays. But when the banks are to be paid, they demand abiding by the deadlines or else they impose fines. Entrepreneurs pointed out that in order for them to be competitive and credible to foreign customers and partners, the payment and delivery process needs to be simplified; the way it is now it’s just bad for business. Participant No 8 says:

“It was very hard to transfer money abroad. What’s worse, our foreign providers took a lot of time to understand what capital controls was; we tried to explain, we told them our money has been seized, but they kept asking what that meant.”

4.5.9 Geographical positioning

Distance and geography is another barrier for GBMs. Transportation cost is of great importance for the small boat manufacturing companies. Their pricing policies and the quality of their products are their only means to deal with international competition, which is quite harsh. For that reason, the transportation cost is a critical factor. As participant No 6 noted:

“A very important factor for the success of the export is the transportation cost; the boat can’t be easily put into a container. A container fits 4 small boats; if a boat costs 5000 euros and the transportation cost is 1000 euros, it is almost impossible to export it since we

have to find a carrier that can stow them without hitting them and with a cost that the consumer can afford”.

Geographic distance not only increases cost but also increases the required time for any commercial transaction (Dunning, 2001).

CHAPTER 5

Discussion

Chapter 4 presented the findings from the data collected through the primary research (in depth semi-structure interviews). Managers were questioned and gave an account of how they were motivated to pursue international expansion, which factors influenced their decisions, and what their concerns and the lessons from their internationalization were. This chapter will interpret and explain findings.

5.0 Introduction

This is the first study, to the author’s knowledge, to examine completely new empirical findings about the issues related to the internationalization process of GBMs. Contrary to expectation, the research found that although there is an increasing pressure on GBMs to export, the latter lack the necessary resources and government support. Thus, the results of the study indicate that small companies with limited resources found it extremely difficult to invest in foreign markets, even though direct or indirect export is for most of them the only solution. For the overwhelmingly majority, exporting is the predominant entry mode choice. Findings demonstrate that most of the GBMs are considerably widely diversified on their export sales, and are targeting specific, markets, but still are consecrated in the European markets. This confirms Katsikea et al.(2005) who supported that when a small firm exports its products, either targets on key markets or widely diversify its export sales. Moreover only one of the firms has created a joint venture with a foreign partner, in order to facilitate export activity. Noticeably, this particular firm is one of the most important manufacturers in domestic market. Most participants in this study report that at some point in the past, when their financial status was better than the current one, they did examine the joint venture solution.

5.1 Motives

The research also demonstrates a variety of motives emerging from three different periods. During the interpretation of the data the researcher made a distinction between three different time periods, which made a noticeable difference in the internationalization motives.

These three periods are defined by years in which major events took place. Firstly, there is the period from the 80s to 2004, the year of the Olympic Games in Athens. The currency for the biggest part of this period (until 2001) was drachma, weak enough to make Greek products competitive in the international markets. The economic climate in Greece was very promising and the country's economy was expanding. This particularly promising economic climate not only strengthened the company's position in the Greek market but also allowed it to use the extra resources for its internationalization effort.

The second period is from 2004, when Athens hosted the Summer Olympic Games and the economy skyrocketed, to 2008, when the impact of the Games had faded away and the debt crisis broke in Greece. Another important event related to this period is the adoption of the new currency, Euro, by Greece (2001).

The participants who tried international expansion within the first two periods were established firms, which attempted to bring some advantages they gained in the domestic market to the international markets. These firms demonstrated different levels of operation, having different strategic goals.

The third period is from 2008 to the present. Only two of the companies interviewed in this study started their efforts for internationalization within this period; it was because they suffocated due to sinking domestic sales and sought new markets for their products. The analysis indicated that the steep decline in domestic sales is currently the dominant motivation factor for internationalization. The managers have realized that internationalization is the only way that can lead to growth and generation of profits.

The thematic analysis also revealed that all manufacturers who participated in this research were confident about the overall quality of their products, which they consider as top quality with international standards. Although their boats lacked the exquisite aesthetic finish that one can only admire with boats made by some other top European manufacturers, the Greeks managed to succeed. According to their statements, a considerable amount of progress has been made, but the majority believes that there are still things that need improvement. One of these things is the design; it's what a customer notices at first sight and if it's not attractive enough, it may be a strong hold back, no matter how robust the construction, how excellent the sea handling features or how amazing the stability of the boat. In summary, most of the manufacturers recognize their relative weakness in the design and partially in some technological features. Just to be fair, considering the available limited resources, there are bound to be some weaknesses. It is the lack of financial resources which obliges many of the Greek boat manufacturers to acquire existent technology and, to some extent, copy the design of foreign constructions.

The findings also indicate that, although manufacturers agree that lowering production costs is very important, even more important to them is growth. This prioritization seems to be based on two influential factors. First, boat construction is a labour intensive task and the average wage in Greece has been massively reduced in the last few years. As a result, labour cost has decreased significantly. Additionally, it seems that the free fall of sales in the domestic market made manufacturers look for new growth opportunities and new markets. For the majority of them, the European market and especially the European common market is their first target. They are not seeking to globalize their production, although they are exploring this option and do some individual sales. As a result, only a small proportion of the sales are made in markets outside the Common European markets and generally outside the European borders. Characteristically, GBMs have stayed away from important markets such as North America and China, a new important player.

Thematic analysis indicates that cultural reasons are not mentioned as important reasons for any decision. This is probably compatible with the idiosyncratic characteristics of the Greek entrepreneurs. They demonstrate flexibility and adaptability in access.

5.2 Barriers

Another reason that creates some concerns is the geographic distance, which makes GBMs reluctant to export to other continents. This influences manufacturers in many ways. Firstly, the transportation costs are too high as a percentage of the total product cost. Secondly, the need to frequently travel to these distant destinations to meet partners and collaborators adds more expenses. Thirdly, the European Union Market still represents a high GDP, which makes it an attractive market, with good growth potential. Lastly, European countries have a long and strong maritime tradition.

Moreover, the findings indicate that managers play an important role in the internationalization process of the firms. The one to one in depth interviews pointed out that the managers' orientation, as well as the intensity of their efforts depend on their idiosyncratic characteristics, and they are fundamentally influential factors of the process. The manager is the only person responsible for the internationalization process of his firm, so any biases in his decision making may put at risk the whole process. To lower that risk, the Greek government should consider establishing, via Enterprise Greece, an office able to provide valuable assistance to the international operations of the firms by educating managers on modern practices and guiding them in decision making.

It is also well understood that boats are relative expensive products made to satisfy the owner's needs mostly at leisure time. With the outbreak of financial crisis in Greece, the purchasing power of consumers has decreased rapidly, and so has their interest in buying boats. Not only decreased purchasing power, but also a negative state of mind and feelings of frustration and worrying about the future can have a negative effect on the demand for such products. Subsequently, the demand in the domestic market has vaporized. What's more, the European demand has also decreased. Although the crisis was global, other economies seem to have manage to overcome the issue. Consequently, the European markets, being geographically closer and operating under common lows, are excellent for the Greek boat manufacturers to export their products.

A major factor that came up in the research was the extreme hostile domestic economic environment in which Greek boat manufacturers have to operate. This environment remains hostile due to governmental policies. High taxation rates is one example. In contrast with the large firms, which have an excess of financial and non-financial resources, the GBMs face extremely financial difficulties. This hostile domestic economic environment sabotaged the effort of GBMs towards the establishment of sustainable international operations, by minimizing their available resources. No matter how capable the management of a firm is, if the firm lacks the required resources to compete in the foreign market, it won't succeed. Managers are greatly concerned about their future and their internationalization efforts. This concern is realistic and pragmatic, because smaller companies consider barriers to exporting as more significant than large firms, in agreement with Ghouri et al. (1989).

Another key finding is the importance of the firm's country reputation and the impact it has in the internationalization process. Findings indicate that Greece's reputation has suffered, as a result of the on-going debt crisis. This situation seems to have a deep impact on GBMs. The rumours that the Greek state might exit the European Monetary Union created a difficulty in finding partners in the host countries. Similarly, the bailout loans that the Greek government required made the country's reputation suffer even more. Additionally, Greek firms are forced to pay cash in any transaction; no credit is allowed for them anymore. Accordingly, findings indicate that, as a result of the debt crisis, in the eyes of the international customers, mainly in the countries of European Union, Greek boat manufacturers are associated with low prices. Potential customers or partners are well aware of the difficulties GBMs face in the domestic market and they demand lower prices.

5.3 Entry mode choice

For these reasons, the majority of the GBMs base their international expansion on indirect exporting (foreign agents and distributors). However, they do make some direct exports as well, if there is an occasional demand. This behaviour is perfectly understandable and expected. The majority of the respondents, who have built their international activities based on a third party, confirm the theory (Leonidou et al., 2002). The research also demonstrates the importance of exporting as the dominant entry mode choice. Thus because it requires minimum cost and poses minimum risk compared to the other entry mode choices (Anderson et al., 1986). Small firms lack the necessary knowledge and resources to handle even the minimum cost and risk of international expansion, so they rely on collaborating modes of operation, which is in agreement with Zaxarakis (1997).

All participants confirm that foreign partners are of great importance when entering a new market. A foreign distributor who can effectively serve the customer and provide after-sales service is what GBMs need. A distributor who provides after-sales service for the products in the host country not only enhances the firm's reputation as a respectful manufacturer, but also reduces the required cost for the manufacturer. Otherwise the boat should have been sent back to domestic service facilities. This entry mode choice, though, takes control from the manufacturer and hands it almost entirely to foreign partners.. Manufacturers demand from partners to satisfy some minimum prerequisites. For instance, to know the local market, to be able to provide manufacturers with information about the requirements and the trends of the market, and to be in a position to technically support the product, either to service it or to make modifications. Moreover, partners are almost entirely responsible for the promotion. As Brouthers (2002) demonstrated, this choice is very important, because it determines the level of control, and it is not unsurprising, given the available resources. Accordingly, the degree of competence of the manufacturer determines the level of dependence. Although there is a differentiation on given trust among participants, firms with longer international experience give more attention to this matter.

Findings also demonstrate that Greek manufacturers having limited resources tend to base their efforts on networking, in order to acquire the necessary amount of information and knowledge. Their limited resources prevent them from using external assistance, such as hiring private consultants, and the national business associations and other government agencies seem to be short of resources and capabilities, so they can hardly offer any assistance. As a result, in order for firms to take advantage of new market opportunities, they will need external support and guidance. Again, Enterprise Greece could help them to identify, evaluate, cope and exploit any new opportunities

5.4 Limitations of this study

Although the researcher evaluates that the study has reached its aims and objectives, and the findings can be realistically applied to the population of GBMs, there are some limitations and shortcomings. Though all the participants are owners and executive chief officers of the companies, thus able to provide valid and insightful information about their companies, it must be mentioned that there is a possibility of memory bias from the retrospective nature of the given information. Actions completed in the past always can be recalled differently than what actually happened.

Although extensive efforts were made by the researcher to reduce the risk, the obvious lack of ability to confirm the given confidential information makes him be cautious about the validity of it. During the research it was discovered that some of the production facilities which have been operated for decades by respectable firms were located outside the official industrial area, banned by the Greek government. Greek state should provide a solution to this unusual situation. Although the researcher has no indications of false information, the possibility of some bias should be at least recognized.

Finally, another limitation that emerges from the qualitative nature of this research is that “because qualitative research occurs in the natural setting, it is extremely difficult to replicate studies” (Wiersma, 2000, p. 211).

5.5 Recommendation for further research.

Although this research has achieved the objective of finding insightful knowledge on the nature of the internationalization process of the Greek boat manufacturing industry, there is much more that could be done in order to acquire a comprehensive understanding of this process. As revealed, the sector faces considerable difficulties, which have led to some extent to its deterioration by creating problems to its internationalization process. Firstly, the theory should be in agreement with data from other resources in order to be validated. Additionally, these results describe for the first time, how micro, small and medium businesses operate in an economic environment where capital controls have been imposed. All this has created an extremely challenging environment for SMEs to export and compete internationally. More research should be conducted about the difficulties SMEs face in this economic environment.

Moreover, since this is the first study, to our knowledge, to examine the internationalization process of the Greek boating industry, further research will help increase the knowledge on this subject. Managers’ influence also seems to be of great importance as regards the internationalization process and should be thoroughly examined in a future research. Additionally, the validity of the findings could be enhanced by conducting similar studies, engaging more boat manufacturers and collecting quantitative data.

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APPENDIX 1



Consent Form

Title of Project: 'The Internationalization strategies of Greek boat manufacturing industry''

Name of Researcher: Dimitrios Papanikolaou

1. I confirm that I have read and understand the Plain Language Statement for the above study and have had the opportunity to ask questions.
2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.
3. Do you agree or disagree to be audio-taped for this study (Agree/Disagree). I

4. I agree / do not agree (delete as applicable) to take part in the above study.

Name of Participant

Date

Signature

Researcher

Date

Signature

APPENDIX 2



College of Social
Sciences

Participant Information Sheet

Study title and Researcher Details

'The Internationalization strategies of the Greek boat manufacturing industry'

Dimitrios Papanikolaou
Adam Smith Business School
Glasgow University, Scotland.

Invitation paragraph

You are being invited to take part in a research study. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part. Should you agree to participate, you would be asked to contribute in following way. We would ask you to participate in a 60-minute interview, at a time convenient to you. We intend to protect your anonymity and the confidentiality of your responses to the fullest possible extent, within the limits of the law.

What is the purpose of the study?

The aim of the present study is to investigate the behaviour of the Greek boating manufacturing companies while they expanding to new markets and to identify the different strategies they are using.

Why have I been chosen?

Because you are an experienced boat manufacturer.

Do I have to take part?

Your participation in this study is entirely voluntary and you are free to refuse to participate. Even if you do decide to participate, you may withdraw from the research at any time. If you do wish to withdraw from the study, contact the researcher via email or phone advising that you wish to withdraw from the study. Upon this request, any data associated with your participation would be deleted from the records.

What will happen to me if I take part?

Nothing could be harmful since all personal data given will be kept confidential. All information gathered from participants will be kept securely stored. Electronic data will be password protected. The names of the company and of the interviewee will be replaced by pseudonyms. In any publication, information will be provided in such a way that you cannot be identified. It is required approximately 60 minutes in order interview to be conducted.

Will my taking part in this study be kept confidential?

Yes. All answers and personal data given will be strictly treated as confidential and will be treated in line with the University of Glasgow's ethics research policy. The data you provide will be confidential, and no identifying information will be sought. Only group data will be analysed and reported. Please note that assurances on confidentiality will be strictly adhered to unless evidence of wrong doing or potential harm is uncovered. In such cases the University may be obliged to contact relevant statutory bodies/agencies.

What will happen to the results of the research study?

Records will be retained for as long as is required. The records will be retained only for the required purpose in compliance with Principle 5 of the Data Protection Act: "personal data processed for any purpose or purposes shall not be kept longer than is necessary for that purpose or purposes". The results of the project will be reported as a part of a Master thesis. In any publication, information will be provided in such a way that you cannot be identified.

Who is organising and funding the research? (If relevant)

Me, as a researcher, is organising the research and act as the principal researcher.

Who has reviewed the study?

This study will be continually reviewed by researcher's supervisor within the University of Glasgow and the examining board within the Adam Smith Business School. Ethics has been reviewed by Adam Smith Business School Ethics Forum in the Social Sciences at the university of Glasgow.

Contact for Further Information

If you have any concerns regarding the conduct of this research project, you can contact the College of Social Sciences Ethics Officer Dr Muir Houston, email:

Muir.Houston@glasgow.ac.uk

Alternatively, you can contact my supervisor of this project, Dr Margaret Fletcher. His contact e-mail address is: Margaret.Fletcher@glasgow.ac.uk

Should you wish to contact me my contact e-mail address is:

2223648P@student.gla.ac.uk

and my mobile number: 00306951692203

APPENDIX 3

'The Internationalization strategies of the Greek boat manufacturing industry'

Introduction:

Currently I am studying Master of Business Administration (MBA) in the University of Glasgow United Kingdom. Your organization was selected from a list of Greek businesses held by the Association of Greek Manufacturers of Polyester Alloy Boats, Accessories, Components Merchants and Services. I am conducting research about the different internationalization strategies used by Greek boat manufactures while them entering in a new market. You should know that participation in this study will be treated as confidential. The responses of all organizations taking part will be combined into a report. The information that will be gathered from respondents will be very useful for the development of this research. Each statement and data collection from respondent will be used for research purpose only and will be treated as confidential, in line with the University of Glasgow ethics committee. Results will be anonymous and aggregated so that individuals cannot be identified from the results. These data will be used in an anonymized fashion for this research project.

Moving forward, I would like to focus on the main issues of your business international activities.

Interview Questions

SECTION 1

General information

Interview record

Company: Participant 6
Address: Participant 6
Name and total number of countries company has international activities with (in order, first to last) and year of internationalization: Cyprus Germany, Malta, Spain, Bulgaria, Rumania, and Australia. To 2008
Business founder (s): His Father.
Year of founding: 1964
Name of interviewee and position: CEO and Owner
Number of Employees: Total/Domestic/International. Today only 4, before economic crisis 20.
Total annual sales: Total/Domestic/International: Today 250.000, before economic crisis 500. 000 80% domestic sales and 20% International sales.
Website/email/contact: Participant 6

SECTION 2

History

1) What were the basis or main reasons why your company went international? Could you mention them separating in internal and external factors?

The first and main reason is extroversion...we are trying to find solutions in selling not directly in retail. We are looking for new partners abroad; this means that our politics is to have one dealer in every country in order to minimize the possibility for someone who wants to buy the product to bargain. It is another thing to be able to have a talk only with one person.

The fact that we were trying to expand was simply financial; we were seeking for new markets. There are many ways to do that i.e. internet marketing; a product may be advertised in a web page like Alibaba.com or export India and in many European platforms-mainly in France and Germany. Of course this activity has a high risk; in order to reduce the risk. I try to have a talk with them on the phone so that I will hear their voice and I will collect some information concerning his business.

2) How would you describe your company's position in the domestic market right before going international?

The sales were dramatically reduced, almost 50% down; this situation made us to think and move forward. The boat is considered to be something luxurious and something that people truly need...therefore the psychology of the potential buyer drives him to a decision not to do such a purchase and us to try to find new markets.

3) Before choosing a new market what are the main points you consider relative to your company's capabilities? E.g. assets size, human resources, branding and advertising requirements, ownership, age

Starting from 2008 the leadership of the company passed from my father to me resulting to the design and development of new boats from the scratch; in that way we would be able to become competitive and to present a new and innovative product in both the domestic and the foreign market.

The financial part of our business, meaning the reduction of the income and the increase of the costs-before we came here we used to have a much bigger space, almost 4 times bigger and therefore a bigger productivity capacity-this situation combined with the know-how from my past, the studying and the business capacity I developed, made us move to a much smaller space where the production would be very precise and it should be distributed equally to all the customers so that there would not be any complaints. Due to that situation he had to deny a very big order for 100 boats since we could not be reliable for all our customers. Apart from that we were scared that this could be a criminal action of money laundering.

4) Before choosing a new market what are the key factors you consider relative new markets attractively? E.g. geographical proximity, cultural reasons, market size

The truth is that when we started to make exports he had set some restrictions as far as the places of selling our products are concerned. We were trying to find money and when we started to make exports and a part of our production-around 20%- was going abroad we realized that we should have greater expectations from our salesmen; we did not define how many boats should each one have-we defined though that each trader should have some specific standards i.e. that he has to equip the boat with a specific engine or to have an after sales service or to have the know-how of the building of the boat.

A very important factor for the success of the export is the transportation cost; the boat can't be easily put into a container. A container fits 4 small boats; if a boat costs 5000 euros and the transportation cost is 1000 euros, it is almost impossible to export it since we have to find a carrier that can stow them without hitting them and with a cost that the consumer can afford.

5) What areas of knowledge were needed, relative to the new market? E.g. market research

We had to learn how to be advertised in the markets but the reason that we gained the trust of the consumers was that our products were of high quality. We had a thorough examination of the standards that all the consumers seek to find; in that way we will be able to sell the boats more easily. For that reason we changed the design of our boats and we chose for them the best possible materials. We used some of the existing ideas but we did not copy them; the boats are completely ours and not like the 70% of the boats which are built in here but are copies of the boats which are built in Italy, France and Norway.

6) Where did you learn learn/acquire this knowledge? E.g. government/private consultants

Personal effort and friendly shipyards; I have a co-operation with another shipyard for which I build ships and then I sell them abroad with my brand name.

7) How has this influenced what the firms is capable of doing now/ how has this changed from what was before?

The relationship that we have with our new salesmen helped us to develop a lot in many sectors and to upgrade our products... they gave us new ideas on what needs the market.

The Greek market is in need of boats which are of maximum 5 meters. The sales abroad are of 5-6 meters long and therefore we are trying to make this kind of boats; our dealers give us a constant update of what the market wants.

8) What have been the major facilitating factors/barriers in the international development of your firm –internal and external?

During the period 2010-2016 we faced some difficulties i.e. lack of finance from the banks which rejected every single project that we presented to them. We had a letter of credit from Germany for the building of 4 boats with cabins and not one Greek bank lent us the money to build them. The result of that situation was that the customer sent us a deposit so that we would be able to start the building; he took the whole risk for that action though.

The transportation companies suggested ways to make the transportation, either by car or by sea; that factor combined with the effort via internet was our success. Apart from that

we are able to communicate in 3 different languages and to use our computers; this means that we can everything alone without any external assistance.

9) Have there been any major changes after your initial entry mode choice in your chosen markets entry modes e.g. in countries of your companies key overseas markets?

We started with very low expectations: friendly shipyards, personal contacts with other manufacturers who helped us to get in touch with other companies which make exports. In that way our expectations became bigger and we could focus on the people that we want to become our customers.

10) Why – any critical events affecting your entry mode choices?

We left the channels of our friendly companies and we developed ours; the truth is that the exhibitions abroad helped us a lot and our products were properly advertised and people started to get familiar with them; our dealers wanted to co-operate with us and we chose them to become our main factors.

11) How has this changed what you are doing now? How you organize and select the market entry method?

During our first exports we faced a lot of problems; from that experience we learned how to promote our product, meaning how to make a proper marketing especially via internet. When you have expectations as a shipyard from the potential client-merchant...and not as a consumer, there is a strategic plan for the sale.

12) Could you describe a situation where your selected market entry mode choice was very successful and one that was not?

The entering in Spain was very successful due to the focused effort to find the right trader who has believed in the product and he is able to sell it like if he was the builder himself.

When we entered the market of Cyprus we faced a total failure; the trader did not have the know-how of the subject since he had another profession but he had money and he wanted to become a boat salesman. He did not have the space, the mechanic or the marketing. When you wait for a continuity which never comes then you come to think that something is going the wrong way and you stop the co-operation.

SECTION 3

Practical contribution

13) What would be your suggestion to government officials in order to support the sector's internationalization?

They could us to have a proper presentation in every exhibition in Europe by giving us the money; we could go there as a Greek boat and to have our space in order to promote our country and its manufacturers...today anyone that may have money is able to go there.

The taxation is very high; the state should not see us as way to make money but it should come and meet us and see our efforts. Within 4 years the taxation system has changed many times; when somebody builds a boat in order to make an export he must be able to present the taxation reality to the potential client abroad so that will be able to know the exact cost of his purchase.

I would like my state to participate with a brand name because this thing is really bad; the state causes problems and therefore inhibits the development. Only if the state becomes more serious it will be able to have an income from us.

Except from EVEEA there is no other collection mechanism that has something to suggest in order for us to have a better position. All the problems are connected directly with the state i.e. it does have any business plan to suggest to us.

In order for us to become more competitive some things must be done i.e. the indirect taxes should be returned. Currently many Greek companies have moved to Bulgaria in order to avoid the taxes.

14) What would be your suggestion to others boat manufacturers that are planning to internationalize in the near future, regarding market entry modes and methods?

Our suggestion is for them to use the best possible raw materials, not to be afraid about the authorization and to try to use the internet for the communication with the foreign merchants. There are not any industrial parks; we were trying for 2 years to find a place to be covered by an official authorization.

As far as the authorization is concerned we have to make our own authorization, meaning to use ISO on which we base the building of our products. All the manufacturers must ask to be authorized by other organizations also; the majority of them do not do that since they are covered by the self-authorization. The shipyard in Greece may be authorized by the Greek classification society.

15) Do you have any other comment relative to this study?

Yes, the Greek manufacturers must pay attention when transacting with foreign companies; I personally received a fake e-mail which caused me 5.000 euros; my colleague made a deposit without asking me first in a bank account that was not real.

THANK YOU FOR YOU PARTICIPATION

” Οι Στρατηγικές Διεθνοποίησης των Ελλήνων Κατασκευαστών Σκαφών”

Εισαγωγή:

Σπουδάζω MBA στο Πανεπιστήμιο της Γλασκώβης στο Ηνωμένο Βασίλειο. Ο οργανισμός σας έχει επιλεγεί από μια λίστα των ελληνικών επιχειρήσεων που κατέχεται από τον Σύνδεσμο Ελλήνων Κατασκευαστών πολυεστέρα Σκαφών, Αξεσουάρ, Παρελκόμενων Εξαρτημάτων, Εμπόρων και Υπηρεσιών. Διεξάγω μια έρευνα σχετικά με τις διαφορετικές στρατηγικές διεθνοποίησης που χρησιμοποιούνται από τους Έλληνες κατασκευαστές σκαφών.. Θα πρέπει να ξέρετε ότι η συμμετοχή σε αυτή τη μελέτη είναι ανώνυμη. Οι απαντήσεις όλων των οργανώσεων που συμμετέχουν θα συνδυαστούν σε μια έκθεση. Οι πληροφορίες που θα συλλέγονται από τους ερωτηθέντες θα είναι πολύ χρήσιμες για την ανάπτυξη αυτής της έρευνας. Κάθε δήλωση και συλλογή δεδομένων από τις απαντήσεις θα χρησιμοποιηθούν μόνο για ερευνητικούς σκοπούς και αντιμετωπίζονται ως εμπιστευτικά, σύμφωνα με την επιτροπή δεοντολογίας του Πανεπιστημίου της Γλασκώβης. Τα αποτελέσματα θα είναι ανώνυμα και θα έχουν συγκεντρωθεί έτσι ώστε τα άτομα δεν θα μπορούν να προσδιοριστούν από τα αποτελέσματα. Τα δεδομένα αυτά θα χρησιμοποιηθούν για αυτό το ερευνητικό έργο.

Προχωρώντας, θα ήθελα να επικεντρωθώ στα κύρια θέματα των διεθνών επιχειρηματικών δραστηριοτήτων σας.

Ερωτήσεις Συνέντευξης

Μέρος 1

Γενικές Πληροφορίες
Ιστορικό Συνέντευξης

Εταιρεία: Συμμετέχων 6
Διεύθυνση: Συμμετέχων 6
Όνόματα και συνολικός αριθμός των χωρών με τις οποίες η εταιρεία έχει δραστηριότητες(με σειρά ,από την πρώτη στην τελευταία) (8) Κύπρος, Γερμανία Μάλτα, Βουλγαρία, Γερμανία, Ρουμάνια, Ισπανία, Αυστραλία. Το 2008
Ιδρυτής (-ες) της εταιρείας Ο πατέρας του
Έτος Ιδρύσεως:1964
Όνομα και θέση στην εταιρεία: Διευθύνων Σύμβουλος και Ιδιοκτήτης.
Αριθμός εργαζομένων Συνολικός/ Εγχώριος/ Στο εξωτερικό Σήμερα μόνο 4 παλαιότερα στην Ελλάδα, πριν την κρίση 20. Από το 2008 άρχισε η κάθοδος.
Συνολικό ποσό πωλήσεων Συνολικός/ Εγχώριος/ Στο εξωτερικό 250 000 Παλαιότερα 500 000 80% στην Ελλάδα και 20% στο εξωτερικό.
Ιστοσελίδα/ Διεύθυνση ηλεκτρονικού ταχυδρομείου/ στοιχεία επικοινωνίας. Συμμετέχων 6

ΜΕΡΟΣ 2

Ιστορικό

1) Ποιοι ήταν οι κύριοι λόγοι που η εταιρεία σας επεκτάθηκε στο εξωτερικό. Μπορείτε να τους αναλύσετε διαχωρίζοντάς τους σε εσωγενείς εξωγενείς παράγοντες ?

Ο πρώτος και βασικός λόγος ήταν η εξωστρέφεια... ψάχνουμε να βρούμε εναλλακτικές λύσεις πωλήσεων αλλά όχι απευθείας πωλήσεις λιανικής ,κοιτάξαμε να βρούμε συνεργάτες στο εξωτερικό, δηλαδή η πολιτική μας είναι ένας έμπορος έναν χώρα, έτσι ώστε να ελαχιστοποιήσουμε την περίπτωση του παζαρέματος του κάθε πελάτη στην χώρα που θέλει να πάρει το προϊόν. Άλλο είναι να μπορείς να συζητήσεις μόνο με έναν άνθρωπο...

Ο λόγος ήταν οικονομικής φύσεως ότι ψάχναμε να βρούμε έσοδα στο εξωτερικό, νέες αγορές. Αυτό γίνεται με πολλούς τρόπους... μέσω ιντερνέτ, διαφημίζω το προϊόν σε ιστοσελίδα... η ιστοσελίδα διαφημίζεται σε πλατφόρμες σαν το Alibaba. com, Export India, και σε πανευρωπαϊκής φύσεως πλατφόρμες στο εξωτερικό... κυρίως Γαλλία, Γερμανία που είναι λίστες κατασκευαστών.

Αυτό ενέχει ρίσκο και επιδιώκω να έρθω σε τηλεφωνική επαφή μαζί τους, ώστε να ακούσω την φωνή του... και να μου δώσει στοιχεία για την επιχείρησή του.

2) Πως θα περιγράφατε την θέση της εταιρείας σας στην Ελλάδα. πριν επεκταθεί στις αγορές του εξωτερικού?

Υπήρχε μεγάλη πτώση των πωλήσεων πάνω από 50% που μας οδήγησε να κινηθούμε... ,η αλήθεια είναι ο μεγαλύτερος ανασταλτικός παράγοντας ήταν η ψυχολογία ,γιατί το σκάφος αναψυχής είναι ένα είδος πολυτελείας και όχι πρώτης ανάγκης ...επομένως η ψυχολογία και η διάθεση του καταναλωτή να στραφεί σε τέτοια αγορά ήταν σχεδόν μηδαμινή, επομένως έπρεπε να στραφούμε ,να βρούμε νέες αγορές.

3) Πριν επιλέξετε μια νέα αγορά στο εξωτερικό, ποιοι είναι οι κύριοι παράγοντες που σαν απασχολούν σχετικά με τις δυνατότητες της εταιρείας σας? Π.χ. ανθρώπινο δυναμικό , ανάγκες διαφημιστικής προώθησης?

Από 2008 και μετά υπήρχε ουσιαστικά η μετάβαση από την ηγεσία του πατέρα σε έμένα ,αυτό είχε σαν αποτέλεσμα να σχεδιάσουμε και να εξελίξουμε καινούργια σκάφη εξολοκλήρου από το μηδέν ώστε να φανούμε ανταγωνιστικοί και να παρουσιάσουμε κάποιο καινούργιο και καινοτόμο προϊόν πλέον στην ελληνική και ξένη αγορά από την αρχή. Το οικονομικό κομμάτι εφόσον υπήρχε τέτοια πτώση τζίρου, και τόσα πολλά έξοδα, γιατί πριν να έρθουμε εδώ... βρισκόμασταν σε χώρο τετραπλάσιας χωρητικότητας και δυναμικότητας παραγωγής, αυτό σε συνδυασμό από την τεχνογνωσία που είχα από το παρελθόν από τους γονείς, και την μελέτη ,το διάβασμα επιχειρηματικότητα που ανέπτυξα ,μας οδήγησε να βρούμε ένα πολύ μικρότερο χώρο με συγκεκριμένη παραγωγή τον χρόνο που όμως πρέπει να κατανεμηθεί ισάξια σε όλους τους πελάτες έτσι ώστε να μην υπάρχουν παράπονα. Αυτό μας οδήγησε να αρνηθούμε μια μεγάλη παραγγελία από το εξωτερικό για εκατό σκάφη, γιατί δεν θα ήμασταν αξιόπιστοι στους άλλους πελάτες μας. φοβηθήκαμε

επίσης ότι μπορεί να ήταν ξέπλυμα χρήματος, δεν μπορείς να ξέρεις και μπορείς να βρεθείς μπλεγμένος.

4) Πριν επιλέξετε μια αγορά ποιοι είναι οι κύριοι παράγοντες που σαν ελκύουν στην νέα αυτή αγορά? Π.χ. γεωγραφική εγγύτητα, κοινή κουλτούρα, μέγεθος αγοράς?

Η αλήθεια είναι ότι όταν ξεκινήσαμε τις εξαγωγές, δεν είχαμε θέσει κάποιους περιορισμούς στο που θα πουλήσουμε. Εμείς απλά προσπαθήσαμε να βρούμε έσοδα, με ότι συνεπάγεται αυτό, η Αλήθεια είναι ότι σταδιακά μόλις μπήκαμε στο χώρο τον εξαγωγών και είχαμε ένα μέρος της παραγωγής γύρω στο 20% που έφευγε στο εξωτερικό. Καταλάβαμε ότι θα έπρεπε να έχουμε μεγαλύτερες απαιτήσεις από τους ίδιους μεταπωλητές μας, δεν θέσαμε ποσά σκάφη θα πάρει ο καθένας ποσοτικά νούμερα, θέσαμε όμως κάποια συγκριμένα στάνταρ ότι κάθε έμπορος να μπορεί να εξοπλίσει το σκάφος με κινητήρα με αξεσουάρ, να έχει την δυνατότητα after market να μπορεί να κάνει i service να μπορέσει να αντιμετωπίσει ζημίες χωρίς να έρχονται τα σκάφη πίσω στην Ελλάδα και το ποιο σημαντικό να έχει το know how για το πώς κατασκευάζεται το σκάφος, να μπορεί να απαντήσει σε όλες τις ερωτήσεις των υποψήφιων αγοραστών, να έχουμε σχέσεις πέραν τις επαγγελματικές, να μπορούμε να μιλάμε σε τακτά χρονικά διαστήματα.

Παίζει πολύ σημαντικό ρολό για να πετύχει η εξαγωγή τα μεταφορικά, το σκάφος έχει ένα παράδοξο δεν συσκευάζεται εύκολα στο κοντέινερ. Ένα κοντέινερ μπορεί να χωρέσει μέχρι 4 μικρά σκάφη, όταν το σκάφος έχει τιμή πώλησης 5000 ευρώ και το κόστος μεταφοράς του είναι 1000 ευρώ, τότε είναι αδύνατη η εξαγωγή του, πρέπει να βρούμε μεταφορέα που να μπορεί να τα στοιβάξει με τρόπο ώστε να μην χτυπηθούν τα σκάφη και να μας δώσει κοστολόγιο ώστε να είναι ευχαριστημένος ο παραλήπτης.

5) Ποιες είναι οι πληροφορίες που χρειάζεται να γνωρίζετε πριν επεκταθείτε σε μια νέα αγορά?

Θα έπρεπε να μπει στην διαδικασία να μάθεις πως μπορείς να διαφημιστείς στις αγορές, αλλά ο λόγος που μας έκανε να κερδίσουμε την εμπιστοσύνη τους ήταν η ποιοτική αναβάθμιση των προϊόντων, έγινε εξονυχιστική μελέτη στα στάνταρ τα όποια θέλουν πλέον να έχουν ώστε τα σκάφη να πουλιούνται εύκολα, εκτός από το σχεδιαστικό κομμάτι ποσό όμορφο θα δείχνει το σκάφος. Υπάρχει και η αναβάθμιση στα υλικά, αλλάξαμε κάποια βασικά πράγματα τα όποια χρησιμοποιούσαμε λανθασμένα στο παρελθόν... πήραμε ιδέες αλλά δεν αντιγράψαμε, όλα τα σκάφη είναι δικά μας, στο λέω γιατί πάνω από το 70% των σκαφών που κατασκευάζονται Ελλάδα είναι αντιγραφή από Ιταλία, Γαλλία, Νορβηγία.

6) Από πού συγκεντρώνετε όλες τις απαραίτητες πληροφορίες?

Προσωπική προσπάθεια και φιλικά ναυπηγεία, έχω συνεργασία με άλλο ναυπηγείο για την όποιο κατασκευάζω σκάφη και τα μεταπωλεί στο εξωτερικό με το δικό του brand name.

7) Πως σας επηρέασε αυτή η προσπάθεια, και πόσο σας έχει αλλάξει σε σχέση με το παρελθόν?

Βέβαια αυτό που έγινε κατά κόρον με τις σχέσεις που αποκτήσαμε με τους νέους μεταπωλητές μας βοήθησε να βελτιωθούμε σε πολλούς τομείς, κυρίως στην σχεδίαση και αναβάθμιση των προϊόντων... να μας δώσουν καινούργιες ιδέες τι θέλει η κάθε αγορά από σκάφη...

Η κυρίως ελληνική αγορά θέλει σκάφη μέχρι 5 μετρά λόγω φορολογίας. Στο εξωτερικό οι κύριες πωλήσεις είναι από 5 έως 6 μετρά και πλέον κινούμαστε να ξεκινήσουμε καινούργια projects τέτοιων σκαφών, οι ντίλερ μας ενημερώνουν για τις απαιτήσεις των αγοραστών.

8) Ποιοι ήταν οι κύριοι λόγοι που σας διευκόλυναν ή σας δυσχέραναν κατά στην προσπάθεια σας, να διεθνοποιηθείτε?

Οι δυσκολίες που αντιμετωπίσαμε ειδικά την περίοδο 2010-2016 είναι η μη χρηματοδότηση από τις τράπεζες σε κανένα βαθμό, όσες φορές προσπαθήσαμε παρουσιάσαμε ένα project για χρηματοδότηση βρεθήκαμε σε κλειστές πόρτες. Είχαμε letter of credit από Γερμανία για την κατασκευή 4 μεγάλων σκαφών με καμπίνες. Αυτό πήγα να το χρηματοδοτήσω σε όλες τις ελληνικές τράπεζες με αποτέλεσμα καμιά να μην το δεχτεί για προεξόφληση, ή έστω μέρος του ποσού με αποτέλεσμα ο άνθρωπος να αναγκαστεί με δικό του ρίσκο να μας στείλει κάποια προκαταβολή ώστε να μπορέσουμε να ξεκινήσουμε το προϊόν να αγοράσουμε πρώτες ύλες.

Ο παράγοντας που βοήθησε ήταν οι μεταφορικές εταιρείες γιατί μας έδωσαν τρόπους μεταφοράς είτε οδικός είτε θαλάσσια σε συνδυασμό με την προσπάθεια μας μέσω ιντερνέτ βρήκαμε τους πελάτες. Επίσης ότι μπορούμε να μιλήσουμε 3 ξένες γλώσσες βοήθησε στην επικοινωνία, επίσης η γνώση των ηλεκτρονικών υπολογιστών και νέες τεχνολογίες, τα κάναμε όλα μόνοι μας, χωρίς εξωτερική βοήθεια και αυτό επισπεύδει τον χρόνο.

9) Αφού επεκταθείτε στην νέα αγορά, κατόπιν αλλάζετε κάτι στην στρατηγική εισχώρησής σας στην νέα αυτή αγορά? Πχ στις κυρίως αγορές του εξωτερικού.

Ξεκινήσαμε διστακτικά με λίγες απαιτήσεις, φιλικά ναυπηγία-προσωπικές επαφές με άλλους κατασκευαστές μας βοήθησαν να έρθουμε σε επαφή, κάποιες εταιρίες που εξήγαν μας βοήθησαν να έρθουμε σε επαφή αυτό αργότερα άλλαξε μεγάλωσαν οι απαιτήσεις οι δίκες μας ώστε να μπορούμε να στοχεύσουμε τους ανθρώπους που θέλουμε να πουλήσουμε. Πήραμε τις λίστες τους και κάναμε δίκες μας επαφές

10) Υπάρχουν και αν ναι, ποια είναι τα γεγονότα που επηρεάζουν τον τρόπο που διεισδύετε σε μια αγορά που εξωτερικού?

φύγαμε λοιπόν από τα κανάλια των φιλικών εταιρειών και αναπτύξαμε τα δικά μας, και η αλήθεια είναι ότι οι εκθέσεις στο εξωτερικό μας βοήθησαν αρκετά, γιατί τα προϊόντα δια-

φημίστηκαν σε εκθέσεις στο εξωτερικό, τα προϊόντα διαφημίστηκαν σε εκθέσεις οπότε ο κόσμος άρχισε να τα γνωρίζει και να τα ζητά ,οπότε οι ντίλερ... μας ρώτησαν για συνεργασία και εμείς επιλέξαμε. Αυτοί είναι οι κύριοι παράγοντες.

11) Αυτό πως σας επηρέασε στην επιλογή της στρατηγικής επέκτασης σας?

Με την εμπειρία και τα προβλήματα που αντιμετωπίσαμε κατά τις πρώτες εξαγωγές μάθαμε να προωθούμε σωστά το προϊόν ,αναπτύξαμε καλύτερο μάρκετινγκ οι ίδιοι, ειδικά μέσω internet.

Όταν έχεις σαν ναυπηγία απαιτήσεις από τον επίδοξο αγοραστή-έμπορο όχι καταναλωτή, σε παίρνει ποιο σοβαρά γιατί αντιλαμβάνεται ότι υπάρχει σοβαρότητα ,μελέτη και στρατηγική πώλησης.

12) Μπορείτε να περιγράψετε μια στρατηγική επέκτασης σε μια αγορά του εξωτερικού που ήταν επιτυχής και μια που κατέληξε σε αποτυχία?

Η είσοδος στην Ισπανία ήταν άκρως επιτυχημένη ο λόγος ήταν η στοχευμένη προσπάθεια αν βρούμε τον σωστό έμπορο ο οποίος πίστεψε το προϊόν και το πουλά σαν αν είναι ο ίδιος ο κατασκευαστής.

Η αποτυχία έγινε στην Κύπρο γιατί ο άνθρωπος που θα έκανε την εμπορική διαδικασία δεν ήταν γνώστης του αντικείμενου, έκανε άλλο επάγγελμα ο οποίος είχε λεφτά και ήθελε να κάνει τον έμπορο σκαφών, χωρίς να έχει τον χώρο, μηχανικό να βάλει τις μηχανές, διαφημιστική προβολή. Όταν πλέον περιμένεις μια συνέχεια και δεν έρχεται τότε σε βάζει σε σκέψεις και θέλεις να δεις γιατί σταμάτησε η συνεργασία , είναι και το ρίσκο, η τηλεφωνική συνομιλία ...αν δεν πας εσύ ο ίδιος να δεις τον χώρο....

ΜΕΡΟΣ 3

Πρακτική Συνεισφορά

13) Τι θα προτείνατε στους εκπροσώπους της κυβέρνησης ότι πρέπει να γίνει για να υποστηριχθεί η διεθνοποίηση των ελληνικών επιχειρήσεων του κλάδου μας?

Θα μπορούσαν να βοηθήσουν να έχουμε παρουσία σε εκθέσεις του εξωτερικού με χρηματοδότηση , να πάμε σαν ελληνικό σκάφος να πάρουμε ένα χώρο για να προωθήσουμε την χώρα και τους κατασκευαστές της... αντίθετα με ότι γίνεται τώραπου όσοι έχουν την δυνατότητα και καλά σκάφη πάνε.

Η φορολόγηση είναι ο χειρότερος τρόπος και ποιο αρνητικός τρόπος , να μην μας βλέπουν σαν πηγή εσόδων και μόνο , θα έπρεπε να έρθουν να μας γνωρίσουν και να καταλάβουν την προσπάθεια που κάνουμε. Μέσα σε 4 χρονιά να έχουν μεταβάλλει την φορολογία πολλές φορές, όταν κάποιος κατασκευάζει για να μπορέσει να εξάγει θα πρέπει να μπορεί να μεταφέρει στον άνθρωπο στο εξωτερικό, την φορολογική πραγματικότητα ώστε να μην

αλλάζει κάθε χρόνο ,ώστε το κόστος της αγοράς του να είναι σταθερό... Αυτό μας δυσκολεύει να μπορούμε να ανταπεξέλθουμε στο εξωτερικό.

Δεν θα ήθελα η πολιτεία να συμμετάσχει στο brand name γιατί μόνο κακό μπορεί να κάνει, το κράτος είναι ανασταλτικός παράγοντας και ο τρόπος που μας αντιμετωπίζει... αν το κράτος δεν σοβαρευτεί να δει από που μπορεί να φέρει πόρους ...

Δεν υπάρχει αντιμετώπιση από τα επιμελητήρια που είναι απλώς ένας απλός εισπρακτικός μηχανισμός , εκτός από το ΕΒΒΕΑ δεν έχω δει άλλο να προτείνει κάτι ώστε να βελτιώσουμε την θέση μας. Όλα τα προβλήματα έχουν σχέση με το κράτος Θα μπορούσε το επιμελητήριο το ελληνικών... να πάμε σε χώρες σαν τον Καναδά και τις Ηνωμένες Πολιτείες στο αντίστοιχο επιμελητήριο των χωρών αυτών να δώσει μια λίστα με τους κατασκευαστές, δεν υπάρχει καμιά ενεργοποίηση του κράτους δε θέματα επιχειρηματικότητας.

Δεν γίνεται επιστροφή ΦΠΑ, και οι εργοδοτικές εισφορές.... για να γίνουν ανταγωνιστικές οι ελληνικές επιχειρήσεις , θα πρέπει να μειωθούν. Πολλές ελληνικές εταιρείες έχουν πάει στην Βουλγαρία και δεν είναι για το κόστος του εργάτη αλλά για την φορολόγηση που είναι 10%.

14) Ποιος θα ήταν οι υποδείξεις σας στους άλλους Έλληνες κατασκευαστές σκαφών που έχουν σκοπός να επεκταθούν στις διεθνείς αγορές στο προσεχές μέλλον?

Να χρησιμοποιούν τις καλύτερες πρώτες ύλες μην φοβηθούν τις πιστοποιήσεις και να προσπαθήσουν από μόνοι τους χρησιμοποιώντας το ιντερνέτ να επικοινωνήσουν με έμπορους στο εξωτερικό. Δεν υπάρχουν βιομηχανικά πάρκα, εμείς ψαχτήκαμε 2 χρόνια για να βρούμε μέρος που να καλύπτεται για άδεια χρήσης του χώρου για βιοτεχνική χρήση .Αυτό είναι περιορισμένο στην Ελλάδα είναι άναρχο, δεν υπάρχει βιομηχανικό πάρκο πέρα από Οινόφυτα και Ελευσίνα, δεν υπάρχει κάποιο μέρος που είναι δομημένο για βιοτεχνική χρήση.

Όσον αφορά την πιστοποίηση, όλοι εμείς οι κατασκευαστές και εμείς που ανήκουμε μέχρι και την κατηγορία σχεδίασης C κάνουμε αυτοπιστοποίηση . Δηλαδή χρησιμοποιούμε τα ISO και με βάση τα ISO αυτά παράγουμε το προϊόν μας, ώστε να μην ξεφύγουμε από την διαδικασία που υποδεικνύει η κάθε πιστοποίηση. Πως θα γίνεται η δόμηση των προϊόντων κλπ. πέρα από αυτό καλό θα ήταν όλοι οι κατασκευαστές να ζητήσουμε να πιστοποιηθούμε και από άλλους οργανισμούς, που οι περισσότεροι δεν το κάνουν αλλά καλύπτονται από την αυτοπιστοποίηση. Υπάρχει ο ελληνικός νηογνώμονας που μπορεί να πιστοποιήσει τα ναυπηγία και την παραγωγή του, έτσι ώστε να έχουμε και έναν τρίτο φορέα να πιστοποιήσει το ίδιο το προϊόν ώστε να ελκύσει.

15) θέλετε να κάνετε κάποιο σχόλιο σχετικά με την αυτήν την έρευνα, οποιοδήποτε?

Ναι να προσέχουν οι Έλληνες κατασκευαστές, στις συνδιαλλαγές τους με το εξωτερικό τις ηλεκτρονικές απάτες... εμένα προσωπικά ένα ψεύτικο e-mail που στάλθηκε κόστισε σε συνεργάτη μου 5000 ευρώ. είχαν δώσει δικό τους τραπεζικό λογαριασμό για να γίνει η κατάθεση των χρημάτων και ο συνεργάτης από το εξωτερικό τα κατέθεσε χωρίς να επιβεβαίωση με εμένα...

16) Θα θέλατε να ενημερωθείτε για τα αποτελέσματα αυτής της έρευνας?

Ναι θα ήθελα μέσω ηλεκτρονικού ταχυδρομείου. _____

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