



APPROACHING INTERNATIONALIZATION:

A theoretical and practical study - investigating YoungCRM's possible expansion into the international recruitment market

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Abstract

In this thesis we seek to investigate YoungCRM, a local recruitment company from Aalborg, Denmark, and how it could potentially expand its organization to foreign markets. The motivation behind it is to examine if an innovative and newly invented product could become successful and if so, how? This study is important, as YoungCRM currently follows the approach of 'learning by doing', and the motivation of this thesis is to provide a more structured approach to how YoungCRM can handle an international expansion. In connection to this, the purpose of this thesis is therefore to investigate, what is required of YoungCRM to expand abroad and how the company can draw on domestic experiences in order to expand successfully.

Our approach to this thesis is based on Philip Kotler and Kevin Lane Keller's 'Competing on a Global Basis' framework. The framework includes five steps, which a company can follow in order to have a structured approach towards an international expansion. From this framework, we deduced our own bipartite framework, where 'Part 1' includes *Deciding Whether to go Abroad*, and 'Part 2' includes *Deciding Which Markets to Enter*, *Deciding How to Enter the Market*, *Deciding on the Marketing Program*, and *Deciding on the Marketing Organization*. Within each step, we will use analytical tools with the likes of e.g. Norman Fairclough's 'Critical Discourse Analysis', Michael E. Porter's 'Five Forces', and Igor Ansoff's 'Growth Vector Strategies'. We apply this approach and these analytical tools to analyze our empirical data, which comprises of a conducted interview with the Product Director of YoungCRM, Rune Sønderby, posts from Talenthub's Facebook page, a blog entry from YoungCRM's website, and the cultural findings of Geert Hofstede and Fons Trompenaars. As result of our investigation, we obtained a broader understanding of the Danish recruitment market, but also the recruitment industry in general. Moreover, we have gained insight into how a company can transition itself from operating on a domestic basis to operating on a global basis by following the aforementioned framework presented by Kotler and Keller.

By applying our chosen analytical tools on our empirical data, we have been able to draw the conclusion that our conducted bipartite framework, of which we have applied, can be a successful approach when seeking to expand ones business to foreign markets. Based on our findings, we have been able to deduce that any company with the desire of internationalizing can, theoretically, apply this approach.

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Introduction

The concept of 'recruitment' has existed for centuries in different degrees, before developing into the concept we know today. Traditionally, occupation has been passed down from father to son through generations, thus making recruitment redundant. However, there are times in different parts of history where the phenomenon 'recruitment' makes an appearance in some form or another - e.g. the Roman Empire recruiting soldiers for the Roman army. Here, a Roman soldier was given a substantial amount of money for bringing another soldier into the army. This was an early version of the first employee referral program. (Talentsolvers.com n.d.)

Recruitment of people for a specific job is also apparent in another part of history, in a much less flattering form: Slavery. A slave merchant would display his selection of slaves to a crowd in order to fill a certain position for a wealthy buyer. Slaves had their physical conditions and health examined as the criterion of being selected for the position. This was an early way of someone being 'employed' based on qualifications. (Fisher 1978, 151)

These are early editions of the recruitment term and cannot, as such, be equated with the modern term. Not until a much more recent part of history, did the term start to take a more modern shape. The recruitment term evolved further in the 1940's during World War II (WWII). Since the majority of the male population had gone off to fight in the war, women were recruited through the use of propaganda in movies and newspapers, inspiring women to join the labor force. The American women worked in the factories, in order to sustain and escalate the production of materials that were needed for the war. (History.com n.d.)

After the war ended, the many soldiers who survived returned home looking for a new source of income. With all these soldiers looking for a job, it obviously became a necessity to stand out, and let the employers know that one possesses special competences in order to be hired. A natural step was therefore to list one's capabilities, which was the antecedent of the modern recruitment aspect known as the résumé. (Greengard 2012) Résumés date back to the 1950's, where it became a common part of recruitment to produce a document listing personal achievements and experiences. These documents were handed to agencies, which stored them until they became usable for a company. (OPUS R S n.d.)

Up to and including most of the 1990's, the most common recruitment materials were billboards, ads in newspapers, flyers, and posters. (OPUS R S n.d.) During the 1990's, 22 % of all job

applications were submitted online, compared to 90 % in 2014, which the 'Applicant Tracking Systems' (ATS) can be deemed responsible for. (Iles n.d.) An ATS is software that is designed to help a company organize and sort the job applications it receives. The ATS can simplify the recruitment process by centralizing the applications, making it possible to observe and track the employment progress, and even filter the applicants based on personalities and qualifications. (Criteria n.d.)

This technological development has not only made it easier for companies to handle the recruitment process, but also helped enhance the focus on this area of Human Resources (HR). Recruitment, today is thought of as an essential part of a company's HR department, and the importance of having the right employees in the right positions have added pressure on this branch of the organization. The demand of field experts has risen gradually with the specialization of the world market, and companies must try to recruit the best man or woman for the job. It is, therefore, important for companies to have all the basic corporate HR functionalities streamlined into one system, making it easier to manage. (Johnston n.d.)

Furthermore, the recruitment process has become increasingly more complex because of the globalized world we live in. The idea of a 'shrinking world' (Kirch 1995, 529) means that companies now can imagine the whole world being their playground, when it comes to recruitment, which both can be seen as an advantage and a disadvantage. One advantage being that companies have a larger selection of potential employees to choose from, whereas a disadvantage can be that the recruitment process can be prolonged and therefore become slow and ponderous. With these new conditions a company has to take into account, the company must consider many new aspects of the recruitment process: Does the company choose to recruit employees from the home country, or does it simply choose the candidate with the best credentials regardless of nationality or culture? Do the qualifications differ, depending on the country of which the employee origins? This has opened possibilities for recruitment companies, as they mediate the connection between potential employees and the companies.

A new company within the recruitment industry is a company called YoungCRM. YoungCRM is a Danish recruitment company that has created a software, which simplifies the recruitment process for its' customers. The basic idea behind YoungCRM was to create a tool that would implement efficiency to the recruitment process for companies. Through the use of a single

software, a company will be able to assemble all recruitment activities for an HR department. YoungCRM will therefore be the case subject of this thesis.

We conducted an interview with YoungCRM, from which we learned that the company has a desire of going abroad in the near future (Appendix 1, l. 437-439). In order for us to investigate the elements of this desire, we must, first and foremost, gain a substantial amount of knowledge regarding YoungCRM's present position on the Danish recruitment market, before looking towards other borders. Furthermore, we are interested in discovering which possibilities and difficulties specific markets present, when a company such as YoungCRM expands to foreign markets. Taking possibilities and difficulties of an internationalization into consideration, we also want to investigate how the given internationalization process could appear. In short, we want to investigate, whether YoungCRM's profile, as a newly established recruitment company, is suited for an expansion into a globalized world, and how this approach could potentially look. In this thesis, we have chosen to focus on the United Kingdom and the United States of America, which respectively represent a near and distant market, as potential countries for YoungCRM to expand to. The choice of these two markets will be further elaborated on in our analysis.

This has led to the following problem statement with associated working questions:

What is required of YoungCRM to expand to the United Kingdom or the United States of America, and how can the company draw on experiences from the domestic market environment to make the internationalization a reality?

- How does YoungCRM position itself on the Danish recruitment market, and how does the market environment look?
- Is YoungCRM ready to engage in foreign affairs?
- How can YoungCRM, if possible, approach foreign markets, such as the United Kingdom and the United States of America?
 - Which difficulties and/or possibilities do the two countries respectively present?

Company Description

In 2014, the idea behind the YoungCRM software emerged, as part of the company CompanYoung's product assortment. CompanYoung occupies itself with the organization of advertising campaigns for other companies, with the main purpose of attracting the younger demographics of the workforce. Over time, the people behind CompanYoung realized that YoungCRM had the potential of becoming an independent company. This became a reality in May 2017, however, YoungCRM is still funded by CompanYoung. (YoungCRM 2018)

The YoungCRM software was launched with the purpose of simplifying the recruitment process of companies, which facilitates the possibility for companies to compile all recruitment activities. After a company purchases the YoungCRM software, the YoungCRM team arranges one or more workshops, where the customer informs the YoungCRM team about the specific recruitment challenges it faces. Afterwards, the YoungCRM team returns to the drawing board to create a solution that is tailored to the specific needs of the customer. This includes a solution where the customer will be set up with a YoungCRM account, which means that future applicants and vacancies are available in the YoungCRM software. (Mehlsen 2017)

Part of the YoungCRM software is a talent bank, which is a virtual storage facility for applicants. After a company have had the YoungCRM software installed, future applicants will apply for a job through the company's website, which is linked to the software. Thus, providing an overview over all possible applicants and the customer can then choose the 'right' individual for the job. In the future, the company can use the talent bank to set up criteria to sort through its applicants, and thereby simplify the recruitment process. Those applicants, who do not make the cut, will remain in the company's talent bank and can potentially be chosen the next time the company is looking to hire. (Appendix 2, l. 15-17)

During the process of creating the YoungCRM software, the management of the company had a new idea, as they were thinking: what about the applicants who remain in the customers' individual talent banks? As an example, if the Danish company JYSK received 100 applications for an open position, should the 99 candidates that did not get the job, just sit and wait in JYSK's talent bank? This led the management of YoungCRM to the idea of one joint talent bank across all companies that have a YoungCRM account. This was the initial step towards the creation of

another recruitment tool called Talenthub.io (Talenthub). Talenthub is basically a joint talent database where the customers can share the talents between them.

Looking at the previous example of JYSK, if JYSK could not use 99 out of the 100 applicants for its vacancy, it would transfer all of these candidates into Talenthub. Here, other companies might benefit from these talents. If JYSK do not find any suitable candidates in the initial screening process, the company can also search through several other candidates that other companies have shared, and maybe find their new employee there. (Appendix 2, I 14-20)

YoungCRM has created different yet interdependent, software. The YoungCRM software targets companies looking for a new recruitment solution, and it is YoungCRM's main source of income, as it is only companies that pay for the YoungCRM software. Talenthub, on the other hand, focuses on the applicants, and is an additional offer for the companies to create a unique recruitment experience for the talents. The YoungCRM products are alternatives to other recruitment systems and, moreover, they differentiate themselves from other systems, by focusing only on the younger demographics of the labor force e.g. students or graduates. (Appendix 2, I. 15-17)

Methodology

Firstly, we will introduce our overall framework for this thesis. This framework will be our approach to answer our problem statement. Furthermore, we will account for our chosen theory of science. We have chosen to use both a hermeneutic and social constructivist approach, and combine the use of qualitative and quantitative data. In addition, we have a section dedicated to our interview theory and an account for our choice of theory.

Approach for Competing on a Global Basis

In this thesis, we have chosen to find a theoretical framework or an approach, which complements the needs of, and helps us to, answer our problem statement. YoungCRM is looking for a way to expand its software to a new market, and therefore, we will use Philip Kotler and Kevin Lane Keller's approach for 'Competing on a Global Basis' as a methodical framework. The approach contains five stages which are: *Deciding Whether to go Abroad*, *Deciding which Markets to Enter*, *Deciding How to Enter the Market*, *Deciding on the Marketing Program*, and *Deciding on the Marketing Organization*. (Kotler and Keller 2006, 669) These five stages are visualized in Figure 1 below.

These five stages combined, suggest an overall framework for how a company can compete on a global scale and which steps need to be considered in attempting to do so. In order for any company to not only be successful, but also be prepared for the challenges of a global expansion, the company must ask itself five questions and make five decisions on that basis. (Kotler and Keller 2006, 669)

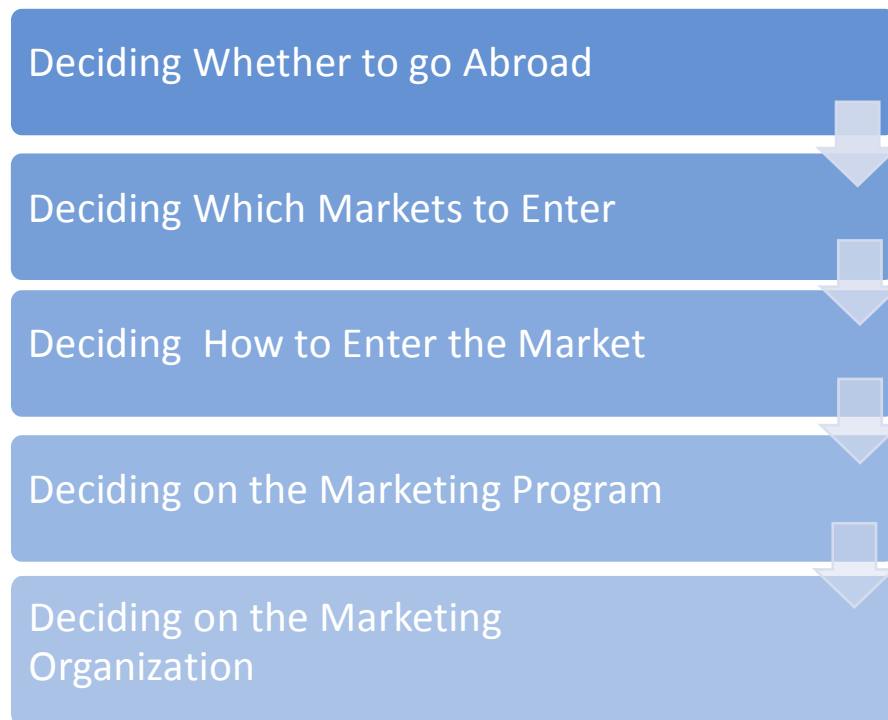


Figure 1 - Competing on a Global Basis – Free from Kotler and Keller (2006)

Deciding Whether to go Abroad

First and foremost, there has to be made a decision regarding whether the company in fact should go abroad. Many factors have to be taken into account in this decision. Firstly, there has to be an interest in going abroad. There might be opportunities for higher profits in foreign markets, there could be a larger number of possible consumers, or an expansion of the existing target group, or maybe the company simply wishes to exist on a larger scale and therefore be less dependent on the domestic market. However, there are also a great number of other factors the company must consider in terms of weaknesses or risks. A weakness could be, that the company does not have the resources for such an advance, or if the product is not suited or ready for foreign markets. Lacks of understanding of the foreign market's preferences and culture, and lack of international experience, also have to be considered as weaknesses.

The opportunities and weaknesses must be weighed out and compared to each other. For this to happen, the company must gain a very high knowledge of its own current position and seek valid and realistic information about the opportunities abroad to learn if there are any benefits in competing on a global basis. Then, and only then, can an informed decision to go abroad be made. (Kotler and Keller 2006, 669-670)

Deciding Which Markets to Enter

Once the decision of going abroad has been made, the next question that has to be answered is where the company will go. Which market or markets should the company choose to enter? The decision making here has to be well founded, and a thorough research will have to be conducted to understand and properly select the best-suited market for the company. The investigation of the foreign markets must be made from a very broad perspective, where not only the potential increase in profits and customers are considered, but also the very environment of the country. Political factors, infrastructure, business environment, legal factors etc. are just a few of the factors that must be taken into account for the company. Another factor that ought to be considered is cultural differences. The company must evaluate whether or not the market is ready for its product, and how the culture can impact the progress. (Kotler and Keller 2006, 670-671)

Deciding How to Enter the Market

After deciding on entering a specific country, the company must now find the best mode of entry. There are various options to choose from. These different market-entry strategies have various risks, potentials for profit, need for control, and commitment. An example hereof, is if a company decides to join forces with a local company on a foreign market. This is called a '*joint-venture*'. Such a business arrangement can be favorable, due to certain political or economic factors, even though it might cause difficulties as the joining partners can disagree among important business aspects. (Kotler and Keller 2006, 677)

Deciding on the Marketing Program

The essence of this part of the process is to decide how to adapt the company's marketing strategy to the conditions of the foreign market. In this regard, strategic elements such as marketing approaches, cultural differences, language barriers in terms of advertising etc. must be taken into account, in order to achieve a successful transition towards competing on a global basis. (Kotler and Keller 2006, 677) It is crucial that it be considered how the different parts of a company's marketing approaches can be adapted to foreign markets. As an example, a company must ask itself the questions: How can the product meet the desires of the new customer groups? How can the promotion and communication match with the consumer behavior of the new

market? And lastly: How can the communication channels be exploited to fulfill their optimal purpose? (Kotler and Keller 2006, 677-686)

Another thing that has to be adapted as well is the cultural differences of the new market. Kotler and Keller look to Hofstede for a definition of four cultural dimensions: 'individualism vs. collectivism', 'high power distance vs. low power distance', 'masculinity vs. femininity', and 'weak uncertainty avoidance vs. strong uncertainty avoidance' (Kotler and Keller 2006, 677). In our thesis, we will expand this cultural view by drawing on both Fons Trompenaars and Hans Gullestrup's stances on the cultural perspective as well. This will further be explained in the 'Theoretical framework'.

Deciding on the Marketing Organization

The final decision that has to be made in an effort to be competitive on a global basis is how the marketing organization could appear. Can headquarters (HQ) remain in the domestic country, or is the creation of a separate office necessary in order to have the optimal solution to a foreign expansion? A solution could also be to create a division within the company that solely handles the international side of the business. (Kotler and Keller 2006, 688-689)

Another aspect, which is a concern for the company regarding the marketing organization, is the people. The right employees are important in order to obtain the goals of expanding to another country. The considerations should concern if the company can benefit mostly from employees from the home organization or from the new market. A mixture of the two could also be an option. (Kotler and Keller 2006, 689-690)

As previously stated, we see Figure 1 as the overall, steering framework and method for our thesis. As our problem statement claims, our goal is to determine what is required of YoungCRM in order to expand to the United Kingdom (UK) and the United States (US). As accounted for, the purpose of this framework is to offer guidance towards a suggestion of how to become a competitor on a global basis. Therefore, it is well suited with the purpose of our thesis.

Furthermore, the different steps in Figure 1 will help answer different parts of our problem statement. Step 1 in Figure 1, called *Deciding Whether to go Abroad*, helps determine the “*What is required of YoungCRM to expand...*” part of our problem statement and the following working questions:

- How does YoungCRM position itself on the Danish recruitment market, and how does the market environment look?
- Is YoungCRM ready to engage in foreign affairs?

In order for us to answer these questions, we must firstly look towards conducting an analysis of the Danish recruitment market as our overall framework’s Step 1 depicts.

The following four steps of Figure 1 are called *Deciding Which Markets to Enter*, *Deciding How to enter the market*, *Deciding on the Marketing Program*, and *Deciding on the Marketing Organization*. Each of them can be connected to the: “*What is required of YoungCRM to expand to the United Kingdom or the United States of America...*” part of our problem statement, and can help answer this part of the thesis. They will also be the overall tools to answer the following working questions:

- How can YoungCRM, if possible, position itself on foreign markets, such as England and the United States?
 - Which difficulties and/or possibilities do the two countries respectively present?

We have chosen to divide Kotler and Keller’s framework into two separate parts, which combined will enable us to answer our problem statement. ‘Part 1’ will contain *Deciding Whether to go Abroad*, whilst ‘Part 2’ will contain the remaining four steps. Each part seeks to answer two different parts of our problem statement. This will be elaborated further in the Analysis section.

Force Field Framework

Kurt Lewin believes, that forces are in equilibrium balanced between restraining and driving forces, which respectively maintain status quo or direct the equilibrium towards or against change. (Hayes 2014, 22-23) Based on this view of restraining and driving forces, we have designed our version of a force field framework, which visualizes the restraining and driving forces pulling the equilibrium towards change or maintain status quo.

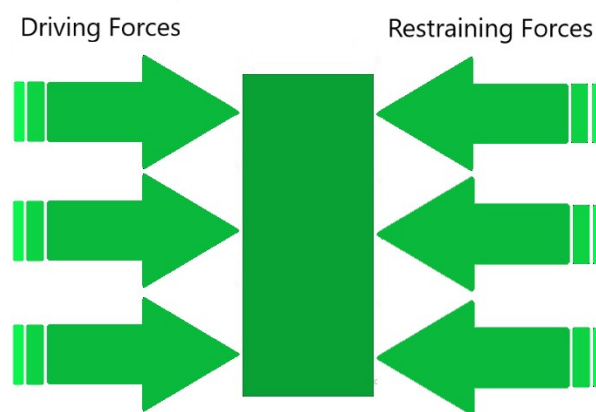


Figure 2 – Free From Change Management Coach (2017)

The framework can be seen as driving forces pushing for change, whereas restraining forces are opposing the change. Lewin advocates two different types of change approaches: Firstly, increasing the driving forces (push strategy) or secondly, decreasing the restraining forces (pull strategy). Both approaches have the opportunity to create a change but with different outcomes. Using a push strategy, tension will most likely arise, causing aggression amongst employees. Enforcing a pull strategy, on the other hand, will more likely create low tension. (Hayes 2014, 23)

Various internal and external forces can occur during a change, these forces can be both driving and restraining. The external forces can appear on three different levels. On the first level, there is the pressure from other organizations. If there is competition, a company can be pushed to keep its position as a market leader. On the second level, there are government regulations. Various regulations can influence a company negatively, and thereby, create a need for change. On the third level, sociocultural changes appear. Shifts in society are something the companies need to be aware of and must react to accordingly. (Thomas 1985, 55) Furthermore, other driving forces can

be high cost of production, causing return of investment to be too low or a need for new facilities. Moreover, another force can come from within the organizational environment, if e.g. management or employees see a need for change (Thomas 1985, 55) Examples of external restraining forces can be previous engagements; contracts, responsibility to consumers or engagement from the government as seen with the driving forces. Internal restraining forces can stem from employees, the company itself, the company culture and/or the resources available etc. (Thomas 1985, 56)

As stated, the 'forcefield' framework makes it possible to discover forces both for and against change. These are findings that can help a company in strategic management. The findings can later be used to create a suiting strategy for an organization. Thomas states three different ways the 'forcefield' framework can help:

- 'Forcefields' can lower variables - by making an assessment of the various forces, a more objective evaluation can be made.
- 'Forcefields' can identify pressure sources - by discovering weaknesses/strengths, it becomes easier to weaken/strengthen restraining/driving forces.
- 'Forcefields' can focus attention on specific components of a company - thereby connections to 'the bigger picture' can arise.

(Thomas 1985, 57)

However, the 'forcefeld' framework provides no suggestions as to how the changes can be applied. Another criticism of the research is that the driving forces and restraining forces often are based on subjectivity, and instead of using outside critique the change is based on individual willingness to adapt. The 'forcefield' framework has its limitations, as it is fairly simplistic in its approach to determine both driving forces and restraining forces of a change. Nevertheless, as we simply seek to provide an overview of our findings throughout this thesis, we have chosen to apply it as a framework, to categorize the established forces of the internationalization of YoungCRM as either restraining or driving. This will enable us to simplify our discussion of our findings from 'Part 1' and some aspects of 'Part 2' of our thesis. Thereby, the 'forcefield' framework will be applied as a method to gather and compare our findings from our respective analyses. This method will, in

the end, enable us to keep track of all our important findings and thereby be helpful in answering our problem statement.

Theory of Science

In this section, we will account for our methodical approach to this thesis. We have worked with the hermeneutical method and applied a social constructivist approach. Furthermore, we will explain how the combination qualitative and quantitative data has influenced this thesis.

Hermeneutical Method

Bryman (2012) refers to hermeneutics as: *"A term drawn from theology, which, when imported into the social sciences, is concerned with the theory and method of the interpretation of human action. It emphasizes the need to understand from the perspective of the social actor."* (Bryman 2012, 712) He, thusly, believes, that a hermeneutic approach is an interpretive way of understanding or interpreting 'texts' in an epistemological way and finding the limits of human realization and knowledge. To put it differently; hermeneutics deals with the theory and methodology of interpretation of human actions seen from the perspective of the social actor.

Hermeneutics is the idea of sociologist Max Weber's 'Verstehen', which means 'to understand'. Through hermeneutics, one must find and discover the meanings of a text, which means finding both the historical and the social context and thereby understand them. This can be done in several ways, e.g. through qualitative content analyses to find the meaning of the text from the perspective of its author. (Bryman 2012, 560) Bryman's notions are backed by Collin and K ppe (2012), who state that the two most important terms in hermeneutics are 'meaning' and 'interpretation' (Collin and K ppe 2012, 140) 'Meaning' can be understood from the terms expressions and perception and all people have something, they can express. It can be something private or inner such as feelings that can be expressed on the exterior. (Collin and K ppe 2012, 141) Thereby, 'meaning' often derives from humans and is part of personal phenomena.

'Interpretation' is insight into, empathy with, or a re-experience of the state of consciousness the text is an expression of. Thereby, in the interpretation of a text the interpreter relives all of the emotions, thoughts etc. from the author. (Collin and K ppe 2012, 143) When interpreting a text, it is important to distinguish between the 'meaning' and intention behind the text from the actual meaning of the separate words. When not distinguishing between the two, Collin and K ppe state, that it is an 'intentional mistake'. The intentional mistake is to believe, investigating the meaning of a text to be the same as investigating the intention of the writer. (Collin and K ppe 2012, 145)

The 'meaning' and 'interpretation' of a text can be described as a circular movement, as the analyst moves back and forth between the different parts of texts, and as mentioned above all outer activity, which lies behind the production of the must be taken into account as well. Thereby the text becomes a sub-element in a bigger 'whole'. (Collin and K ppe 2012, 145-148)

Throughout this thesis, we have applied hermeneutics in the sense that both 'meaning' and 'interpretation' were vital factors. In our search of understanding the 'meaning' and 'interpretation' of the empirical data, in this thesis, we continuously gained new knowledge. This newly obtained knowledge could then be applied in the next stages of our analyses. In doing so, the hermeneutic method has enabled us to interpret in a specific way; we started with knowledge from our interview, which lead to a problem statement, and the making of our empirical framework. Hereafter, we conducted the analyses in 'Part 1', which gave us a new understanding of YoungCRM. This enabled us to continue using this newly acquired knowledge in 'Part 2' of our analysis. In each part of this thesis, we have gained new knowledge and a new understanding of the meaning of the empirical data. Thereby, our previous understandings and interpretations are taken into account, when starting a new analysis. We have worked with this thesis as part of a larger context - thereby, various social and historical aspects have been included, in order to situate this context. An example hereof, is the 'PEST(EL)' analysis, which includes external factors such as 'political -' and 'social factors'. Having these 'PEST(EL)' factors, frames the meaning and the interpretation in this social and historical context. We had a pre-understanding of which external factors could have an impact on YoungCRM and the recruitment industry in general. As we conducted our analyses, we gained a whole new understanding of the different factors, and how they could affect YoungCRM and the recruitment industry. We, thusly, interpreted on our empirical data and the external factors to go from a pre-understanding to an understanding. This has been a general approach throughout our thesis, and we have followed the hermeneutical spiral, always converting our pre-understanding to an understanding and so forth.

Social Constructivism

In this thesis, we have adopted a social constructivist approach.

Bryman defines constructivism as being: *“An ontological position (...) that asserts that social phenomena and their meanings are continually being accomplished by social actors. It is antithetical to objectivism.”* (Bryman 2012, 710). This means that truths and phenomena are constructed and influenced by humans.

All natural elements are a product of our history and social environment, and thereby can truth or phenomenon only be true, because we choose to acknowledge it as being so. These social constructions are always subjects to change as history and the environment around also changes. Thereby, subjective versions of reality are presented rather than a definitive one. (Collin and Køppe 2012, 248-349, 378) (Bryman 2012, 33-34) An example thereof, is the notion of ‘culture’. Culture can be seen as a constructed reality that binds people together. Culture’s existence is therefore dependent on the constraints around it and is always in the process of being formed. (Bryman 2012, 34) (Becker 1982) The goal of the constructivist approach is therefore to enable the researcher to give serious thoughts to the ways social reality is an accomplishment of social actors and not just existing external factors. (Bryman 2012, 34)

In this thesis, we have adopted the social constructivist approach, as we perceive the reality and the discourses put forth by YoungCRM as socially constructed realities. This means, that these are subjects to change because they consist of various social structures created by YoungCRM, society, culture, and history. By analyzing our empirical data consisting of interviews and research studies, we believe we have obtained a glimpse of the present constructed realities of YoungCRM, Denmark, the UK, and the US.

When conducting the interview, we had to assume that the subject was telling the truth - giving him the full control of the shared information. Therefore, he had the power to construct the reality within the given frames. Further explanation of how the interviews were conducted, can be found in ‘Interview Theory’. Additionally, as stated above, culture is always a subject of change, which means that the empirical data for the cultural analysis (Part 2), is socially constructed by the subjects of the research studies. Thereby, all these data is a product of the social surroundings and structures, which forces us to take a social constructivist approach to this thesis.

A tool, which can be helpful in understanding social constructions, is the 'Critical Discourse Analysis' (CDA). (Collins and K ppe 2012, 295) One aspect of the 'CDA' is to define discourses, which have had an impact on a textual or visual element. When looking at discourses, one needs to take a closer look at a certain discourse to fully understand it, before being able to challenge and argue against it. The 'CDA' seeks to analyze discourses, separate them, show how they work together and to analyze the deeper meaning behind each specific discourse. The 'CDA' might consist of more things, but some of the most important features are how to break down the different discourses in their verbal components, and question e.g. 'reality'. (Collins and K ppe 2012, 295) Social constructivism cannot be applied directly, as reality is socially constructed and it changes through different discourses. Through the 'sociocultural practice' of the 'CDA', we have e.g. looked at different discourses that have been the keystones in making specific marketing content, along with external and internal factors for YoungCRM and the Danish, British and American recruitment markets. Some of the discourses are individualism and the 'American dream'. These are all discourses relating to culture, which have had an impact on the world we know and they have been some of the main discourses in our analyses. Moreover, the most substantial discourse throughout this thesis has been 'unemployment rate', as it is an extremely essential component for the survival of YoungCRM. Unemployment rate is socially constructed by society, due to the universal need of possessing a job and contributing to society. We will investigate how this discourse affects YoungCRM's operations in its current state, but also when expanding abroad.

Qualitative and Quantitative Data

In this thesis, we will draw on both qualitative and quantitative data, as the empirical data from the interviews is qualitative and the data from Hofstede and Trompenaars' research studies are quantitative. (Bryman 2012, 408)

Regarding Hofstede and Trompenaars' studies, their results are measurable and made into descriptive statistics. With a descriptive statistic one can arrange data in a readable form e.g. as charts or graphs etc. From here, it is possible to calculate percentages and it is therefore possible to get an understanding of "[...]what has transpired". (Panik 2012, 2) The interview with

YoungCRM is qualitative as it consists of the thoughts, stories, and opinions of the subject, and a subjective view of the company.

Thomas (2003) argues that: *“The best answer frequently results from using a combination of qualitative and quantitative methods.”* (Thomas 2003, 6-7) Therefore, combining these methods will help answer our problem statement, as the two can complement each other in the search of an answer.

This resulted in a multi-method approach, which allowed us to deduce generally on the different cultures (quantitative data), and the interviews allowed us to deduce on our specific case (qualitative data). The combination of the two thereby enabled us find an answer to our problem statement.

Interview Theory and Structure

In this thesis, we have chosen to use interviews as empirical data. Both interviews were made with Rune Søndersby (RS), Product Director at YoungCRM. We came into the interview with an understanding of the company, and prepared a range of questions, which can be found in Appendix 1 along with the answers. The purpose of the interviews were therefore to gain more inside knowledge about YoungCRM and to become more familiar with the company, the way it operates, and its strategies etc. enabling us to gather data which can be analyzed.

In order to properly conduct interviews, it is most important to define what type of interview and which structure the interview has. Here, we draw on the work of Kvale (2007). Kvale states, that there are various types of interviews, which all are both relevant and applicable in different interview situations. He calls these: 'The Narrative Interview Form', 'The Conceptual Interview Form', 'The Factual Interview Form', 'The Discursive Interview Form', and 'Focus Groups'. (Kvale 2007, 71-75)

We have chosen to make use of a combination of the 'Factual –' and the 'Narrative Interview Form', as these focus on facts and stories. The goal of factual interviews is to obtain facts from the subject. When conducting such interviews, it is important for us to keep the phrasing and wording of the questions in mind, in order not to affect the subject's answer. The role of the interviewer is to stir the interview in the direction of the facts. (Kvale 2007, 71)

The factual part of our interview was conducted for us to learn more about YoungCRM and its operations. It is important for us to know the specifics of the company, as this information is essential in order to investigate whether YoungCRM is fit for an international expansion through its domestic position.

The narrative part of our interview focuses on the stories the subject tells. These stories can come across spontaneously or can arise from the interviewers questions. (Kvale 2007, 76) The primary role of the interviewer is to listen and acknowledge the subject, and help him/her to focus on the stories. (Kvale 2007, 74) The narrative part of our interview enables us to gain knowledge about YoungCRM as a company in the sense that we can learn from a trusted employee. We are able to gain knowledge from stories, which we did not prepare for, and can follow up on interesting angles.

To support Kvale's interview forms, Bryman mentions three types of interview structures: structured, semi-structured, and unstructured interviews (Bryman 2012, 212, 471-472). In our thesis, we have combined the semi-structured and the unstructured interview. When interviewing RS, we prepared some general questions, both in factual and narrative form. (Bryman 2012, 212-213, 471-472) These types of interview forms and structures were chosen as a mean to gain insight into YoungCRM. In addition, the prepared questions help us, as interviewers, to stay on topic.

Distance is a thing to take into consideration when interviewing. In order to see the subject face-to-face, we conducted the interview at YoungCRM's HQ in Aalborg, Denmark. This provided us the possibility of seeing the subjects overall manner, gestures, etc. as well as visit the company. This was also done as Bryman mentions the disadvantages of interviews via Skype for instance (Bryman 2012, 488). When using technology there will always be a risk involved; Internet problems, technical difficulties etc. We find that interviews hold both advantages and disadvantages. One advantage is that when we conduct an interview, we ourselves retrieve our data. Thereby making primary data, which always is to be preferred, as no one else has processed it before. This enables us to view the data in an objective manner. A disadvantage of conducting interviews is that we have to assume and believe that the subject is telling the truth during the interview, in order for us to acknowledge the data as credible. Therefore, we must take into account that the subject is a YoungCRM employee, and he most likely will reflect the constructed reality of the company. Thus, it is important to approach the interview with a social constructivist mindset. Furthermore, it is important to remember that in the interview, it is the subject who controls how much and what kind of information we receive as interviewers.

Transcribing Interviews

In order to analyze our interviews further, we look to Bryman and Kvale for methods of transcription.

Bryman defines transcription as: *"The written translation of a recorded interview or focus group session."* (Bryman 2012, 717), and he is backed by Kvale who states that transcription is to translate language from oral to written. (Kvale 2007, 93) Kvale states that transcription is an important task (Kvale 2007, 92) and that to enable a closer analysis of an interview, the transcribers must make important choices and decisions, and ask themselves questions about what the intentions of the analysis are. (Kvale 2007, 93-95) Furthermore, Kvale states that an important question to note is: *"What is a useful transcription for my research question?"* (Kvale 2007, 98).

One way to be able to still examine the interview after it has ended is to record it. (Bryman 2012, 482) As stated previously, doing an interview, the interviewer has to be extremely agile and able to think on his/her feet if he/she wants to follow up on statements made by the subject. Therefore, recordings can be extremely helpful for the interviewer. Recordings can be done by using e.g. video recordings or simple audio recordings, most importantly is though, that the quality of the recordings are good enough to transcribe. Therefore, it can be a necessity for the interviewer to take things as background noises, tone of the speakers etc. into consideration. (Kvale 2007, 93-94) Bryman mentions that recording a subject can make them feel uncomfortable or think more about their choice of words even though it has become a common practice. (Bryman 2012, 483) Furthermore, transcribing a recorded interview can be extremely time consuming, wherefore it is possible to only transcribe the relevant parts. (Bryman 2012, 484, 486) (Kvale 2007, 95) To save time, various computer programs can be used to help transcribe interviews (Kvale 2007, 98) (Bryman 2012, 486), though it is important to note that computer programs do not analyze the data, the transcribers do.

As mentioned above, when transcribing one has to make decisions. All of the transcriptions can be found in Appendix 1 and 2. In this thesis, we have made a set of guidelines to help us transcribe our recorded interview with RS. These guidelines will help us keep the transcription short and simple.

Guidelines:

I: The interviewer

RS: Rune Søndersby, the subject

(Indication of time): The time in the interview

* : Unclear/unhearable word

...: The subject/interviewer interrupts himself

In addition, we have chosen not to transcribe any stutters, repetitions of words, or mumbling in order to make the text as reader-friendly as possible. The purpose of our investigation is not to make a specific linguistic analysis, and therefore these kinds of words are not important for our purpose. We have though chosen to transcribe all parts of our interviews and not just sections, as we believe all sections could have relevance for our thesis and the answering of our problem statement. The interview was only audio recorded, as a video recording did not have any purpose for this thesis, since we are only interested in the vocal aspect and not the visual.

Choice of Empirical Data

In this thesis, we have compiled various empirical data in order for us to conduct our analysis and thereby answer our problem statement. Our empirical data consists of interviews with the Product Director of YoungCRM, RS, posts from Talenthub's Facebook page, a blog entry from YoungCRM's website, and lastly cultural studies by Hofstede and Trompenaars of the UK and the US.

The entire basis of 'Part 1' is built on an interview with YoungCRM. From this interview, we have deduced the most important factors regarding whether YoungCRM is fit for a foreign expansion. We have chosen to conduct the interviews with RS, as he is the liaison between management and employees. We believe, that he therefore possesses an insight of the entire organization, as he interacts with both management and the product team regularly, which we believe to be an advantage. Furthermore, the reason for choosing RS as the interview subject over e.g. the CEO is, that he is more likely to be objective in his statements.

In addition, we have chosen to apply posts from the Talenthub Facebook page and YoungCRM's blog entry in order to investigate how YoungCRM communicates externally to various stakeholders. These findings provide us with an understanding of how YoungCRM currently communicates with its stakeholders, and will later form the basis of a potential marketing strategy in connection to an international expansion.

In 'Part 2', our main empirical data consists of cultural data conducted by Geert Hofstede and Fons Trompenaars. These data form the foundation of our cultural analyses of the UK and the US in 'Part 2' of this thesis. The choice of these two theorists came from a desire of making the culture term more static in order for us to obtain a better understanding of culture. Collectively, there studies provide a snapshot of a country's current state of culture and thereby provide an insight to the culture of the UK and the US in terms of factors that could affect recruitment.

The most effective way for us to collect information regarding culture would be through a field study of our own. However, we did not have the resources to conduct such an investigation, and it would therefore not provide us with sufficient data for us to conduct a survey with enough quality of which a satisfactory analysis would be possible. As a consequence, we have therefore chosen to draw on the surveys conducted by Hofstede and Trompenaars. This empirical data will be further elaborated in our 'Empirical Data' section.

One thing worth considering regarding the numbers of Hofstede, is that the recent numbers on his website (Hofstede Insights n.d.) show the same as the numbers of Hofstede's study from 1984. One perspective on this is that Hofstede has not conducted a following research after his initial study in 1984. Another perspective is that the numbers, and thereby the culture, simply has not changed over the years since 1984. This, however, we find unlikely, as a lot can happen across three decades in terms of culture, and therefore these perspectives point to, that no following studies have been made to support Hofstede's 1984 research today. It thereby makes Hofstede's original numbers relevant for this thesis, as they are the most recent measurements conducted.

Choice of Theory

In this section, we will discuss our choice of theories along with advantages and disadvantages connected to these theories. We will therefore account for how these theories contribute in the answering of our problem statement but also the limitations of said theories. In order to do so, we draw on scholars who have preciously expressed their critique in regards to our chosen theories, and in that connection we will also offer our opinions and critique towards those theories. A full account of our chosen theories can be found in our Theoretical Framework.

Porter's Generic Strategies

Even though 'Porter's Generic Strategies' are still widely applied when talking about a company's competitive approach, it has also been a subject of critique. One point of concern being that a company, in theory, can choose whatever strategy it might wish to. However, an argument made, is that a company's choice of 'generic strategy' is not completely voluntary, but is heavily affected by the size of the company, access to whatever resources necessary for the company and the industry the company chooses to enter. (Mekić and Mekić 2014, 4) Another point of critique is that Porter's strategies are perceived only to be applied in an industry or environment that does not go through big changes, which we believe to be a limited number of industries today. (Mekić and Mekić 2014, 11)

Furthermore, a critique of the 'generic strategies' is that there allegedly is a distinct advantage in choosing 'differentiation' as a strategy over 'cost leadership', simply because of better prospects of profits. (Datta 2009, 15)

However, as companies still have to determine how to best approach customers and how to be competitive, the strategies and models of Porter are still viable and useful as a basis. But one should not base one's entire strategic competitiveness on Porter's models or any few selected models over all (Mekić and Mekić 2014, 11). Taking this critique into consideration, we have chosen to combine this theory with 'Ansoff's Growth Vector Strategies'.

'Porter's Generic Strategies' is applicable to this thesis, as it provides an initial suggestion of the competitive assets that a company possesses. In this case, it will stipulate the competitive abilities of YoungCRM, thus answering the working question *"How does YoungCRM position itself on the*

Danish recruitment market [...]". A part of accounting for a company's position on a market entails the competitive abilities of YoungCRM, thus making 'Porter's Generic Strategies' essential for this thesis.

Ansoff's Growth Vector Strategies

The 'growth vector strategies' put forth by Igor Ansoff, who was a mathematician and business manager, is from a different period of time as the article was first published in 1957. Even though his ideas were introduced decades ago, there is surprisingly little critique of the use of the strategies from the academic society. Most critique comes from members of the business environment, where the critique mostly surrounds the simplicity and overly optimism of the vector. (NYLN 2016)

Even Ansoff himself had to consider that in a realistic scenario, a business would have to consider or maybe unknowingly, follow more than one of these strategies simultaneously. One could even argue, that a parallel pursuit of two or more strategies can be considered as a sign of a progressive business that could prove essential to surviving in an ever-changing market where only the fittest survive (Ansoff 1957, 114).

In spite of lacking academic critique of 'Ansoff's Growth Vector Strategies', we, however, have experienced several issues of a practical nature. The main issue with the strategies is the difficulty of choosing and maintaining the same strategy, due to the unspecified criteria in the selection of a growth strategy. The criteria can be viewed from various perspectives depending on the viewpoint one takes, meaning that the specific chosen growth strategy becomes difficult to encapsulate. Therefore, a circular argumentation for which strategy to choose can occur. An example can be that it is unclear at what point a product transits from being a new product to being an existing product and the definition of a new or existing product.

Notwithstanding the practical shortcomings we find in 'Ansoff's Growth Vector Strategies', we find it applicable, as it is important for us to obtain knowledge regarding YoungCRM's direction of growth. Once again, a part of a competitive position involves the understanding of how one wishes to expand and secure the future prosperity. This section containing the growth strategies does also apply to the working question *"How does YoungCRM position itself on the Danish market..."* and complement 'Porter's Generic Strategies'. Combined, these two theoretical

frameworks offer a suggestion of YoungCRM's competitive position in the recruitment industry, as they enlighten the competitive abilities and how future growth is approached.

Porter's Five Forces and PEST(EL)

In this thesis we want to conduct an analysis of the external factors of the Danish recruitment industry. During our research we discovered a model called a 'market environment model'. It describes the 'dependent –' and 'independent environment' of a company. (Toolbox, n.d.) From this model, we found similarities between the 'dependent environment' and 'Porter's Five Forces', along with the 'independent environment' and the 'PEST(EL)' framework. Instead of analyzing the external factors through the 'market environment model', we have chosen to use 'Porter's Five Forces' and 'PEST(EL)' as a framework of our analysis, as we believe that both theories are renowned theories in the business world, and have been for many years. Furthermore, we believe that these two theories will give us a more in depth analysis of both the 'dependent –' and 'independent environment' of YoungCRM. Throughout this thesis, the external factors from 'Porter's Five Forces' will be referred to as parts of the 'dependent environment', whereas the external factors from the 'PEST(EL)' will be referred to as parts of the 'independent environment'. 'Porter's Five Forces' has been highly criticized. It was, however, problematic to find many academics that have criticized the work of Michael Porter, as few academics have made a critical contribution to the subject.

The business environment has criticized it for being simplistic but one academic, Tony Grundy, a professor in Strategic Management at Cranfield University, believes that: *"Porter's model was thus a valuable and workable concept but one that had some significant practical drawbacks, unless of course the model was developed further."* (Grundy 2006, 215) Thus, Tony Grundy believes that the five forces framework has the potential to be more renowned within the business environment by further developing the five forces.

Some of the critical points that Grundy focuses on are the fact that the theoretical framework, conducted by Michael Porter in the early 1980's, is difficult for business managers to apply. (Grundy 2006, 214) Furthermore, Porter focuses more on the macro level in the framework, which makes it more intangible for businesses to apply the theory. (Grundy 2006, 215) Nevertheless, Grundy believes, that Porter's theoretical framework has somewhat revolutionized the way business managers can perceive the competitive rivalry within the industry, and emphasizes the importance of 'bargaining power of buyers' and '- suppliers'. (Grundy 2006, 215) Grundy also

argues that this theoretical framework is interdependent with other theories that deal with a company's business environment, as it needs to be complemented by other theories to provide a broader perspective of a company's 'market environment'. (Grundy 2006, 216)

Despite these points of critique outlined by Grundy, we still find 'Porter's Five Forces' applicable to our thesis, due to the theory's ability to analyze a broad perspective of a business or market analysis. We have, however, chosen to combine the 'bargaining power of buyers' and 'bargaining power of suppliers' into one, as in the case of YoungCRM, the company does not trade with a physical product. These two forces are usually concerned with physical products, where suppliers and buyers are an essential part for this aspect of a company's 'dependent environment'. Since this is not the case with YoungCRM, we found them less relevant unless combined and compared. 'Porter's Five Forcers' takes many aspects of and from the dependent environment into account meaning that these directly influence the company. These aspects that directly influence the company are vital for us to investigate in order to gain an understanding of YoungCRM's position on the Danish recruitment market. As mentioned in the problem statement, we will investigate the YoungCRM position on the Danish recruitment market as a foundation for the potential internationalization.

Given the critical points of 'Porter's Five Forces' and the fact that Grundy argues that the theoretical framework is interdependent, as mentioned above, we have chosen to supplement 'Porter's Five Forces' with another business environmental analysis called 'PEST(EL)'. Whereas 'Porter's Five Forces' concentrates on a company's 'dependent environment', the 'PEST(EL)' analyzes the 'independent environment' surrounding the company. The 'PEST(EL)' analysis, and the external factors linked with it, are in constant change. The changes can happen at any time, which can make the external factors difficult to define and foresee. This means, that even once a detailed 'PEST(EL)' analysis has been finalized, a significant amount of the uncertainty still remains regarding the 'independent environment'. A different perspective is that the 'PEST(EL)' framework simply does not offer enough precise information, because of the limitations from the simplicity of the analysis. Thus, we believe that the information does not hold enough substantial value. (Thakur 2010)

This is confirmed by More, Probert and Phaal, associates at Cambridge University, who claim that the 'PEST(EL)' analysis merely scratches the surface of a business environment analysis, and only provides a narrow and immediate perspective in scanning the 'independent business environment'. It does not help in providing a deeper understanding of the external environment, but simply gives an overall outline of some of the most important factors that could potentially influence the company's position. (More, Probert and Phaal 2015, 382) (Lægaard and Vest 2013, 59) Lastly, More, Probert and Phaal argue that the framework only offers a short-term solution to the issues that arise within the 'independent environment', rather than a long-term suggestion. (More, Probert and Phaal 2015, 392)

Another critic, Thakur from the Bright Hub Project Management, an agile network for project managers, argues, that the 'PEST(EL)' analysis is an insufficient tool on its own when scanning the business environment, as it merely focuses on the independent factors and completely ignores the 'dependent environment'. To conduct a meaningful environment analysis, the 'PEST(EL)' analysis should, therefore, be complemented by other analytical tools, which focus on the 'dependent environment'. (Thakur 2010)

The original literature on this topic has proved difficult to find, however, there are sources available to us. These can be found in textbooks or books that can be interpreted as such. Although the framework from the original author is difficult to find, it is in fact an acknowledged business tool and is used by companies with a desire to be successful in understanding the world they are connected to. Therefore, despite the critical point argued by Thakur, we have chosen to apply the 'PEST(EL)' analysis, as we believe that combined with 'Porter's Five Forces', it will provide a more substantial and comprehensive depiction of the recruitment industry, as both the 'dependent -' and 'independent environment' are taken into consideration. These two frameworks supplement each other and therefore offer a broader perspective of the YoungCRM position in the Danish recruitment industry. Furthermore, it is applicable to analyze a foreign market environment, as our problem statement dictates and in particular to help solve 'Part 2', which includes an analysis of a foreign market selection. Moreover, it can help provide a comparison of the domestic and potential new market. However, not all six factors have the same relevance to this thesis, and therefore we have chosen omit one of the factors called

‘environmental factors’ as it did not offer anything essential towards answering our problem statement. Additionally, we decided to combine ‘political –’ and ‘legal factors’ because, in our opinion, they have similar characteristics in their approach of analyzing the ‘independent environment’ of an industry.

CDA and Register Theory

This section will contain a description of why we have chosen to work with Norman Fairclough’s ‘CDA’ and Michael Halliday’s ‘Register Theory’, and how they complement each other in this thesis. Furthermore, it will include points of critique, which we have encountered throughout the process of using these analytical tools.

Rogers et al., associated with Washington University, believe that ‘systemic functional linguistics’ (SFL) and ‘CDA’ share several characteristics such as both looking at language as a social construction. Furthermore, the language has influenced the social contexts and vice versa. Finally, they believe, that both ‘SFL’ and ‘CDA’ emphasize the cultural and historical acts of meaning making. (Rogers et al. 2005, 365)

Rogers et al., suggest that ‘SFL’ is part of the analysis of the textual level in Fairclough’s ‘CDA’. Halliday’s ‘SFL’ is divided into three domains of ‘ideational’, ‘interpersonal’, and ‘textual’, which we in this thesis refer to as ‘registers’. (Rogers et al. 2005, 371)

Like Rogers et al., we too believe that the ‘SFL’ and ‘CDA’ frameworks complement each other and will therefore be used together to conduct a textual, discursive and social analysis of Talenthub’s Facebook page and YoungCRM’s website blog. This will be done to understand the process of why the page and posts are conducted a certain way, and what the intention behind them is. We have chosen to complement the ‘CDA’ with a register analysis, as the ‘CDA’ does not thoroughly focus on the communicative purpose and situation. Moreover, the ‘register theory’ does not effectively focus on the sociocultural situation, which the ‘CDA’, on the other hand, does. Thus, we believe that these two theories complement each other in a constructive manner, and can thereby help us analyze Talenthub’s Facebook page and YoungCRM’s blog entry. Fairclough suggests eight analytical points when conducting a ‘CDA’. However, we have only chosen to focus on five of these eight points, as the remaining three points are irrelevant to this thesis.

'SFL' and 'CDA' are chosen to help us answer the working question *"How does YoungCRM position itself on the Danish recruitment market..."*, as a fundamental part of positioning oneself, from a company's perspective, is coming from external communication. The communicative situation with the stakeholders such as customers and investors etc. is vital for YoungCRM, as it becomes part of the image the company displays to the outside world. How YoungCRM chooses to approach the communicative situation, therefore, has a significant impact on the positioning of the company on both the domestic market and the potential future foreign markets.

Hofstede, Trompenaars, and Gullestrup

In this section, we will elaborate on the reasons for choosing different cultural approaches in order to answer our problem statement. These will include the cultural dimensions from Geert Hofstede, Fons Trompenaars and Hans Gullestrup along with critical pointers of each theorist.

The first cultural theorist we chose to look to when deciding to take a cultural perspective in our thesis was Geert Hofstede. Hofstede has faced much critique for his cultural dimensions through the years. He has been criticized by, among others, McSweeney (2002). McSweeney argues, for five critical points regarding areas where Hofstede's dimensions are lacking substance. Most importantly, is the fact that Hofstede bases his assumptions on conducted interviews, which supposedly enables him to decrypt an entire national culture based on the employees of a single company. (McSweeney 2002, 104 & 107) We also perceive Hofstede's dimensions to be simplistic as it is rather static, however, this perspective provides us with a momentarily cultural image that can help us grasp the immediate cultural manifestation. Seeing as we are aware of the shortcomings in Hofstede's dimensions, we decided to look further into cultural dimensions put forth by other theorists. Here, we considered the theorist Fons Trompenaars who also has set up a series of cultural dimensions to grasp the complexity of understanding culture. (Trompenaars 1996) However, Trompenaars' dimensions also suffer from the issue of being overly static or simplistic as he also attempts to put culture into boxes like Hofstede. On the other hand, Trompenaars' dimensions have other aspects than Hofstede's and the combination of the two would therefore provide a more comprehensive cultural analysis of a country. Both theorists will therefore be implemented in this thesis.

To address the issue of the static and simplistic perspectives of Hofstede and Trompenaars, we will apply Gullestrup (2002) in order to provide more depth to our cultural analysis. According to Gullestrup (2002), the analysis of a culture is difficult to comprehend as a culture changes rapidly, due to various aspects e.g. globalization. (Gullestrup 2002, 14) To support this point of view, Gullestrup has argued that an individual does not belong to one culture, but multiple subcultures of different variety, depending on geographic, demographics etc. (Gullestrup 2002, 9) Even though Gullestrup also suggests a number of categories that can also be viewed as static, this perspective of subcultures and rapid changes in culture imparts a different depth to our cultural analysis. Therefore, despite the abovementioned critical points, we find that Gullestrup's perspective on culture provides a more insightful point of view to the cultural term when reflecting on Hofstede and Trompenaars' cultural dimensions. Thereby, Gullestrup will not be applied as an analytic tool, but instead be used as a complementing theory.

In this thesis, we have chosen to omit some of the dimensions defined by Hofstede and Trompenaars. This has been done, as they have no relevance in answering our problem statement. These are respectively; 'long-term orientation', 'indulgence', 'universalism vs. particularism', and 'specific vs. diffuse'. Furthermore, we have chosen to combine some of the dimensions of Hofstede and Trompenaars, which are close to similar, to avoid analyzing the same thing twice, which are; 'power distance' and 'achievement vs. ascription', 'uncertainty avoidance' and 'internal vs. external control', and 'Individualism vs. collectivism' from both Hofstede and Trompenaars.

The cultural analysis is relevant to this thesis, as it helps answer our problem statement regarding the requirements of YoungCRM when expanding to foreign markets. In the case of this thesis, the cultural analysis provides us with a snapshot of the British and American culture as of this moment. These cultural findings will eventually be applied to the recruitment industry and compared to the findings in 'Part 1' in order to remain relevant for YoungCRM.

Empirical Data

As described in Choice of Empirical Data in our Methodology, our analyses is based on three parts of empirical data: interviews with RS from YoungCRM, Talenthub's Facebook page and a blog entry written by KR on YoungCRM's website. Lastly, we have chosen to base our cultural analysis of the UK and the US on data from Hofstede and Trompenaars.

The interviews with RS

As stated earlier, we interviewed the Product Director, Rune Sønderby. Prior to the interview, we prepared a range of questions for RS to answer. The interviews were conducted on February 14, 2018 (Appendix 1) and December 21, 2017 (Appendix 2) at YoungCRM HQ in Aalborg, Denmark.

In the beginning of the first interview, RS starts out by laying the foundation of the company. Here he describes the history of YoungCRM, the number of employees, and moves on to the kind of software YoungCRM provides. (Appendix 1, l. 6-25, 27-28, 30-49) In the latter, RS explains the YoungCRM software and the Talenthub part of the company. He says that: *"På den anden side har vi Talenthub, som egentlig er et nyt produkt, hvor det mere går på den her med at så skabe et fælles talentnetværk på tværs af virksomheder. Så i YoungCRM kan du egentlig godt have... Du kan administrere dine egen stillinger, du kan have din egen talentbank."* (Appendix 1, l. 36-39) RS mentions, that, for now, YoungCRM and Talenthub are two separate products, but they may very well in the future team up. Moreover, RS elaborates on the competitor situation, and how YoungCRM stands out from these. We, furthermore, asked RS about the potential future plans of YoungCRM. Here, he explained that YoungCRM is looking to expand abroad in the near future. (Appendix 1, l. 437-439) This statement is what sparked our idea of the topic of this thesis.

The second part of the first interview entails a description of how YoungCRM communicates internally, which will be further discussed in our analysis of the communication of YoungCRM. These two interviews will act as our main empirical data in 'Part 1' in our thesis, and will help us to conduct our analyses, in 'Part 2', based on knowledge gained from YoungCRM itself.

In our second interview with RS, we wanted to know the specific details about YoungCRM, which would be used as the basis of our Company Description.

Talenthub's Facebook Page

The Talenthub Facebook page was founded on June 1st, 2017 and has a mission statement that sounds: *"Vores mål er at skabe en stærkere og mere transparent rekrutteringsoplevelse for alle"*. (Appendix 7) Furthermore, on the Facebook page, it is written that Talenthub wishes to end bad recruitment experiences through the use of ratings and assessments from the candidates (Appendix 7). As mentioned in Choice of Empirical Data, Talenthub's Facebook page will be the basis of a 'CDA', which will give us an insight to how YoungCRM communicates externally with customers.

KR's Blog Entry

As previously mentioned, the blog entry by KR is part of our empirical data. The blog entry was posted on October 10, 2017 by KR, the CEO of YoungCRM. The blog entry is called *"What about the new GDPR?"* (Appendix 8) Due to the new EU regulations, which will be enforced on May 25, 2018, KR has made this blog entry to underline some points in CV administration and other data managing requirements. He then makes a list of, what he believes to be, the most important points to be aware of as a company dealing with personal data in order to live up to the new GDPR requirements. This empirical data will be the foundation of a 'CDA' and 'Register analysis', which will provide insight of how YoungCRM communicates with different stakeholders on its website.

For the second part of this thesis, we have chosen to use Hofstede and Trompenaars' empirical findings, as they have already researched Denmark, the UK, and the US. We will now briefly account for their findings.

Geert Hofstede

Geert Hofstede's research project was conducted within multinational businesses with pen-and-paper questionnaires about values, which were conducted by psychologists. Amongst the interviewees were employees of subsidiaries from 67 countries. Hofstede then compared all answers from each country to each other. He started with the 40 largest subsidiaries, afterwards more than 50. In this study, employees with similar occupations and people employed by the same multinational business were compared as this secured that neither job-position nor

employer could be the reason for any differences in answers. 32 statements were given to the employees, and these questions reflected the Hofstede's four dimensions: *Individualism vs. Collectivism, Power Distance, Uncertainty Avoidance and Masculinity vs. Femininity*. The 50 countries and three so-called multi-country regions are given a score and a statistical analysis was made based on the answers. Each country is given a different score in each dimension based on the answers from their employees. The scores are relative and the lowest score is approximately zero, whereas the highest score is 100. Hofstede argues, that the evidence from the research project is in fact universal even though it is only derived from four dimensions. It is so, as the values show similarities to other research data from e.g. statistics from the WHO. (Hofstede 1984, 83-84)

Fons Trompenaars

Fons Trompenaars has asked 25,000 managers from all over the world different questions within the six dimensions: *universalism vs. particularism, individualism vs. collectivism, neutral vs. affective, specific vs. diffuse, achievement vs. ascription and internal vs. external control*. The answers from managers from one country are then put together, and the average is inserted into a figure in percentage. All answers will be elaborated in our analyses. All countries are lined up next to each other; the one with the highest score on the left, the one with the lowest on the right.

An example of how the questions are shaped can be seen in e.g. 'Individualism vs. Collectivism'.

Here, the managers are given a scenario, where two persons are discussing how to improve the quality of life:

"a. One said: "It is obvious that if one has as much freedom as possible and the maximum opportunity to develop oneself the quality of one's life will improve as a result.

b. The other said: "If the individual is continuously taking care of his fellow human beings the quality of life will improve for everyone, even if it obstructs individual freedom and individual development." (Trompenaars 1996, 56)

The answers to this scenario have then later been collected and put together country wise to form the numbers on the figures that will be part of our empirical data in this thesis. We have used multiple of Trompenaars' scenarios, which will be elaborated in the Theoretical Framework. These

findings, combined with the dimensions of Hofstede, will constitute the foundation for our cultural analysis in 'Part 2' of this thesis.

Theoretical Framework

In this section we will account for our chosen theoretical framework and how it will help us answer our problem statement.

Porter’s Generic Strategies

In this section, we account for Michael E. Porter’s Generic Strategies from his book “*Competitive Strategy. Techniques for Analyzing Industries and Competitors*”. These strategies will be an important part of ‘Part 1’ in our thesis, as this will lay the foundation of the further investigation of the internationalization of YoungCRM, as previously mentioned.

There are three generic strategies that Porter accounts for and these are strategies, which enable companies to create and maintain their position on a market and, in the end, hopefully outcompete competitors. The strategies can be used individually or they can be combined. If a company wishes to incorporate one or more of the strategies, it requires great commitment and support from the entire organization. (Porter 1998, 34-35)

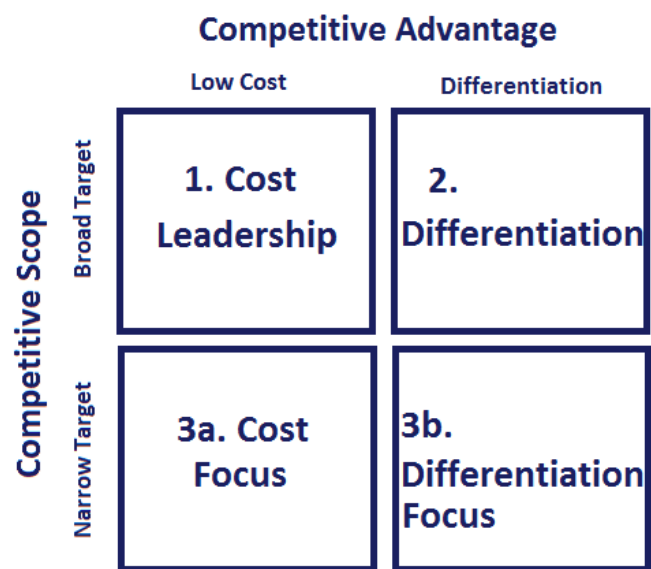


Figure 3 - Porter's Generic Strategies

Cost leadership

The first generic strategy, put forth by Michael Porter, is the 'Cost Leadership' strategy. In this strategy, a company seeks to gain advantage on a market solely based on its ability to compete on price. The product appeals to a broad target group, and the price of the product is low. This requires a low production cost in order to run the price down and thereby enable the company to be competitive. The company cannot ignore other areas such as quality or service completely, but can lower these parameters, due to that the cost of the product otherwise would go up. A low-cost strategy ensures that the company is not exposed to any of the competitive forces within a specific industry, which the company has entered. It is protected from powerful suppliers due to a larger flexibility in terms of the production cost. The company is also shielded from buyers because it can only drive the price as far down as the second most efficient competitor. The low-cost strategy offers protection from competitors, since the company can still maintain its profits, while competitors might lose their profits from trying to follow the cost leader on price. (Porter 1998, 35-36) Being the cost leader also comes with certain risks, as a company has to keep up its position. Thereby, factors such as technological change and/or the inability to see the required needs of the company, because of the focus on cost, can be dangerous. (Porter 1998, 45) An example of a company using the 'Cost Leadership' strategy in order to get a competitive advantage is the Swedish furniture giant: IKEA. IKEA sells low cost furniture to a broad target audience all over the world.

Differentiation

A different approach to a competitive position is to choose the strategy called 'Differentiation'. This strategy focuses on creating a unique product or service, whilst at the same time targeting consumers on a broad scale. This means, that the company has to come up with something that sets it apart and thereby gives it a competitive advantage within its field. Design, brand image, and/or quality are examples of parameters that can give companies a distinct advantage and thereby differentiate them. If a company is successful in differentiating itself, this gives the company a position on the market, which, like with 'Cost Leadership', can be defended in relation

to the competitive forces. For instance, 'differentiation' creates loyalty among consumers, which can result in less sensitivity regarding price. This protects the company from low cost competitors. (Porter 1998, 37-38)

The risks of 'Differentiation' can be factors such as competitors keeping up with the company or the consumer's lack of need for differentiation, due to prices being more important. This is something the company must be aware of. (Porter 1998, 46) A company that has been able to differentiate itself is Coca Cola. Coca Cola has managed to distance itself from its competitors through quality and originality of the product, which has made them a brand known worldwide.

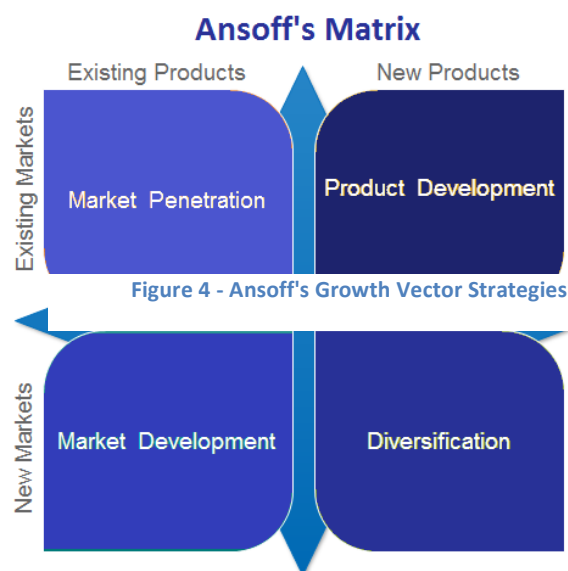
Focus

The third and final generic strategy called 'Focus', targets a particular segment or geographic market. The narrow target group entails that the strategy has to be more effective compared to the strategy of companies competing on a broader scale. A smaller segment, and thereby less potential of profit, means that the strategy has to be shaped specifically to suit that exact consumer group. It could be both low cost and differentiation, but still with a smaller target group. These can be categorized into 'Cost Focus' and 'Differentiation Focus'. One advantage in regard to the competitive forces, is that the selection of a smaller target group might result in fewer competitors and the strategy can be used to find a segment with little risk of substituting products. (Porter 1998, 38-39)

When choosing 'Focus' as a strategy, there will also be threats from both other companies and consumers. One risk can be that other companies out-focus' the focuser by finding a submarket within the strategic target. (Porter 1998, 46) Rolex is an example of a company using 'Focus' as a competitive strategy. More specifically, the company uses 'Differentiation Focus' to remain competitive on the watch market.

Ansoff's Growth Vector Strategies

In this section, we will account for H. Igor Ansoff's 'Growth Vector Strategy'. Ansoff developed four strategies, which, if applied properly, will suggest a direction for a company with a wish to grow. Once a competitive strategy has been established, a company will eventually face the challenge of having to grow in order to remain competitive. This can be done through 'market penetration', 'market development', 'product development', or 'diversification'. (Ansoff 1957, 113)



Market Penetration

If a company desires to enhance its business performance, either by expanding the size of the customer group or by increasing the sales of products, it can use 'market penetration' as a growth strategy. For this approach to be efficient, the company must not deviate from the original market or product. It is a way of trying to enhance the business with an existing product, on the same market. (Ansoff 1957, 114)

An example of this could be Trivago stepping up its marketing effort in order to gain more customers and thereby boost profits.

Product Development

The 'product development' strategy means that a company can start developing new products in order to improve the performance on an already existing market. The development of the product can be both small and/or significant, possibly even a product that is completely different from the existing products of the company. (Ansoff 1957, 114)

Apple is a first mover within the smartphone industry. The company took the mobile phone and developed the smartphone, as we know it today with great success. This is an example of 'product development'.

Market Development

When a company uses 'market development', it tries to adjust its existing product line to a new market. This means, looking for a new customer segment that potentially could be an alternative way of making profits, however, the original product must play a pivotal role in the growth of the company. (Ansoff 1957, 114)

An example could be a pharmaceutical company, such as Novo Nordisk or Lundbeck, that formerly focused on the private sector expanding their assortment to the public sector e.g. hospitals.

Diversification

Choosing 'Diversification' as a strategy, means that the company looks beyond its old ways, both in product line and in market, but instead focuses on a completely new field. This is the most uncertain strategy of the four 'Growth Vector Strategies', as the company will be looking at completely unexplored territory. (Ansoff 1957, 114)

A 'Diversification' example can be found with Siemens which makes wind turbines and later created a subsidiary that made mobile phones, which was a completely different direction for the company.

Porter's Five Forces

In this section of the thesis, we will account for Michael E. Porter's theoretical framework called 'Porter's Five Forces', which seeks to analyze the 'dependent environment' within a given industry. This theory will act as a fundamental part of 'Part 1' in this thesis, which is a necessity for us to do, to lay the foundation for 'Part 2'. Thus, being an important factor for the investigation of the market environment for YoungCRM and furthermore become a vital keystone for our 'Part 2'.

Porter states: *"The state of competition in an industry depends on five basic competitive forces"*. (Porter 1998, 3) The five forces mentioned in the quotation, will be defined and the purpose of each force will be explained. Combined, the five forces provide an overview of the competitive situation in a given industry, and we have chosen to implement this exact theoretical framework to determine the 'dependent environment' that YoungCRM operates within.

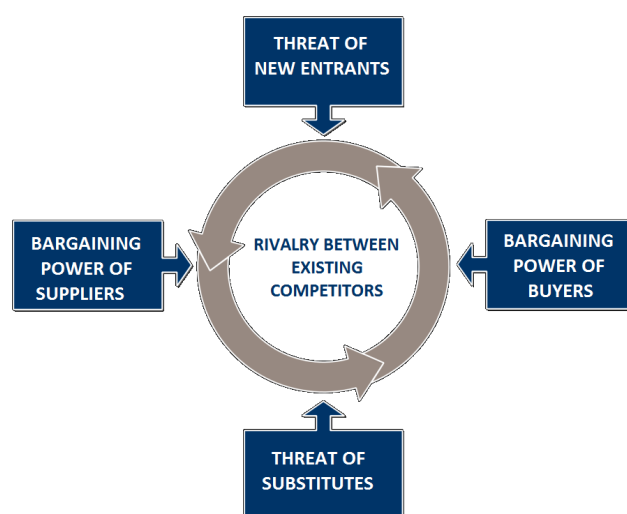


Figure 5 – Porter's Five Forces

Threat of New Entrants

Within this force, the two key issues to take into consideration, are what kinds of access barriers that are present for emerging companies, and how well established the existing competitors are within the industry. It is equally important to consider how the established companies can and will react to new entrants. (Porter 1998, 7) Porter states, that there are various barriers for a company

trying to break into a new industry, one being 'Cost disadvantages'. (Porter 1998, 10) 'Cost disadvantages' are inevitable for new entrants, as established companies will have several advantages by having a 'head-start' in the industry. Established companies therefore have advantages such as favorable location, favorable access to raw material and proprietary product technology. (Porter 1998, 11)

Bargaining Power of Suppliers

This force focuses on the suppliers to a given industry. Within this force Porter list numerous conditions, which provides the suppliers with power over the industry. (Porter 1998, 27) However, we believe that only two of these conditions are relevant when determining the power of the suppliers. These two conditions are respectively 'The industry is not an important customer of the supplier group' and 'The suppliers' product is an important input to the buyer's business'. A supplier has power over the industry, if said industry does not play an important role in the supplier's everyday business. Furthermore, the supplier possesses the power over an industry, if the supplied good plays a vital role in the operation of the industry. (Porter 1998, 27-28)

Threat of Substitutes

Within a specific business environment, all companies can be viewed as competitors. This is highly generalized, however, a perspective can be that the companies are all competing with substitute products to gain market share. By producing substitute products, the companies create a fictional ceiling on the prices, thus limiting the potential pricing of the individual products and therefore also the potential returns. (Porter 1998, 23) Substitute products are therefore important to be aware of within the industry, as they, in time, can become a potential threat. If a high-profit company is able to create a substitute product, the products often appear as a threat more rapidly than by a low-profit company. It is therefore important for a company to always be aware of potential substitute products, but also the established companies with the opportunity and capacity to develop a substitute product. (Porter 1998, 24)

Bargaining Power of Buyers

According to Porter, buyers can be seen as a competitor to the company in an industry, as different buyer groups seek to achieve e.g. lower prices and/or more quality of the product they buy. (Porter 1998, 24) Different buyer groups can have strong bargaining power with a company in different given situations. An example could be if a buyer group consumes large quantities of a company's products, which increases the importance of said buyer group from the company's point of view. The more important the buyer group is to a company, the more bargaining power this groups has over the company. (Porter 1998, 24)

Additionally, numerous players within a given industry can give an edge of bargaining power to buyer groups, as these have various alternatives to choose from. This means, that the buyer can easily change between different companies, if they are dissatisfied with the service of the current company. (Porter 1998, 25)

Rivalry Between Existing Competitors

Porter defines 'rivalry between existing competitors' as: *"Rivalry among existing competitors takes the familiar form of jockeying for position-using tactics like price competition, advertising battles, product introductions, and increased customer service or warranties. Rivalry occurs because one or more competitors either feels the pressure or sees the opportunity to improve position."* (Porter 1998, 17) As Porter explains, rivalry can take many different forms, but is basically forced by one company feeling the urge to improve its market position and gain additional market shares.

One way of improving, can be by decreasing the price on a product or service or by introducing entirely new products. Porter claims, that an industry can be the stage of intense rivalry, which can be caused by various structural factors such as numerous or equally balanced competitors, high strategic stakes or high exit and entry barriers. (Porter 1998, 18-22) These structural factors determine the intensity of the rivalry within an industry and are all equally important to consider, before being able to obtain a clear view of the competition within the industry.

PEST(EL)

The original framework, 'PEST', has been used in strategic management for the past 50 years, but, as mentioned in our Methodology, does not have any specific author. However, the first time anyone referred to it, was in 1967 when Frances J. Aguilar mentions it in his book *"Scanning The Business Environment"*. (More, Probert and Phaal 2015, 382) The 'PEST' analysis can be used if a company wants to conduct a sustainable strategy from the basis of the environment the company is engaged in, as well as to stay ahead of possible developments in society. (Lægaard and Vest 2013, 51-52) The 'PEST' analysis can be conducted by using factors in the 'independent environment' and are forces the company cannot control, but only try to understand in order to foresee possible future changes. These forces influence a company, and it is therefore important that a company is aware of them, and the fact that they are relevant to analyze. However, it is crucial to notice that the forces are expected to change over time, as the company does not exist in an isolated world. (Lægaard and Vest 2013, 55) The factors can be divided into the following categories:

Political Factors

The 'political factors' can have huge influence on a company, mainly on the ability to make profits. It is therefore important for the company to take into account, what political changes could mean for the earning potential. Examples of political regulations could be changes in company taxing, regulations in interests, or regulations in social policy. (Lægaard and Vest 2013, 53-54)

Economic Factors

Due to the activity of the entire society, these factors have to be considered, as they can easily influence a company's ability to create profit. If society is going through a down period in terms of economical resources, it can cut into the margins of the turnover. Additionally, the interest rate and the stability of the particular currency also have to be a concern. (Lægaard and Vest 2013, 53-54)

Social Factors

The factors are focused on how social relationships can influence the sales potential of a company through changes in supply and demand. The demographic changes in the environment can be predicted relatively easy, but the changes in behavior or the purchase desire of the consumers are much more difficult to anticipate. (Lægaard and Vest 2013, 53-54) An example of this could be the unemployment rate, which has an impact on the social factors of society.

Technological Factors

The modern world today is developing radically in terms of the technological advancement and development. These ever changing abilities in the technological world have to be taken into consideration, as new technology can have a significant impact on the entire industry. The changes can present an opportunity in terms of e.g. product development, but could also pose a threat in the shape of a substitute product. (Lægaard and Vest 2013, 53-55)

The original framework of the 'PEST' analysis, only suggests four factors regarding the 'independent environment' of a company. However, in recent years there have been suggested two additional factors to the framework, expanding the 'PEST' analysis to the 'PEST(EL)' analysis. (Makos 2015) These two additional factors are 'environmental factors' and 'legal factors'. However, we will only account for 'legal factors' in this section, since we, as mentioned earlier, did not find 'environmental factors' relevant for this thesis.

Legal Factors

The last factor that sort under the 'PEST(EL)' analysis focuses on the legal parts of the 'independent environment'. Examples such as health and safety laws or consumer protection laws are both something that the company has to take into account, when looking at the legal factors. These could affect the earning potential of the company, but also has to be regarded as influencers for the organization, its structure, and its culture. The legal factors can also be linked to the political factors. (Makos 2015)

Critical Discourse Analysis

In this paragraph, we will account for 'Critical Discourse Analysis', which will be referred to as 'CDA'. Our account of the 'CDA' draws on the work of Norman Fairclough. Though Michel Foucault is considered to be the original author of 'CDA', we have chosen to apply the work of Fairclough, as he has conducted a research on how discourses have an impact on discourses. (Fairclough 1995) This is important for this thesis, as the 'CDA' will play an important role in conducting a textual analysis of the Facebook page of Talenthub and the blog post from YoungCRM.

According to Fairclough, the 'CDA' seeks to analyze a text, an activity, or a visual image. When conducting a 'CDA', one seeks to find a deeper meaning of the empirical data through the studies of linguistics and language. (Fairclough 1995, 33) Keeping our empirical data in mind, which in this case is a Facebook page and a blog entry, we find that these three elements are important to analyze, as they are key aspects in conducting a 'CDA' from Fairclough's basis. When analyzing a text, an activity, or a visual image, it is important to focus on three dimensions in your analysis. These are 'text', 'discourse practice', and 'sociocultural practice'. (Fairclough 1995, 57) According to Fairclough, these dimensions are important, as they correlate to one another, meaning that a change in one dimension affects the other two dimensions. (Fairclough 1995, 57, 59-60)

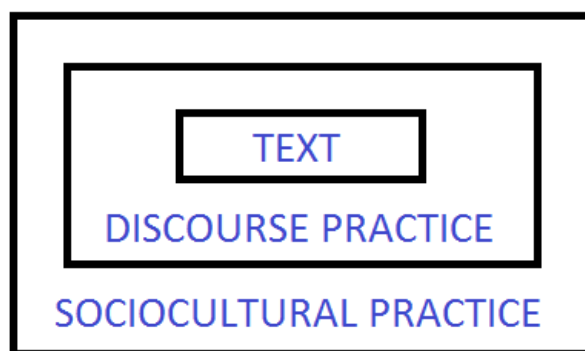


Figure 6 - Critical Discourse Analysis (Fairclough 1995, 57-59)

Fairclough, as seen in Figure 6, visualizes the three above-mentioned dimensions. The figure shows the three dimensions as three intertwined and interdependent squares. This means that the dimensions complement each other. Furthermore, Figure 6 shows that you start out by

analyzing the 'text', then the 'discourse practice', which contains the definition of the writer, the communicative purpose, and the production process the text has undergone. Lastly, the 'sociocultural practice' investigates the social norms and socially constructed realities that have been a factor in the production of the text. The three dimensions will be divided and accounted for separately in different sections below. Fairclough emphasizes eight points, which he believes one should take into account, when conducting a 'CDA'. We have divided the points we find useful into the following three dimensions of 'text', 'discourse practice', and 'sociocultural practice.' (Fairclough 1995, 57-60)

Text

When conducting a 'CDA', one starts out by analyzing the inner square, called 'text'. This dimension of the 'CDA' contains a descriptive part, as it describes the content of the text or the visual image. It does so by focusing mostly on grammar and the vocabulary in the text, activity, or visual image. (Fairclough 1995, 57) Fairclough suggests, that in the 'text' dimension both linguistics and 'intertextuality' are analyzed. (Fairclough 1995, 61) 'Intertextuality' can be defined as a discourse, known from previous work, which is used in a new setting. The use of 'intertextuality' can create assumptions and pique the interest of the reader. (Fairclough 1995, 61) When analyzing 'text', Fairclough also argues, that looking at cohesion is very important. By using cohesion, the text refers to itself and thereby creates a common thread and guides the reader. (Fairclough 1995, 61)

In the analysis of 'text', it is equally important to focus on the use of language in the material. To help with this notion, we have chosen to incorporate the three forms of appeal defined by the Greek philosopher Aristotle. The three forms of appeal are called 'ethos', 'logos', and 'pathos'. (Gabrielsen and Christiansen 2010, 108-109) These forms of appeal strive to understand how the use of language can affect the writer-reader relationship. 'Ethos' appeals to the ethics and how the reader can be persuaded by the writer to trust his or hers persona. In other words, it speaks to the ethical part of a human's consciousness and attempts to create a bond of trust to the writer's image. (Gabrielsen and Christiansen 2010, 108-109) 'Pathos', on the other hand, appeals to the reader's emotions. When the writer uses 'pathos', he/she tries to create an emotional bond with reader, and by doing so, persuade the reader to agree with the arguments put forth. (Gabrielsen

and Christiansen 2010, 108-109) 'Logos' appeals to logic and rationality. If a writer uses 'logos', it means that he/she uses facts and arguments to persuade the reader about the cause. (Gabrielsen and Christiansen 2010, 108-109)

When the linguistic and 'intertextual' analysis is finished, it is important to look at the author of the text and the intentions that the company or person had when creating the material. This will be further elaborated in the next dimension, 'discourse practice'. (Fairclough 1995, 58)

Discourse Practice

The second dimension is the 'discourse practice', which focuses on the 'text' being produced and consumed. The editorial procedures are important to keep in mind, as these are essential when trying to understand how the 'text' was produced. In addition, the second dimension focuses on the audience of the 'text'. Here, it is important to analyze the reaction of the reader, as one can discover whether or not the content of the 'text' is able to affect the audience. The reaction of the audience indicates whether the author has offended, thrilled etc. the audience. According to Fairclough, the 'discourse practice' is essential to a good 'CDA', as it is an indirect link between the 'text' and 'sociocultural practice'. This dimension is vital for the 'CDA', as a change in any of the three dimensions has to go through the 'discourse practice'. (Fairclough 1995, 60)

Sociocultural Practice

The world is defined by society and culture, which is created by humans. The 'sociocultural practice' is a natural next step to take, after we have uncovered the details of the production of the 'text'. This dimension contains the definition of society and the cultures, which may have affected the writer in the production process. What is the purpose of the text, why was it initially written, and is the text based on the writer's own persuasions or is it objective? (Fairclough 1995, 60)

The 'sociocultural practice' is, therefore, linked closely to the 'discourse practice', as what happens in society and with culture deeply affects the production process and how the 'text' gradually takes form. (Fairclough 1995, 60) Fairclough suggests, that when one is analyzing a text or visual

image, it is necessary to account for the changes in society as well as the culture. Afterwards, one can put them into a perspective of the change in the 'discourse practice'. (Fairclough 1995, 33-34)

Register Theory

The following is an account of Michael Halliday's 'Register Theory', which is applicable when analyzing language. Combined with a 'CDA', the 'Register Theory' will create the foundation of a textual analysis. We will apply this theory in order to analyze YoungCRM's blog entry.

The term 'register' can be dated back to 1956 to capture the notion of text variety. Several years later, Michael Halliday has generalized 'registers' into three categories called 'field', 'mode' and 'tenor'. (Lukin et al. 2011, 190)

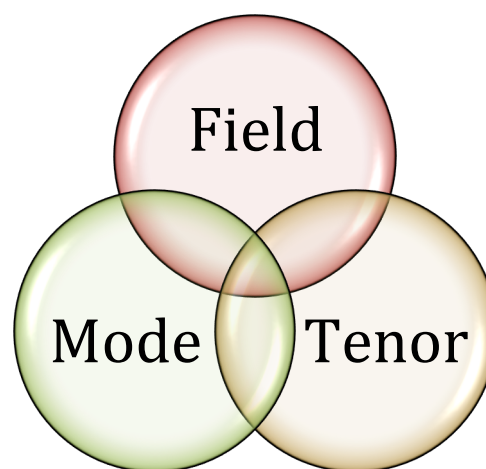


Figure 7 - Register Theory

Halliday explains how the purpose of the three categories is to analyze: *"[...] all the things going on in a situation of time of language use, only these three have a direct and significant impact on the type of language that will be produced."* (Eggins 1994, 53) The three categories are related and interdependent, but all focus on different aspects of how language is used in a given situation and how it forms the communicative situation. (Eggins 1994, 52)

Moreover, the three categories will form a register description, and will be able to define the environment, which the semiotic system, social systems, and language operate within. (Halliday 2014, 34) In short, 'field', 'mode' and 'tenor' are used to determine the way language is used.

Halliday suggests that: *"[...] field values resonate with ideational meanings, tenor values resonate with interpersonal meanings, and mode values resonate with textual meanings."* (Halliday 2014, 34) Together, they form a register description that will make it possible to determine the communicative situation, the roles between writer and reader, and give an understanding of how different meanings can be understood in any type of situation. (Halliday 2014, 34)

We believe, that all three variables are equally important in understanding the language situation in a text or conversation, and they will separately be summarized drawing on some of the main features within each variable. We have modified the schematics of the 'Register Theory' based on Eggins' work, so each variable includes subcategories, which will improve the specification of the analysis. The schematic used in this project will therefore stray from the original, published by Eggins and Halliday.

Field

According to Halliday, 'field' is defined as: *"[...] what's going on in the situation: (i) the nature of the social and semiotic activity; and (ii) the domain of experience this activity relates to (the 'subject matter' or 'topic')"* (Halliday 2014, 33) What Halliday suggests, is that 'field' can be categorized as the topic in a text or conversation. Halliday believes, that 'field' will help to define the social and semiotic activity and the ongoing activity. (Halliday 2014, 33) (Eggins 1994, 67)

Based on Halliday's work, and Eggins' interpretation hereof, we have derived three subcategories, which all serve a different purpose in defining what Halliday refers to as 'field'. The first subcategory entails the definition of the ongoing activity or subject matter. The second subcategory seeks to determine the degree of specialization of the language used in a text or a conversation. The degree of specialization can be visualized as a continuum, which stretches between non-technical, which includes everyday vocabulary, to specialized language, which mainly consists of highly specialized language within the subject matter. The third and final category investigates the degree of concreteness or abstractness. This investigation consists of defining whether the communication between writer and reader is present. In summarization, the 'field variable' of the 'Register Theory' seeks to examine what is occurring in the text and how difficult it might be to perceive this activity.

Mode

Halliday explains 'mode' as: *"[...] what role is being played by language and other semiotic systems in the situation [...]"* (Halliday 2014, 33-34) Thus, 'mode' strives to distinguish between the purposes of language, and it also implies to investigate whether language supports the communicative situation.

Within 'mode' are two types of distance called 'spatial/interpersonal -' and 'experiential distance'. (Eggins 1994, 53) 'Spatial/interpersonal distance' is a continuum, which ranges situations

according to immediate feedback on communication. An example hereof, could be the difference between having one-on-one conversations or writing/reading a book, where both participants are unable to interact with each other. (Eggins 1994, 53)

The second continuum, called the 'experiential distance', illustrates the distance between language and the ongoing activity. On one side of the continuum is a guiding language in the ongoing activity. An example of guiding language could be a father trying to teach his child how to play scrabble, by giving the child instructions. This allows them to interact with each other, as the child can ask questions, and the father can answer promptly. On the other side of the continuum, there is no guidance in the language and the distance in language is therefore much larger than in the aforementioned example. An example of a significant gap in distance in the language, could therefore be when a person has bought a product, which needs to be assembled using an instruction manual. The consumer must follow the instruction to assemble the product correctly, but has no way of asking the writer questions if needed.

Tenor

According to Halliday, 'tenor' contains different aspects regarding the persons involved in a communicative situation: "[...] (i) the roles played by those taking part in the socio-semiotic activity – (1) institutional roles, (2) status roles (power, either equal or unequal), (3) contact roles (familiarity, ranging from strangers to intimates) and (4) sociometric roles (affect, either neutral or charged, positively or negatively); and (ii) the values that the interactants imbue the domain with (either neutral or loaded, positively or negatively)". (Halliday 2014, 33)

The relationship between the sender of a message and the receiver can be an important factor, as the roles of the sender often vary depending on the receiver. Therefore, the purpose of 'tenor' is to discover the relationship between the sender and the receiver. (Eggins 1994, 63) In order for us to look into this relationship, there are four different categories we must consider; 'agent roles', 'distribution of power', 'social distance', and 'emotional involvement'. (Hill-Madsen 2016) Agent roles define the roles between the sender and the receiver, distribution of power categorizes the power relationship between the two, social distance defines the distance between the agents, and emotional involvement regards the usage of emotions in the text. (Hill-Madsen 2016)

Geert Hofstede

In this section we will account for Geert Hofstede's Cultural Dimensions. Hofstede views culture as: *"The collective programming of the mind which distinguishes the members of one human group from another."* (Hofstede 1984, 21) (Hofstede 1984b, 82) In regards to this, Hofstede states that all individuals' programming is partly shared, partly unique. Here he differentiates between three levels:

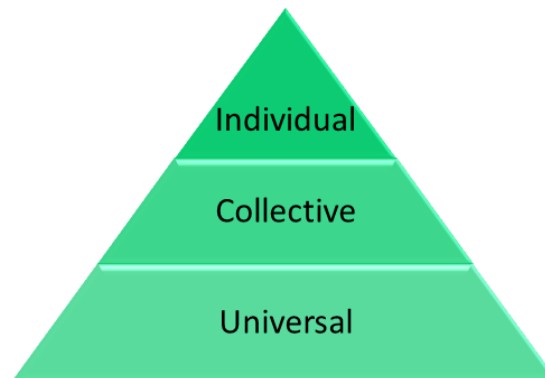


Figure 8 – Three Levels of Uniqueness in Human Mental Programming (Hofstede 1984b, 15-16)

Hofstede believes, that culture is to the collectivity of humanity, what personality can be defined to be for the individual person. Culture influences the group's way of responding to the environment around them, and it can decide the identity of the group, the same way a personality does for an individual person. (Hofstede 1984, 21) Culture is the way society transfers patterns of thinking through generations e.g. from parents to children or leaders to followers. Hofstede also claims that culture is linked to different parts of our everyday lives. This can be one's outlook at the world, the values people possess, or what people find 'beautiful' or 'ugly'. Even though, an individual may not constantly be conscious or aware of the presence and influence of culture, Hofstede argues, culture still takes residence in various norms, products, or institutions in society and affects people's doings on a daily basis. (Hofstede 1984b, 82) As different cultures exist within different nations, it is extremely time consuming to understand a new cultural system, if one is not born into it. Hofstede states, that one's culture can be difficult to understand and explain to others, as one constantly is part of it without even noticing. (Hofstede 1984b, 82)

Hofstede has found four dimensions, which he believes, are present within all cultural systems. All countries he has examined, are given a score according to the answers they give, and thereby their

overall position is found. (Hofstede 1984b, 83) The four dimensions are: 'Individualism vs. collectivism', 'large power distance vs. small power distance', 'strong uncertainty avoidance vs. weak uncertainty avoidance', and 'masculinity vs. femininity'. These will be accounted for below. Furthermore, Hofstede has developed two additional dimensions to supplement his already existing dimensions. These are called 'long-term orientation' and 'indulgence'. As accounted for in our Methodology, we will not focus on these dimensions, as they hold no relevance to this thesis. (Hofstede 1984b, 83-84)

Individualism vs. Collectivism

Hofstede defines the two terms as: *"Individualism stands for a preference for a loosely knit social framework in society wherein individuals are supposed to take care of themselves and their immediate families only... Collectivism, stands for a preference for a tightly knit social framework in which individuals can expect their relatives, clan, or other in-group to look after them in exchange for unquestioning loyalty."* (Hofstede 1984b, 83) What this dimension hereby addresses is people's mental programming of 'I' vs. 'we', and how the two terms are connected. Here, Hofstede argues that it is important to investigate the interdependency that society upholds. (Hofstede 1984b, 83)

Large Power Distance vs. Small Power Distance

Distance in power regards the extent of acceptance from the members of society, of the equal or unequal distribution of power in institutions and organization. In societies with large 'power distance' there will be a hierarchical order, where everyone has a role, whereas in societies with small 'power distance' the people within will be more inclined to strive for equalization. This dimension entails societies' handling of inequalities among people and how this affects the way institutions and organizations are built. (Hofstede 1984b, 83)

Strong Uncertainty Avoidance vs. Weak Uncertainty Avoidance

This dimensions deals with the members of society's level of feeling uncomfortable with uncertainty. If there is strong 'uncertainty avoidance' present in society, it means that the society has strict codes of beliefs and ways of behaving, and thereby most find it difficult to tolerate

different persons and/or ideas. Weak 'uncertainty avoidance' societies tend to be more relaxed, and here it is easier to stray from the line of order. This dimension deals with the way societies respond to time and the unknown. Does it try to control it or just let it happen? (Hofstede 1984b, 83-84)

Masculinity vs. Femininity

Under 'masculinity', Hofstede puts preferences in society such as: achievements, heroism, assertiveness, and material success, whereas relationships, modesty, caring for the weak, and the quality of life are mentioned under 'femininity'. (Hofstede 1984b, 84) The way society hands out social roles to sexes are being tackled in this dimension. Some societies tend to have more differentiation than others, in some, men are more outgoing and women more caring - these are what Hofstede refers to as 'maximum-social-differentiation societies'. (Hofstede 1984b, 84) These societies are called masculine. In other societies with less social differentiation, the societies are called feminine. These are often the welfare societies, where it is important for all members to care for the weakest. (Hofstede 1984b, 84)

Fons Trompenaars

In this section, we account for Fons Trompenaars' cultural model. Trompenaars believes culture can be seen as an onion - in layers - the explicit culture and the implicit culture as shown in the model below. (Trompenaars 1996, 51)

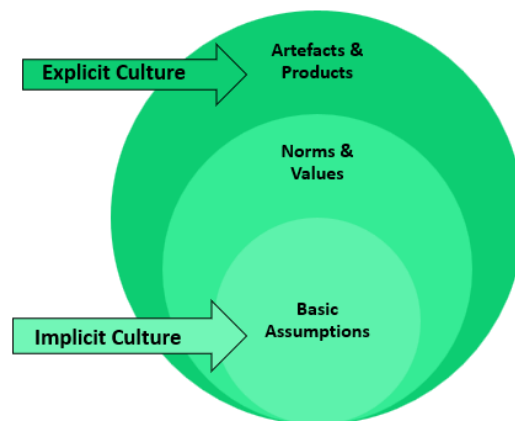


Figure 9 - Trompenaars' Model of Culture (Trompenaars 1996, 53)

The explicit culture is what is visible to others such as clothes. The middle layer entails what is considered right or wrong in the society or good or bad. In the center, Trompenaars has 'basic assumptions' which are the unconscious solutions people make in order to solve the problems they face. (Trompenaars 1996, 51-52)

Trompenaars states that: *"We owe it to Charles Hampden-Turner to see culture as the way people resolve dilemmas which emerge from universal problems."* (Trompenaars 1996, 52). He continues by saying that all countries and organizations face problems in relationships with people, with time, and between people and the natural environment. All cultures need to respond to such problems, they just do it differently. (Trompenaars 1996, 52)

Individualism vs. Collectivism

This dimension investigates the struggle of individuals; individualism, versus the larger interest of a group; collectivism. Trompenaars uses Parsons' (1955) definitions of the terms: 'individualism': *"a prime orientation to the self"*, and 'collectivism': *"a prime orientation to common goals and objectives."* (Trompenaars 1996, 56) How people relate to each other differ from society to

society. In some societies, the wants and needs are put first by the individual, whilst other societies put the collective's needs before the individual ones. (Trompenaars 1996, 55-56)

Neutral vs. Affective

Regarding relationships between people, there are, according to Trompenaars, two parts that matter: emotions and reason. If emotions are visible, people are 'affective'. If emotions are hidden, chances are that people are 'neutral' in responses. Reasons and emotions are commonly combined, as people like to be confirmed by others in their thoughts. If one person is highly emotional, it is likely that the person, with whom he/she is conversing, responds in an emotional way and thereby creating a direct response. Being more 'neutral' will create an indirect response. It can be difficult for an 'affective' and a 'neutral' culture to relate to each other, as signs can be misinterpreted and misunderstood. (Trompenaars 1996, 57-58)

Achievement vs. Ascription

Others can acknowledge a person's status for different reasons. In some societies, people are accorded due to their achievements while other societies ascribe status to people because of e.g. class, age, or gender. Achieved status, as the word alludes, means that the status comes from achievements while ascribed status comes from the individual's own being. (Trompenaars 1996, 60). Examples hereof can be seniority in companies due to age and not skill (ascribed status) or the other way around - senior status in a company due to competent skills (achieved status).

Internal Control vs. External Control

This dimension regards how people ascribe meaning to their environment. 'External control' is when focus is put on nature and the environment instead of the individual. Here people are 'other-directed', which means they orient their actions towards other people (Trompenaars 1996, 64). On the other hand, if people in the culture are 'inner-directed', they separate themselves from social relationships. This is 'internal control', which is often found at engineers or MBA's. Basically, this dimensions distinguishes to what extent a culture is willing to be influenced by

factors from the outside, compared to focusing on what internal strengths or weaknesses one possesses. (Trompenaars 1996, 65-66)

Hans Gullestrup

This section will contain Hans Gullestrup and his views on culture. Gullestrup believes that: *“Culture is the philosophy of life, the values, norms and rules, and actual behavior - as well as the material and immaterial products from these - which are taken over by man from the past generations, and which man wants to bring forward to the next generation - eventually in a different form - and which in one way or another separate individuals belonging to the culture from individuals belonging to other cultures.”* (Gullestrup 2002, 2)

Gullestrup suggests a cultural hierarchy, with a macro-culture with branches to several underlying cultures. Thereby, members of one culture can also be members of other cultures, but the difficult part is whether the people in the cultures believe that they are on the same ‘level’ in the culture.

Furthermore, Gullestrup believes that: *“[...] we also have to recognize the fact that people simultaneously reflect other cultural categories than the macro/national culture, each of them with their own hierarchy of cultural layers.”* (Gullestrup 2002, 10) He, thusly, emphasizes that one must consider multiple layers of a national culture to define potential sub-cultures, which is need in order to conduct a more comprehensive cultural analysis.

As nature is in constant change, Gullestrup argues that culture and nature is in what he calls a double relationship, which means that nature forms culture but culture also changes nature, which ultimately means they both adapt to each other. The fact whether a change action will lead to actual change in culture is the determining factors of change. Here, integration and existing values are important parts of the culture, as well as, the power structure. (Gullestrup 2002, 14)

Gullestrup argues that culture is everything but static. He believes that culture is under constant pressure for change from external and internal factors. (Gullestrup 2002, 14) Factors of change are though not determined by these, but by what he refers to as ‘determining factors’. The initiating factors of change can alter both the so-called natural conditions and the conditions in different cultures. (Gullestrup 2002, 14)

Analysis

In this part of the thesis, we will conduct our analysis with the chosen theoretical framework and empirical data. Below we have visualized Figure 10, which illustrates how we have chosen to conduct our analysis based on a bipartite framework.

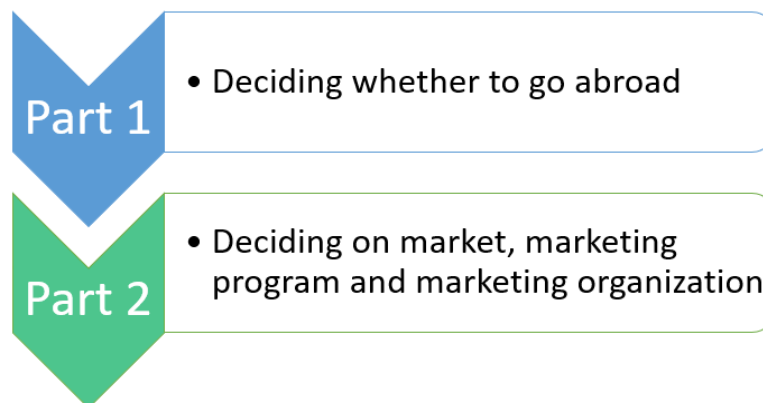


Figure 10 - Overall Framework

These two parts contain analyses, which will help to answer the overall problem statement. ‘Part 1’ will entail analyses of YoungCRM’s position on the Danish recruitment market, and will in the end enable us to define whether YoungCRM is ready to go abroad, which Step 1 of Kotler and Keller’s framework ‘Competing on a Global Basis’ dictates. ‘Part 2’ will contain a market analysis of both the UK and the US, regarding e.g. cultural differences between Denmark and the intended foreign markets. Furthermore, it will contain a definition of how YoungCRM’s marketing program and organization could appear, in order to be able to successfully engage in ‘Foreign Direct Investment’ (FDI) within the UK and the US. ‘Part 2’ will therefore be comprised by the remaining four steps of Kotler and Keller’s framework. We have chosen to divide our analysis into two separate sections, as we firstly find it essential to establish the keystone of YoungCRM, which is what ‘Part 1’ will provide, before investigating potential foreign recruitment markets, which the company potentially can expand to. This is what ‘Part 2’ provides.

By the end of ‘Part 2’, we will conduct a full discussion on the entire thesis, before being able to reflect on the work through a conclusion. Furthermore, we will be able to obtain a better understanding of what is required of YoungCRM to expand to the UK or the US, which difficulties and/or possibilities the two countries present, and how YoungCRM can use its knowledge from its domestic market to realize the intention of an expansion. Thus, enabling us to answer the problem statement put forth.

‘Part 1’ - Deciding Whether to go Abroad

As can be seen from Figure 11 below, we have reached ‘Part 1’ of our analysis, which includes an investigation of the Danish recruitment market. As mentioned in the Methodology section, our ‘Part 1’, has its origin from the overall framework by Kotler and Keller called ‘Competing on a Global Basis’, which we have chosen to apply in this thesis. The first step of Kotler and Keller’s framework is called *Deciding Whether to go Abroad*, and this will be the foundation of our ‘Part 1’. In this context, we will use different analytical tools to investigate YoungCRM’s features such as its strategies for gaining a competitive edge, what differentiates its software, what its current market situation is, and how the company communicates with its customers. The purpose of ‘Part 1’ is to provide evidence regarding YoungCRM’s current market position, which will enable us to discuss whether the company is ready to take its business abroad.

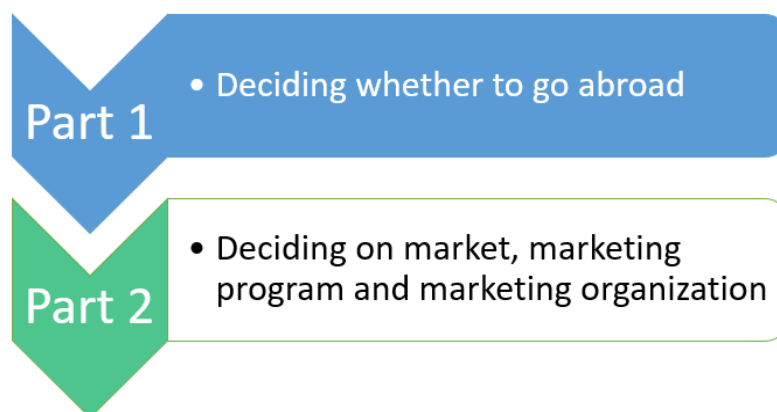


Figure 11 - Overall Framework Part 1

Figure 12, which is visualized below, is a further elaboration of how we have chosen to conduct ‘Part 1’ of this analysis. As the figure illustrates, the analysis of ‘Part 1’ is divided into four separate steps, which will respectively focus on the competitive position of the company, the market environment in which the company operates, and the organizational structure including external and internal communication. These first three steps enable us to discuss whether YoungCRM is equipped to go abroad, which is the fourth and final step in ‘Part 1’. This discussion will be conducted through a ‘forcefield’ analysis, which will measure the importance of different ‘driving –’ and ‘restraining forces’ that have become apparent from our previously conducted analyses.

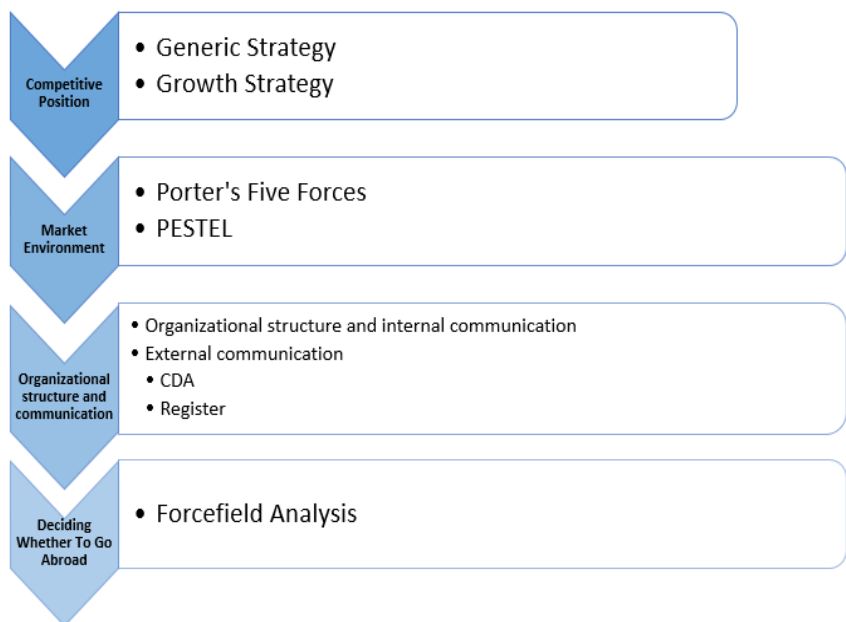


Figure 12 - Framework Part 1

Competitive Position

As Figure 13 shows, the first part of our analysis in 'Part 1' focuses on the 'generic strategy' and the 'growth strategy' of YoungCRM. These two analyses comprise the competitive position of YoungCRM, which is important for us to analyze, as it is an important first step towards understanding YoungCRM's position on the Danish recruitment market, which eventually will be put to use in deciding whether the company has the required capacity to expand abroad.

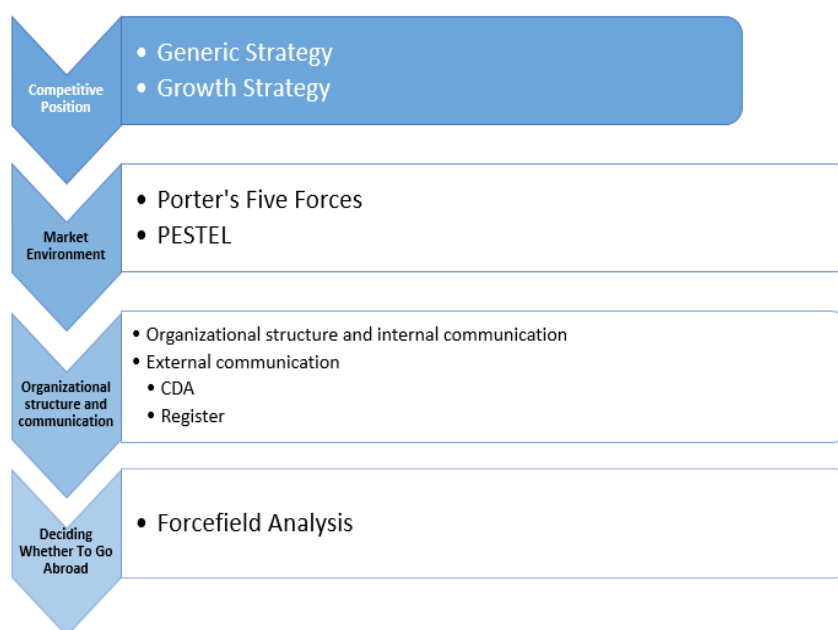


Figure 13 - Competitive Position

YoungCRM's Generic Strategy

The main objective of deciding on a 'generic strategy' is to determine which parameters YoungCRM wishes to compete on to stay relevant within the recruitment industry. In this section, we will define which of Porter's four generic strategies YoungCRM is currently following and discuss which strategy is the best fit for YoungCRM. The generic strategies are shown in our Theoretical Framework (Figure 3).

From the interview conducted with YoungCRM, we have obtained basic knowledge of the company, its software and competitors, and with this newly obtained knowledge, we have been able to define the 'generic strategy' of YoungCRM to be 'differentiation'.

The first parameter in the process of establishing a 'generic strategy' is reviewing the scale of the target group. Keeping this in mind, we have through our interview been able to determine that YoungCRM has a broad target group, as the company currently seeks to aim its software at a broad audience. This can be seen both through the YoungCRM software and through the Talenthub software.

The product director, RS, utters that the YoungCRM product has a broad target group, basically consisting of all companies with more than 200 employees:

"Med det sagt så er vi også ude og pitche idéen for alle de store virksomheder... Eller større virksomheder som har en større bevidsthed omkring rekruttering og det at ansætte medarbejdere. Det skaber en god oplevelse, så vores segment lige nu har jeg lyst til at sige det er alt det der hedder plus 200 medarbejdere, og så er det ellers bare fuld skrald på dem." (Appendix 1, l. 167-171) Even though, the size of the companies that YoungCRM targets, suggests a narrowing of the segment, it can still be defined as a broad segment to work within due to the expected amount of companies with at least that number of employees.

A second parameter to consider when trying to establish the 'generic strategy' of YoungCRM is the competitive advantage, meaning the qualities that separate the company from its competitors. In short, which assets or abilities YoungCRM is able to compete on.

As a newly established company, this choice of 'differentiation' can potentially help YoungCRM to establish itself on the Danish recruitment market. RS expresses, that existing ATS' can administer everything regarding recruitment within one system, whereas YoungCRM and Talenthub are two separate systems. YoungCRM must therefore be focused on the differentiation of both software to be able to compete with one independent ATS. RS utters, that this can be a challenge for YoungCRM, as customers often can be difficult to convince to work within two separate systems rather than one complete system: *"Dermed også sagt at de skal arbejde i to systemer, så vi kan godt blive lidt udfordret af at den her med at hvis et ATS gør det så vi fandme svært ved at vinde den kunde der har det ATS for så kan de administrere det hele i et system."* (Appendix 1, l. 118-120)

Another way to determine what separates YoungCRM from other recruitment systems, are the assets that RS mentions regarding YoungCRM's software. The assets refer to how the customers can manage their vacancies through their individual talent banks via the YoungCRM software along with a joint talent bank, which is the Talenthub software. (Appendix 1, l. 30-39) These are

mentioned as something that makes the software unique and can give YoungCRM a competitive advantage.

Also in support of choosing 'differentiation' as the 'generic strategy' of YoungCRM, can be when looking at the product Talenthub from the following quote: *"Vi prøver at holde det målrettet, men egentlig ikke. Da vi har kørt meget matching, det vi har kørt på, der har vi prøvet at fastholde det til meget IT, marketing, kommunikation, altså basic, for at gøre det relevant til virksomheder og for at gøre det relevant for kandidater[...]"* (Appendix 1, l. 194-196) Here, RS expresses that YoungCRM currently tries to keep its target group focused, but in reality it is not.

He elaborates upon this point, by explaining that the backgrounds of the candidates, the company tries to target for Talenthub, are of a very broad basis (Appendix 1, l. 194-195). This statement also suggests a broad segment of candidates, which supports the notion of the 'differentiation' strategy from the first parameter regarding the size of the target group.

A thing worth noticing at this point, is how the price is not mentioned as an asset to the product in the interview and on YoungCRM's website. The customer's perception of the price of the product is, however, briefly mentioned in the interview: *"[...] Fordi mange tænker det er sku da billigt lige at få at vide hvor gode er vi egentlig til at rekruttere altså til at ansætte for 10.000, det er ingenting for store virksomheder, og så få dem konverterede over på det her månedlige subscription. Så rimelig simpelt betalingsmodul."* (Appendix 1, l. 97-108) This quote indicates, that YoungCRM could potentially compete on the price parameter, however, when the software is described by RS, the price is not mentioned as an asset to both software. In the quote, he even mentions, that it is the quality of the service more than the price level, which appeals to the customers.

From this, we have been able to deduce, that YoungCRM focuses more on product functionality and quality of the software, rather than 'price'. This has led us to the deduction that the generic strategies of 'cost leadership' and 'cost focus', are not a consideration for YoungCRM.

However, if YoungCRM was to consider changing its competitive position and use one of these strategies, 'cost leadership' would be the best suited strategy. 'Cost leadership' is defined as being able to compete on price to a broad segment. Therefore, from the basis of our previous arguments of a very broad segment, and the fact that YoungCRM and Talenthub are claimed to be non-expensive software, considering the services they provide, 'cost leadership' could prove a potential shift in 'generic strategy' for YoungCRM. Moreover, a reason for YoungCRM to change its 'generic strategy' to 'cost leadership', could be the fact that its software cannot be patented. (Appendix 1, l. 116-122) RS believes, that other ATS' might already exist, which have similar assets

to the services, which YoungCRM provides. (Appendix 1, I. 115) Thus, competitors or potential substitutes can replicate YoungCRM's software, which means that YoungCRM might need a new approach to its 'generic strategy'.

Furthermore, RS states, that the YoungCRM and Talenthub software have no clear production costs, as physical products do. Production costs of a physical product can be reduced by switching to a cheaper material or by mass production, thus being able to lower the sales price. Since YoungCRM and Talenthub are software, they have had a one-time production cost. This could be another indication towards 'cost leadership', as YoungCRM has no immediate production costs that could force the price up.

However, RS expresses that several other expenses are linked to the software, such as salary for employees, designers and developers, functionaries, and maintenance of the servers. (Appendix 1, I. 271-278) These expenses are something YoungCRM must consistently pay to ensure the software's functionality, which means that YoungCRM is unable to lower its production costs. The only way the company can compete on 'price', is by having a smaller team of employees to maintain the software and the servers, and thereby having lower expenses than its competitors. This will, however, present the challenge of keeping the software at a steady quality level without the current employee capacity and, as a consequence, the software may suffer in quality. Even though, the 'price' could be an asset, the biggest asset is still the functionality according to RS. (Appendix 1, I. 30-39) Thus, YoungCRM cannot reduce its production costs on a wider scale and therefore the company will have difficulties in lowering the price if needed, in order to fight off competitors in the long run on price. This leads us to the deduction that YoungCRM will not be able to sustain a 'cost leadership' strategy to remain competitive.

As mentioned earlier, RS states that the company wants to aim the two software at a specific target group. However, the current process of obtaining customers and candidates proves that the company in reality aims its software at a large audience. (Appendix 1 I. 194-195).

The target groups of Talenthub consist of four different personae, who are at four different stages in life. One is looking for an internship as a part of his education, another is looking for a relevant student job to gain some experience within his field of study, a third has recently graduated and is currently looking for the first full time job, and the last persona is looking for a second full time job

after having been on the job market for four-five years. (Appendix 1, l. 124-132) These four personae cover a substantial amount of people and, as such, the target groups of the Talenthub software can be defined to be fairly large. Thus, the company cannot use the 'generic strategy' of 'differentiation focus'. Nevertheless, should YoungCRM wish to apply the 'differentiation focus' anyway, as a 'generic strategy', the company must choose one of aforementioned four personae to focus its full attention on, as a requirement of 'differentiation focus' is a narrow target group. In spite of all of the previously discussed factors towards a new 'generic strategy', RS mentions one more substantial piece of evidence towards the 'generic strategy' of 'differentiation'. As previously mentioned, the company aims the YoungCRM software towards companies with more than 200 employees, as these companies' need a certain amount of employees in order to acquire the service that YoungCRM provides. As there are numerous companies with more than 200 employees, the target group of the YoungCRM software is rather large. Similar to Talenthub, the YoungCRM software is unique and the target group is broad, meaning that the 'generic strategy' for the YoungCRM software cannot be 'differentiation focus' either but more likely is 'differentiation'. (Appendix 1, l. 167-171) Thereby, taking everything into account, we can, as previously established, deduce that the 'generic strategy' for YoungCRM is 'differentiation' based on the focus on quality and functionality aimed at a broad target group.

The 'generic strategy' is something YoungCRM should be continuously aware of. The choice of 'generic strategy' defines the parameters YoungCRM chooses to compete on, and a change within the recruitment industry may force YoungCRM to rethink whether the current 'generic strategy' still remains viable. Furthermore, having decided which 'generic strategy' YoungCRM uses, we can now investigate which strategy YoungCRM is using or should use to continue the growth of the company and stay competitive within the recruitment industry.

YoungCRM's Growth Strategy

Once YoungCRM has chosen the 'generic strategy' of which it wants to apply, we need to investigate how the company can continue its growth. YoungCRM must be aware of how it intends to grow in terms of market share and profit. As mentioned in the Theoretical Framework, Ansoff suggests four ways a company can penetrate a market by e.g. introducing a new product on an existing market or using an existing product on a new market. In this section, we will examine which 'growth strategy', we believe, fits YoungCRM.

This analysis will have two focal points. The first focal point will contain an investigation of which 'growth strategy' YoungCRM uses within the recruitment industry. The second focal point will focus on which 'growth strategy' the company could potentially use going forward when engaging in foreign affairs. As RS has expressed, the plans of YoungCRM is to go abroad in the near future, which justifies our approach. (Appendix 1, l. 437-439) Thus, we believe, it is important to both investigate a 'growth strategy' for the domestic market situation, and the 'growth strategy' which focuses on a future foreign market situation. Depending on the perspective, we believe, that the company can apply multiple of the above mentioned growth strategies.

As previously stated in the Company Description, from the beginning, CompanYoung developed YoungCRM as software, which would be a supplement to the line of products of CompanYoung. CompanYoung quickly realized, that the YoungCRM software had potential to establish is as an independent company. When YoungCRM became independent from CompanYoung, it launched this new recruitment software, and thereby introduced a new product to the existing Danish recruitment market. This would initially indicate that YoungCRM uses the growth strategy 'product development'.

On the other hand, a different perspective that can be considered is that YoungCRM cannot use the growth strategy 'product development', since the YoungCRM software can be regarded as nothing more than an existing ATS with an extra feature. (Appendix 1, l. 316-321) This line of thought would eventually result in that the YoungCRM software not being regarded as a new product. This claim is of course put to the extreme. Following this point, YoungCRM could operate with the growth strategy 'market penetration' as the company, from this point of view, has an existing product on an existing market.

Nevertheless, we still believe, that YoungCRM presently resides within the box Ansoff refers to as 'product development'. YoungCRM has currently penetrated the Danish recruitment market with new software. In this context, we believe, that the phrase 'new', can be used about the software, as it strays from other ATS' such as Cornerstone. This differentiation from YoungCRM to Cornerstone consists in being able to offer the customers an individual talent bank and a more effective hiring process. (Appendix 1, l. 316-321) Another argument for the 'product development' strategy is the even more recent software Talenthub. The thought behind the Talenthub software is to compile the individual talent banks from each assigned company using the YoungCRM software, and create one joint talent bank counting all the talents, that each assigned company has acquired. This becomes an advantage for both the companies and the candidates using respectively the YoungCRM and Talenthub software. From the companies' point of view, they possess a larger database of potential employees, should their own individual talent banks not be sufficient. From the candidates' point of view, they are exposed to several other companies, than just the company they originally applied to. (Appendix 1, l. 42-49) YoungCRM is therefore providing a new product to an existing market with the launch of the Talenthub software, as this new product addresses existing YoungCRM customers. As previously mentioned, recruitment is not a new phenomenon, since companies have attempted to recruit the right person for the job for centuries. We therefore believe that the correct way to define YoungCRM's growth strategy is to look at the software as a new product within an existing market, thus being 'product development'.

A 'growth strategy' can be part of both a long-term strategy and a short-term strategy to create revenue and remain relevant on the market. On some occasions, a growth strategy's goal is, first and foremost, to bring the company into a favorable position on the market. That is what the choice of the 'product development' strategy is currently doing for YoungCRM. RS explains, that YoungCRM also has future plans of implementing a CV-builder, as a feature to Talenthub. This can be viewed as an example of how 'product development', is a continuous part of the company's growth strategy on a long-term basis. (Appendix 1, l. 288-294)

By being proactive with improvements or additions to its software, YoungCRM can braise the company for potential changes within the market environment. This is what we have defined as the current strategy of YoungCRM.

However, a future growth strategy may differ from the current 'product development' strategy, because in the long run, the company might feel the need to change it in order to maintain or expand the growth potential. As RS states, YoungCRM's intention is to go abroad in the near future. (Appendix 1, l. 437-439) This indicates, that YoungCRM will be looking to rethink its current 'growth strategy' for the future. First and foremost, the prediction from RS means that YoungCRM is now looking towards a new geographical market. Any country abroad will therefore be a so-called 'new market' for YoungCRM, and the company would therefore have to choose a 'growth strategy' from the bottom half of Ansoff's matrix. As mentioned previously though, there are different viewpoints in terms of choice of new growth strategy, depending on how one defines the products of YoungCRM.

The two growth strategies that Ansoff suggests, which include a new market, are 'market development' and 'diversification'. As accounted for in our Theoretical Framework, the difference between the two strategies is that 'market development' focuses on a new market with an existing product, whereas 'diversification' consists of a new market and a new product. Also mentioned previously, the YoungCRM software can be perceived both as being new and existing, depending on the point of view. The choice of 'growth strategy' can therefore rest on the definition of the individual. As mentioned in our Methodology section, we find that 'Ansoff's Growth Vector Strategies' contains limitations, as the 'growth strategy' can vary depending on the point of view one takes. It can therefore prove difficult to define one 'correct' strategy, as another individual can define it differently. To elaborate further on the difficulties in deciding whether YoungCRM is a new product, and thereby settling upon a specific 'growth strategy', we would like to set up a scenario. This scenario will contain the possibility of YoungCRM deciding to expand to the UK and the US, as this thesis later will investigate:

When YoungCRM launched its software Talenthub, it was a new product within the existing recruitment market in Denmark, since the YoungCRM software helped the company become established within the recruitment industry. However, should YoungCRM chooses to release its software in the UK or the US, it is debatable if they can be categorized as new products once

again. For YoungCRM, and the recruitment industry as a whole, the software will be categorized as existing products. However, on the British or American recruitment markets the two software will be seen as new products, as YoungCRM does not currently reside on these respective markets. Thereby, the UK and the US become new markets for YoungCRM. Seen from this perspective, the argument will be that the choice of future growth strategy will be 'diversification' as both the products and markets are seemingly new.

Despite the above-mentioned arguments, we believe, that the products cannot be defined as new, as they have already been introduced to the recruitment industry and, therefore, the main focus with this expansion abroad is to gain new geographical territory and new customers. Since the focus is on expanding the current product, which can be defined as existing, the only new variable is the market. YoungCRM's change in growth strategy in the near future, must, thusly, be from 'product development' to 'market development', as it thereby is an existing product on a new geographical market.

However, as RS mentions, YoungCRM is constantly looking to improve the Talenthub and YoungCRM software. Therefore, it is debatable whether the company in fact changes 'growth strategy' or simply makes an additional 'growth strategy' to its current. One perspective is that there is going to be a change in the focus on growth. From this point forth, the growth shall no longer solely come from the development of the software, but instead come from the expansion to new markets. Ergo, there will be a transition from one 'growth strategy' to another. But viewing it differently, YoungCRM might be following two strategies towards creating growth instead of one; both 'product development' and 'market development'. 'Product development' improves the existing products, which gives them newness, as RS has stated, and 'market development' provides customers on a larger scale, by expanding to new geographical markets. Either way, we believe, that 'market development' is the best choice of growth strategy for YoungCRM to engage in with the future expansion abroad in mind.

A consideration, since YoungCRM is looking towards implementing a strategy with both 'product development' and 'market development', the 'growth strategy' could therefore be 'diversification'. 'Diversification' contains both a new market and a new product. The issue hereof is that the use of this strategy, is leaning towards 'blue ocean' strategy. A 'blue ocean' is created

through untapped market space, which requires innovation and a highly profitable growth. (Kim and Mauborgne 2005, 4-5). As Ansoff is referring to in his framework, 'diversification' contains the newness that can be compared to this 'blue ocean' definition. Since YoungCRM has created a recruitment system on an existing recruitment market, it is difficult to argue that the company is entering a 'blue ocean' but instead is venturing forward into an already existing market, or a 'red ocean'. (Kim and Mauborgne 2005, 4-5) Therefore, we can deduce, that two concurrent strategies of 'market development' and 'product development' are more accurate when viewing YoungCRM's 'growth strategy'.

To summarize the analyses above, we firstly found that the 'generic strategy' YoungCRM applies is 'differentiation'. By applying 'differentiation', YoungCRM is competing on the functionality and uniqueness of its software and is targeting a broad audience. The YoungCRM software is targeting all companies counting more than 200 employees, and the Talenthub software targets its target groups through the four personae the company has formulated. The 'differentiation' strategy enables YoungCRM to diversify itself from the competition, as the company offers additional services by providing both an individual and a joint talent bank along with a more effective recruitment process. Whether the company will apply a different 'generic strategy' when expanding abroad will be clarified in 'Part 2' of this thesis.

Secondly, we found that YoungCRM is applying 'product development' as a growth strategy. As the company has penetrated the Danish recruitment market and strives to keep developing the software to maintain uniqueness, it can be deduced that YoungCRM is seeking to be different from its competition through the functionality of its products. When YoungCRM chooses to expand abroad, we believe, that there will be an addition in 'growth strategy', and it should therefore choose both 'market development' and 'product development'. When expanding abroad, the company is, initially, seeking to create growth through the new geographical market, by obtaining new customers. However, due to YoungCRM's desire to keep developing its software, the 'product development' strategy is still applied as well. We believe, that both growth strategies can be equally applicable for YoungCRM, however, depending on the focus the company takes at different times, one of the two might be the main focus. This main focus on growth can, therefore, vary from time to time.

Lastly, we believe, that the applied generic and growth strategies are in coherence with one another, as all focus on the uniqueness of the software. This, in our eyes, becomes an advantage for YoungCRM, as the focus on uniqueness and newness provide the company with a competitive edge. This competitive edge is apparent, as YoungCRM is able to provide its customers with additional functions in the products, which the competition presumably cannot. The competitive edge that comes from having two aligning strategies is also a substantial advantage, for YoungCRM, when considering an international expansion, as the cohesion can help to provide a more fluent transition, and will be a mean towards achieving the company's vision of expanding abroad.

Market Environment

After analyzing the competitive position of YoungCRM, we have now reached the analysis of the market environment, which is visualized in Figure 14 below.

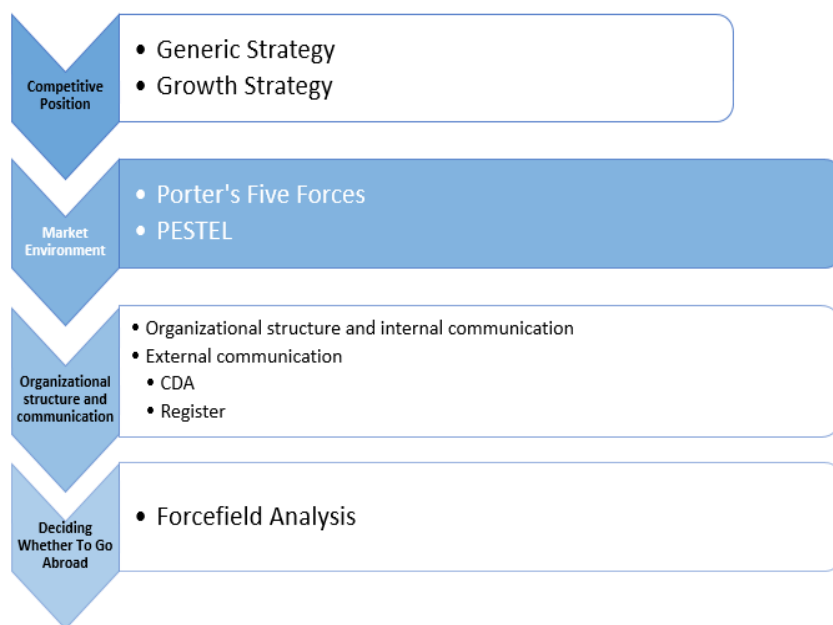


Figure 14 - Market Environment

As accounted for in the Methodology section, we have chosen to conduct an analysis of the 'dependent environment' through the of 'Porter's Five Forces' and the 'independent environment' through the use of 'PEST(EL)', which combined will form the 'market environment'.

Porter's Five Forces

As accounted for in our Methodology, 'Porter's Five Forces' will be used to focus on the business environment of YoungCRM relating to the recruitment industry. This can also be referred to as the 'dependent' environment of YoungCRM, as it analyzes a part of the business environment that affects YoungCRM directly, and is something the company must take into consideration constantly. By applying 'Porter's Five Forces', we are enabled to analyze the recruitment industry and everything it contains, which have an effect on YoungCRM based on our findings from the Danish recruitment market.

Since ‘Porter’s Five Forces’ in this thesis focuses on the recruitment industry and the competitive situation as a whole, it is important to investigate the competitive relationships that exist within the industry. The competitive relationships enlighten how a company can view the actors on the market and to what degree these can be regarded as threats. Before conducting the ‘Porter’s Five Forces’ analysis, we therefore want to clarify how we intend to define to what extend substitute products can be regarded as competitors within the recruitment industry and how to categorize these. Furthermore, we also wish to determine to what degree existing competitors can be regarded as threats. In this section, regarding the competitive relationships of the recruitment industry, we have drawn inspiration from the ‘Target-model’, which helps to categorize the relationship between all competitors from a company’s point of view, in this case YoungCRM. (Eggertsen 2014) Based on this knowledge, Figure 15 is our interpretation of a categorized dividing of the competitive relationships within the recruitment industry. This figure is a visual representation of how the actors within the recruitment industry appear from YoungCRM’s perspective.

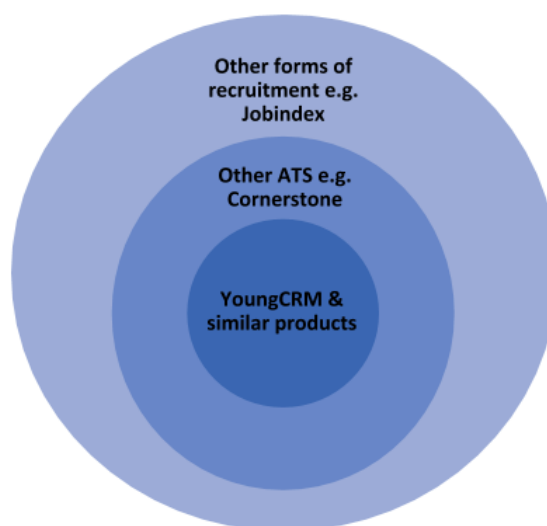


Figure 15 – Target Model (Free from Eggertsen 2014)

Threat of New Entrants

When determining the 'threat of new entrants', there are various factors one might find necessary to take into account. Firstly, Porter suggests, that there are advantages present for established companies, which potential entrants cannot replicate (Porter 1998, 11). One of the advantages within the recruitment industry is 'technological know-how'. In the given situation, where a newly established company wants to enter the recruitment industry with a similar product to the one YoungCRM possesses, the new company will not have the same know-how of products and what features the potential customers prefer. YoungCRM will, therefore, have a competitive edge compared to new entrants, as it already will have a number of clients, which have given general feedback on the software. Thus, YoungCRM is able to process the feedback and make changes to the software, so it matches the needs of the clients. This factor is restricted to only containing new entrants with a similar product to YoungCRM.

Secondly, a new entrant must consider the potential start-up costs. This could either be research and development, as well as, the resources a company needs to devote throughout the start-up phase e.g. marketing. As an example hereof, YoungCRM was recently a new entrant on the Danish recruitment market itself. YoungCRM has been funded by CompanYoung, which has made its start-up phase easier. Thus, YoungCRM did not need to find the start capital for the development and production of the software itself, ergo there were no major financial issues for YoungCRM initially. Instead the company could focus entirely on the functionality of its software. (Appendix 1, l. 256-257, 261-262) This is an advantage that few newly established companies have, and will, therefore, probably be an entry barrier for any other company that wants to enter the recruitment industry.

Thirdly, a disadvantage for new entrants could be the loyalty of customers and the brand identification of the existing companies in the recruitment industry. If a company has a strong brand with loyal customers, it can prove difficult for new entrants to compete for market share. An example hereof could be Cornerstone. RS expresses, that Cornerstone is one of the major competitors of YoungCRM as an ATS. (Appendix 1, l. 300-303) Cornerstone is a more established competitor, compared to YoungCRM, which we defined to be a recently established actor within

the recruitment industry. We therefore believe that customers of Cornerstone are more loyal to Cornerstone compared to the ones of the YoungCRM software. Thus, it can be very beneficial for new entrants to diversify its software, so it no longer competes on the exact same parameters as the existing competitors do. This is what YoungCRM has done, as it has diversified its software, as previously mentioned, compared to the existing recruitment services, such as Cornerstone. YoungCRM is an example of a new entrant on the Danish recruitment market, and also an example of what the company now has to be aware of from new entrants in the future, as a newly established actor.

In this regard, there is another threat of potential new entrants in terms of loyalty, as the YoungCRM products cannot be patented, which we established in our analysis of the Competitive Position. We believe, that as the software cannot be patented, there will be potential for other companies to replicate the basic functionalities and therefore it can be difficult for YoungCRM to achieve loyalty with customers of the recruitment industry. When products offer the same functionalities, the customer is more likely to choose the company that offers the most comprehensive package in terms of price. This leads back to what we already discussed in our analysis of the 'generic strategy', that YoungCRM potentially would have to consider changing its strategy to 'cost leadership' instead of 'differentiation' in the future. However, the question remains in what circle the new entrants will enter, in terms of the competitive relationships that Figure 15 shows. The new entrants will eventually become a part of the 'rivalry between the existing competitors' within the recruitment industry, and will, therefore, be able to either challenge YoungCRM on one level or another, depending on the functionalities of the new entrants' products. This remains to be seen, when a new actor will emerge in the industry.

Finally, a disadvantage can be competing against economies of scale. Economies of scale have the possibility to lower prices on its products, and thereby pressuring the rivals on the market to do the same. Smaller companies may find it impossible to lower the price and can therefore no longer compete with the competition. In the recruitment industry, a 'threat of new entrants' can be large companies that develop its own recruitment software. By doing so, YoungCRM loses potential customers; moreover, the large company can be seen as a major competitor.

Bargaining Power of Buyers/Suppliers

As we mentioned in our accounted Theoretical Framework, the ‘bargaining power of buyers’ focuses on how the power relationship turns out between a company within a market and the buyers of said company’s products. In this case, the buyers YoungCRM are targeting are all companies, which have more than 200 employees and may need to renew their recruitment software to deal with the demands of finding the right employees (Appendix 1, l. 169-171). The approach to the consumption situation, and thereby the power of buyers, changes depending on which side initiates the contact. In the case where YoungCRM approaches the buyer, the bargaining power for discounts or quality, will arguably be with the buyers as they are the one’s getting approached (Customer story - IDdesign 2017).

On the other hand, should the buyer approach YoungCRM, the bargaining power will arguably be with YoungCRM (Customer story - CEGO 2017). However, we believe, that because of the newness of the software, YoungCRM does not hold much bargaining power in this industry yet, because it is established in such a recent time. The small amount of bargaining power for YoungCRM with buyers in the recruitment industry also reflects the situation of the ‘bargaining power of suppliers’. As we described in our Theoretical Framework, the ‘bargaining power of suppliers’ can be strong depending on various conditions. As YoungCRM and Talenthub are software, YoungCRM does not need a supplier of raw material or certain components to manufacture them. The company has hired its own developers and is therefore self-sufficient. However, RS mentions, that Amazon runs YoungCRM’s servers. Thus, we believe, that Amazon can be defined as some sort of supplier. Using Amazon as an example, we believe, that Amazon’s main focus does not lie within the recruitment industry. Therefore, Amazon has more bargaining power than YoungCRM, because the industry is not an important customer of the supplier group. (Appendix 1, l. 272-273)

The second condition that we have chosen to focus on in this part of the analysis is when the supplier’s product is an important input to the buyer’s business. YoungCRM cannot run the websites of both the YoungCRM and Talenthub software without a server. As Amazon provides YoungCRM with its’ servers and YoungCRM cannot function without, Amazon has the power to pressure the price of the service. Amazon is the most apparent supplier, but RS mentions that

YoungCRM also uses other third party services, such as a product called Sigil, which drives a video module. Furthermore, YoungCRM uses several other third party products that are connected to maintaining the software. (Appendix 1, l. 274-278) All these third party products are something YoungCRM needs, to be able to run the company smoothly, and they are therefore an essential part of keeping the company afloat. The third party products will, thusly, have bargaining power over YoungCRM, unless YoungCRM is willing to change supplier. Changing supplier, however, require switching costs, which YoungCRM should be aware of before wanting to use another supplier. Switching costs can both be buying the service and the resources it takes to teach the employees the basic functions of the new software.

An aspect to consider with the ‘bargaining power of buyers’ and ‘- suppliers’ is that in the case of YoungCRM, the two can be regarded as being intertwined. As an example, when YoungCRM sells the YoungCRM software to a company, this company will be a buyer. However, as the company is generating candidates through its individual talent bank, which is later transferred to the joint talent bank, Talenthub, the company thereby supplies YoungCRM with candidates for the Talenthub software, whilst it is buying the YoungCRM software. Thus, the company is both a buyer and supplier for YoungCRM.

Threat of Substitutes

Another potential threat for YoungCRM to take into account is substitutes. RS mentions different functions of the ATS depending on the size of the competing company, such as HR Manager and Imply for medium-sized companies and Cornerstone, Oracle, and Zapp for larger companies.

(Appendix 1, l. 299-303)

RS also claims that if everything goes well for YoungCRM, the traditional job center should not exist any longer than the next five years: *“I den total ideelle verden, om fem år, så skulle jobcenter ikke findes længere. For det kører bare helt automatisk her.”* (Appendix 1, l. 242-243). YoungCRM wishes to take the place of the traditional job center, but as a ‘new product’, RS does not concern the job center as an immediate threat.

In addition to this, he states the following about Talenthub: *“[...] Vi har stødt på en enkelt virksomhed i USA, som bruger samme mindset med en fælles talentdatabase. Feedback er vi ikke stødt på endnu.”* (Appendix 1, l. 340-341) He continues by stating, that the company in the US is called Stella.io and that there also is a competing company in Germany (Appendix 1, 347).

From this it can be deduced that competitors with substitute products are ones, which YoungCRM are fully aware of, but not completely focused on at the moment though. We believe, that YoungCRM itself has recently been or arguably still is a substitute product on the Danish recruitment market. The threat of substitute products is always present, and YoungCRM must consider this at all times, especially towards products from companies earning high profits. Thus being able to compete or maybe even outperform YoungCRM in the recruitment industry.

Rivalry Between Existing Competitors

The ‘rivalry between existing competitors’ within the industry of recruitment can be difficult to define, because it can be seen as relative, whether companies within this certain market are rivals. This is again where our Figure 15 becomes relevant. This figure helps divide the actors in the recruitment industry into categories, and to investigate at what level they compete with YoungCRM.

The first thing to investigate is the rivalry between the competitors within the inner circle of the figure. Within this circle are the competitors that all supply products that are similar to the YoungCRM software. However, as RS mentions in the interview, competitors on the same parameters as YoungCRM are very few, and none of them compete on specifically the same services that YoungCRM offers. RS states: *“Kigger man så mod den type virksomheder som typisk er vores YoungCRM kunder lige nu, så er vi bare i kæmpe konkurrence med deres ERP leverandør.”* (Appendix 1, l. 300-302) He then further elaborates by explaining that ERP solutions are the foundation of a company’s IT. Basically everything is linked together by one system, including recruitment. (Appendix 1, l. 307-310) This means, that these companies that YoungCRM competes with, regarding the YoungCRM software, do not have a single minded focus on just recruitment, but is more of a broad system, that contains recruitment among other features. This supports the notion that ‘rivalry between existing competitors’ with the exact same competitive mindset, as YoungCRM, is not a concern at the moment.

However, if we take a step outwards towards the other two circles, we find a much more pressing rivalry between the existing competitors in the recruitment industry. Here, we firstly find the other ATS’ that are already established. They might be more focused on recruitment, but that does not mean they have the same assets or parameters as YoungCRM.

The third circle contains other companies such as JobIndex, LinkedIn, and the ERP systems that were mentioned earlier. These companies are rivals within the recruitment industry, but are not necessarily on the same level when it comes to their focus. JobIndex is a website, where vacancies can be found, but the recruitment process does not go any further (Jobindex 2018). LinkedIn is a personal CV on a social medium; however, it does not support a job seeker further than contact between company and applicant, though the applicant itself must actively make contact. (LinkedIn 2018). The ERP systems have, as mentioned, a wider focus and not just on recruitment. Yet, they do pose a threat in this 'rivalry between existing competitors', as their products also include recruitment functions. A different group of companies that also can be regarded as competitors here are headhunting companies.

The issue of other companies' ability to relatively easy replicate the basic functionalities of the YoungCRM software, as mentioned above, can also be a pressing matter in 'rivalry between existing competitors'. Rivals in any industry will always look towards one another for inspiration and to stay on top of what the market desires, and the recruitment industry must be regarded as being no different. This means, that loyalty can be difficult to obtain within the industry, should an existing competitor decide to copy what YoungCRM is offering.

The final organization that has to be considered is one that can be seen as both a competitor and a collaboration partner. The job center is a big part of the Danish welfare system because it supports those without a job. (Jobcenter Hedensted n.d.) (Kjærgaard 2015) Initially, this organization can be seen as a competitor, as it is performing the same services as YoungCRM, especially in terms of what the Talenthub software offers.

On the other hand, the job center can also be seen as a collaboration partner, as the unemployed people will be looking for as many options to get a job as possible, and that presents an opportunity for YoungCRM. The candidates it needs for the Talenthub software can be provided from the job center or from its partners, if they are willing to share these candidates. An example of a partner for the job center is Ballisager, which provides assistance in preparing unemployed people for the job searching process. (Konsulenthuset Ballisager 2015) The issue, however, is that the job center only exists as long as there are unemployed people, and, ideally, if the Talenthub software is successful, it can potentially become a substituting product to the job center or reduce

its influence. Thus, making the opportunity of collaboration contradicting with the threat of a rivalry. It, therefore, remains to be seen whether the job centers have to be regarded as a rivaling competitor, or if they, in time, can become a partner for Talenthub and YoungCRM.

The degree of threat from each circle, visualized in Figure 15, can vary depending on the viewpoint one takes. There is no guarantee that the companies within the inner circle necessarily are the strongest competitors. In the case of YoungCRM, we believe this point to be true, since there are virtually no competitors on the exact same parameters as YoungCRM. On the other hand RS states, that the company is experiencing tough competition from other ERP systems, that, however, does not solely focus on recruitment.

PEST(EL)

In this analysis we will define some of the important factors within the Danish recruitment market. These factors can vary within six different categories. It is important to notice that these factors are out of YoungCRM's control. A company must be aware of these factors and try to work with and/or around them in the best way possible.

This analysis will give an overview of the 'independent environment', which YoungCRM works within. We have chosen specific factors within the six categories, in order to maintain focus on YoungCRM, thus analyzing factors we find relevant for the company.

Political/Legal Factors

An aspect that we, as well as YoungCRM, find important as a 'legal factor', which might affect the Talenthub and YoungCRM platforms, is the 'general data protection regulation' (GDPR). The 'GDPR' is a law, which was approved by the EU parliament on April 14, 2016. It regards the privacy of personal data. *"The EU General Data Protection Regulation (GDPR)[...] was designed to harmonize data privacy laws across Europe, to protect and empower all EU citizens data privacy and to reshape the way organizations across the region approach data privacy."* (EUGDPR n.d.)

We find three important elements in the 'GDPR', which YoungCRM ought to be aware of, as they can affect the amount of personal information that YoungCRM is allowed to share with others. This is due to the fact, that the YoungCRM and Talenthub software will share personal information

about their candidates with the companies involved, as previously mentioned. Another reason why it is important for YoungCRM to comply with the 'GDPR', is that a breach of the regulations can lead to warnings, reprimands, or even bans of the operation. (EU 2016, 69-70) These three elements are respectively, the consent of the users, how to handle the personal information, and the consequences of a breach of the regulations. The EU defines consent to be: *“‘consent’ of the data subject means any freely given, specific, informed and unambiguous indication of the data subject's wishes by which he or she, by a statement or by a clear affirmative action, signifies agreement to the processing of personal data relating to him or her;”* (EU 2016, 34)

When handling the consent of users on a platform, it is vital for YoungCRM to possess the ability to prove the consent of each user signing up for the platform, meaning that the users actively have to accept the conditions of the use of the platforms. Furthermore, the company must clearly specify exactly what users, who accept the terms of use, is agreeing to. Thus, avoiding any use of ambiguous language, which might confuse the users. Lastly, the 'GDPR' states that the consent of users is never legally binding, meaning that all users must be able to withdraw their consent at any time. (EU 2016, 37)

KR, the CEO of YoungCRM, explains how the YoungCRM software has been built to live up to all the requirements of the 'GDPR'. (Rebsdorf 2017) KR mentions how the owners of a YoungCRM account meet all requirements, when it comes to consent. *“Your YoungCRM account is created with terms that meets all the requirements for giving a consent. The terms includes information on how the data is handled and for what purpose, who has access to it, how they call back their acceptance etc.”* (Rebsdorf 2017)

The 'GDPR' has strict rules regarding how data should be handled throughout an organization. One rule, we find important is processing, which is defined in the EU regulation as: *“‘processing’ means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;”* (EU 2016, 33) It is therefore important that YoungCRM ensures that the applicants give their consent when applying for a job, as it otherwise can be seen as a breach of the 'GDPR'.

(EU 2016, 36) KR also expresses that the YoungCRM software is built to remind users about out-of-date data that needs to be disposed of. Moreover, it can ensure that the data is accessible for the right persons. (Rebsdorf 2017)

We believe, that the 'GDPR' is the most important 'legal factor', which YoungCRM cannot control. However, it can only modify its products to comply with the new rules that will be enforced on May 25, 2018. An example hereof, is the customer story of CEGO, which has been posted on YoungCRM's blog on October 17, 2017. CEGO did not own a recruitment system prior to buying the YoungCRM software. CEGO was in danger of breaching the rules of the 'GDPR' when it would be enforced. After the implementation of the recruitment software, CEGO now has a fully functional recruitment system, which complies with the regulations set up by the EU in the 'GDPR'. (Customer Story - CEGO, 2017)

Economic Factors

We believe that the 'economic factors' cover several elements that a company can focus on. However, in the case of YoungCRM, the buying power is the most important. When focusing on the buying power, it is evident to look into the GDP per capita, as it indicates the average amount that each citizen possesses on a yearly basis. High GDP per capita means high buying power among consumers, which means that companies have higher revenue. This increases the production, which again increases the consumption. This will ultimately lead to an increased need of labor force, and thus a decrease in unemployment rate. Currently the buying power of Danish consumers is fairly strong, as the GDP per capita in 2017 was 53,641 \$ corresponding to around 320,000 DKK a year. (IMF 2017, 5) As the GDP is high, we believe that YoungCRM has a great incentive to gain market share on the Danish recruitment market. We believe that the 'economic factors' are something that YoungCRM continuously needs to pay attention to, as the discretionary income can change rapidly. We believe it is an important factor to focus on, as the GDP per capita can fall drastically from one year to another. This has previously occurred in Denmark from 2014 to 2015 where the GDP per capita decreased by 17.5 %. (IMF 2017)

Social Factors

A 'social factor' influencing a company is demography, as a change in this can affect the performance of a company. Taking YoungCRM into account, an element of demography that is important to focus on is the unemployment rate and more specifically the AKU unemployment rate. The AKU unemployment rate is the Danish contribution to the Eurostats Labour Force Survey. The AKU unemployment rate covers 15-74 year olds who are available for the labor market. Furthermore, it includes, among others, students who are looking for a part time job. (Danmarks Statistik 1 2018) (Danmarks Statistik 2 n.d.)

These numbers are a good initial indicator for YoungCRM, in terms of how attractive the Danish recruitment market is at the moment. In Denmark 187,000 people were unemployed in January 2017. In January 2018 the number of unemployed people had fallen to 156,000. This means that in a year 31,000 unemployed were employed again, which is a decline of 16.5 % in the number of unemployed people. (Danmarks Statistik 1 2018) It has to be considered, that the overall unemployment rate is vital for the Talenthub software, because if the unemployment rate should be high, the amount of possible candidates able to sign up for Talenthub will increase. Meaning, that the higher the unemployment rate is, the better it is for the Talenthub software. The latest statistics of the AKU unemployment rate shows a rate of 5.7 %, which is a fairly low percentage compared to previous years. This means, that the development of the AKU unemployment rate has decreased over the past years, which indicates that the amount of potential users of the Talenthub software is stagnating. However, 156,000 people are still unemployed. This proves, that there, in fact, is a market for creating an effective ATS to support the recruitment department of HR for any company. If 31,000 people can be employed in a year, from 2017 to 2018, we believe that the Danish recruitment market will still remain viable for YoungCRM. (Danmarks Statistik 1 2018) On the other hand, Talenthub is not the main source of income for YoungCRM, and might not need much attention. However, the YoungCRM software does. The YoungCRM software also relies on the AKU unemployment rate, but unlike the Talenthub software, the YoungCRM software is affected by both a high and a low AKU unemployment rate. A high AKU unemployment rate affects the YoungCRM software, as more candidates are prone to send applications to companies, which can strain the older recruitment systems and/or companies still without one. Furthermore, it can prolong the recruitment process even more and increase the time to hire. If companies have

older recruitment software that cannot comprehend this kind of traffic, they will be more likely to be on the market for new recruitment software. This is YoungCRM's opportunity to gain market share, by taking advantage of a bad situation in the Danish society. Thus, the YoungCRM software can take advantage of a high AKU unemployment rate, whereas Talenthub suffers from it. However, there is a risk with a high AKU unemployment rate: The buying power of individuals decreases with a high unemployment rate, which ultimately means that companies' revenue will decrease, and therefore they might not have the resources to afford a new recruitment system from YoungCRM.

Another 'social factor', which increases the need for the YoungCRM and Talenthub software, is the Danish social safety net. The Danish social safety net is basically bipartite, where the workforce through an unemployment insurance fund is covered by unemployment compensation, if they lose their jobs. If one is not a member of an unemployment insurance fund, one will receive social security from the government. (Det Danske Arbejdsmarked 1 n.d.) The possibility of having an income after losing one's job provides a certain 'flexicurity' for the Danish workforce. Flexicurity provides the companies with flexibility in its labor force and a security for the workforce. Meaning, that due to the social safety net, the workforce is secured as the members have an income after losing their job. (Det Danske Arbejdsmarked 2. n.d.)

An additional 'social factor', which plays a part, is the educational system in Denmark. Unlike most other countries in the world, students are getting paid by the government to educate themselves. In addition there are no tuition fees and student accommodation is inexpensive according to Noack (Noack 2015). The purpose of all this is to maintain equality, as all Danes no matter social standing can educate themselves. 200,000 Danish students are at the moment educating themselves at Danish universities. (Statistikbanken n.d.)

However, there are some opponents of the free educational system, who believe that it is problematic that focus on e.g. economic and technical education is fading. Moreover, the vice president in Novozymes has stated: *"A lack of talents would limit the growth of both the economy and particular companies. Our government needs to be smart about which types of education are funded -- we need more engineering and science students."* (Noack 2015)

The 'flexicurity' and the educational system in Denmark are two vital pillars of the Danish welfare system. The Danish welfare state aids the process of obtaining candidates into the Talenthub software, due to the unemployment insurance funds and the free educational system. The social security system is an advantage for Talenthub, as potential candidates are compiled and the job centers urge the candidates to get a job, as the expenses of the Danish government rises for each unemployed individual. Thus, the job centers, the Danish government, and YoungCRM share common interests, making them potential collaborators to lower the unemployment rate in Denmark. With the free educational system, more individuals are likely to apply for a higher education. Thus, there will be more candidates for the Talenthub software to obtain, after ending their education. We, therefore, argue that the free educational system is an advantage for YoungCRM, as it helps to produce more potential candidates.

Technological Factors

As both YoungCRM and Talenthub are software and rely on technological advancement, we find it important to address the issues and possibilities the 'technological factors' constitute. YoungCRM and Talenthub are, according to RS, fairly simple software and can be duplicated by competitors with ease. (Appendix 1, l. 111-121) Technology has come far in the last few decades, and is today a vital component for most companies. Other ERP based companies, such as Cornerstone, have the technological resources to develop software similar to YoungCRM's and maybe even superior recruitment software. Thus, it is important to have the right technological team that has 'technological know-how'. Once again, it is better for YoungCRM to have a team that can be proactive and be on the front foot compared to its competitors. Technology is developing fast, and YoungCRM, as well as its competitors, must realize the amount of resources one must spend on research and development.

After conducting 'Porter's Five Forces', we are able to deduce that YoungCRM must be aware of the 'threat of new entrants'. Even though YoungCRM possesses the technological know-how, has a degree brand-loyalty of customers due to the customer base of CompanYoung, and does not seem to compete against economies of scale, there will always be new entrants trying to make their way into the recruitment industry. 'Bargaining power of buyers' and '- suppliers' does not have that

much impact on YoungCRM, except when it is the company that approaches a potential buyer. Due to the originality and newness of the product, the bargaining power of buyers is almost non-existent. On the other hand, YoungCRM and Talenthub cannot function without Amazon, which supplies servers, and that gives Amazon an edge in terms of 'bargaining power as a supplier'. Thereby, the bargaining powers is a force that YoungCRM should be aware of, but not spend too much time on, as it is not crucial to the company's further growth. However, one perspective YoungCRM continuously has to consider in this regard is that the buyers of the YoungCRM software eventually will become suppliers for the joint talent bank of Talenthub, and must therefore be treated accordingly.

In connection to the 'threat of new entrants'-force, the 'threat of substitutes' is also a force that YoungCRM must carefully consider. The recruitment industry has many different ATS', and they all pose a threat to substituting the YoungCRM and Talenthub software. The fact that there are so many ATS' means that YoungCRM must diversify itself from the rest.

The final force to acknowledge is 'rivalry between existing competitors' which appears in many different degrees within the industry. If we compare the rivals to YoungCRM, as Figure 15 shows, the competition with similar products is vague and that leaves YoungCRM without any direct competitors at the moment. Taking all forces into account, the dependent market of the recruitment industry seems overall attractive to YoungCRM, as the company possesses a product, which at the moment, is not threatened by new entrants, bargaining powers of buyers or suppliers, experiences healthy competition on the market, whilst at the same time is not currently threatened by substitutes.

After the completion of the 'PEST(EL)' analysis, we have found that the 'GDPR' is a vital factor for YoungCRM to be aware of. It is crucial that the company follows the new rules otherwise its whole foundation will disappear, as the two software are dependent on sharing personal information with the involved companies. We established, in 'economic factors', that the buying power of the consumers is extremely important. High buying power can equal higher revenue. As Denmark has a relatively high GDP per capita and a healthy consumption, this contributes to the attractiveness of the 'independent environment'. Moreover, the unemployment rate is fairly low in Denmark as

seen in 'social factors', which potentially can be seen as a challenge for YoungCRM, regarding Talenthub, as fewer unemployed people means that the Talenthub software is less attractive. Another 'social factor' is the educational system. YoungCRM targets graduates and young adults, and in Denmark these are paid to go to school, which increases the educational rate. Having a lot of graduates means having a lot of possible candidates for Talenthub's database, which can be seen as a clear advantage on the Danish recruitment market. A 'social factor' we also found to be an advantage for YoungCRM, is the Danish welfare state, as it provides a social security system, which acts as a safety net for individuals who are not members of unemployment insurance funds. The unemployed individuals are easier to approach for the Talenthub software, since they are compiled in job centers and unemployment insurance funds, which are part of the Danish welfare system, with the sole purpose of finding a job. This can benefit the YoungCRM and the Talenthub software greatly.

Based on our analyses, we can now evaluate the attractiveness of the recruitment industry, based on findings from the Danish recruitment market. We have found different factors that are centered around the Danish recruitment market, and from this perspective and basis, we will now propose those, we believe, to have the biggest impact on the attractiveness of the overall recruitment industry. This will eventually provide a substantial factor to be regarded, in terms of whether YoungCRM should expand abroad, as the attractiveness of the recruitment industry plays a vital part in measuring the possibility of success from an international expansion.

Within the recruitment industry, many various ATS' can be found, which pose a threat to both of YoungCRM's software. This threat decreases the attractiveness of the recruitment industry, as competitors do within every known industry. However, none of these ATS' constitute direct competition. In fact there is no direct competition to YoungCRM, because the company has differentiated itself from current competitors, which all of a sudden makes the recruitment industry extremely attractive to operate in, seen from YoungCRM's perspective.

A different factor, we believe to have an impact on the attractiveness, is the unemployment rate. As we previously have argued, the unemployment rate plays a vital role in the success of YoungCRM's software, and therefore must be considered as such, when reviewing the overall

recruitment industry. Looking at the Danish market, we can see that the unemployment rate has decreased over the last year by 31,000 people. A stagnating Danish unemployment rate suggests, that growth can be difficult to obtain within the Danish recruitment market alone. At the moment, we are unaware of the unemployment rate in other countries, but we believe, this to be an indication of a tendency in the rest of the world as well. Thereby currently making the recruitment industry less attractive.

Organizational Structure and Communication

As can be seen from Figure 16 below, we will now focus on YoungCRM's organizational structure and communication, which includes an investigation of its organizational structure and the internal and external communication.

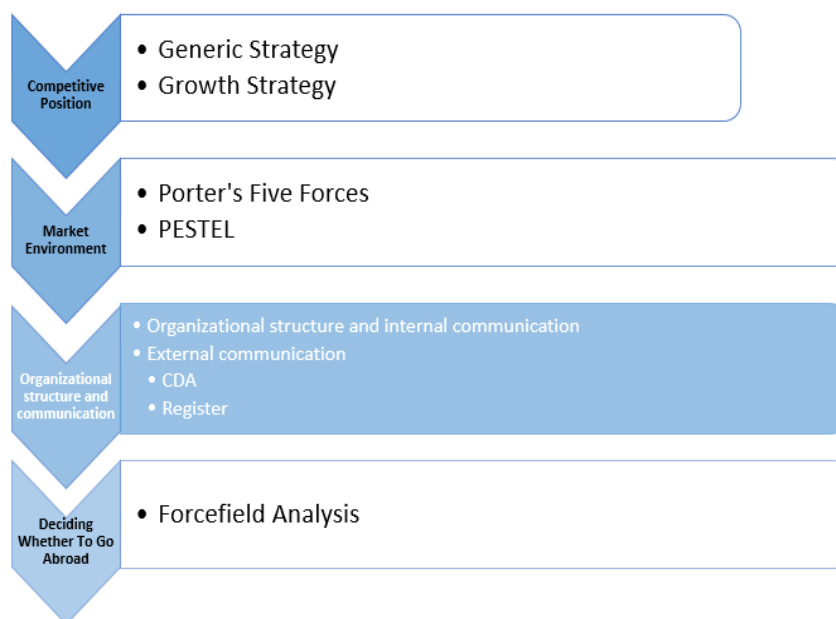


Figure 16 - Organizational structure and communication

To investigate what is required from YoungCRM to expand abroad, we need to know how the company is currently structured, and how it communicates both internally and externally. What we find, can be used for future reference, when YoungCRM has to decide how it wants to operate after an expansion. Organizational structure will lay the foundation for an international organization's appearance in the future, if YoungCRM should choose to expand abroad. Internal communication plays a vital part in this as well. Analyzing the external communication provides us with an understanding of which communication channels and marketing messages YoungCRM currently uses and produces. This will also be the foundation of a potential international marketing program for YoungCRM, if the company chooses to expand abroad.

Organizational Structure

Figure 17 below visualizes YoungCRM's structure through an organizational chart. We have developed this figure, in order to obtain a better understanding of the structure, which simplifies the analysis of the internal communication. The figure is based on the company's own description of the organization on its website, but also our interview with the company. (YoungCRM about. n.d.) (Appendix 1, 27-28)

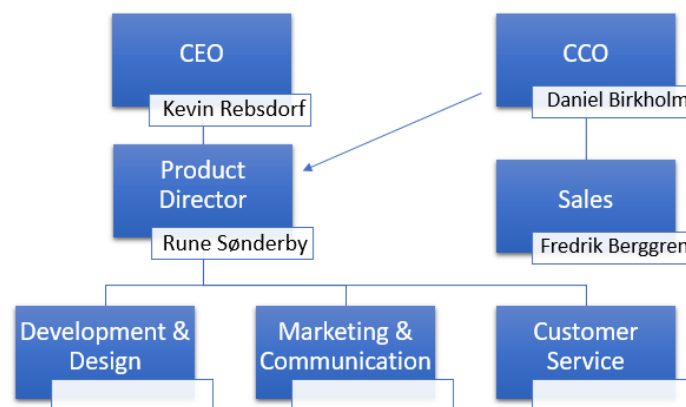


Figure 17 - Organizational Chart

From the organizational chart, we can deduce that both the CEO and CCO manage the product director, RS, and the sub-levels below him. However, only the CCO, Daniel Birkholm, manages the sales department. RS is in charge of the daily operations and he is the communicative liaison between management and employees. The organizational chart gives an idea of the flow of the internal communication in YoungCRM. It indicates that there is a top-down hierarchy, where everything comes from above and thereafter flows through the company.

Communication

In this section, we will look at how YoungCRM communicates both internally and externally. The analysis of the internal communication will include an investigation of the communicational flow, how employees participate in decision making and lastly, how YoungCRM nurtures the quality relations between management and employees. The analysis of the external communication will contain a 'CDA' of Talenthub's Facebook page and a blog entry on YoungCRM's website.

Furthermore, we will conduct a register analysis of said blog entry. These analyses will provide insight to how YoungCRM communicates internally, which channels it uses to reach its customers, and how the marketing messages are produced.

Internal Communication

As, we seek to analyze the internal communication of YoungCRM we first find it a necessity to define what exactly internal communication is. When doing so, we look to Men and Stacks (2014) who define internal communication as: *“Internal communication, as a central process in which employees share information, create relationships, make meanings, and construct organizational culture and values.”* (Men and Stacks 2014, 301).

We have chosen to refer to Men and Stacks, as we believe they have some valid viewpoints on internal communication and we emphasize their statement: *“A growing body of evidence has demonstrated that effective internal communication plays a vital role in developing positive employee attitudes such as trust, organizational commitment, job satisfaction, organizational identification, and positive employee–organization relationships.”* (Men and Stacks 2014, 301) We believe, that analyzing the internal communication of YoungCRM is important, as the above-mentioned factors often enhances job performance.

Men and Stacks, furthermore, believe that employees are the production force for the company. Productivity contains positive attitude, behavior and performance by the employees. (Men and Stacks, 306) If the employees are not properly engaged in the organizational matters, it might prove to be a restraining force for a change like the internationalization of a company. Quality relationships, between employees and management, can also have an impact on performance and willingness to achieve organizational goals. (Men and Stacks, 307)

Through our interview with RS, we have gathered insights of the internal communication in YoungCRM, which is flowing through the company by the use of meetings. YoungCRM has a weekly meeting, which is called a ‘management meeting’, and includes the likes of the CCO, product director and the head of sales. Moreover, RS has a weekly meeting with his product team, where he and his team discuss what has been agreed upon during the management meetings. (Appendix 1, l. 594-600) RS represents the product team in the management meetings, which means that the regular employees have a chance to get their opinions heard by the management through RS. Lastly, YoungCRM has monthly steering committee meetings, in which the CEO often

appears as well. This is a strategic meeting, where the overall goals and directions of the company are discussed. (Appendix 1, l. 597-598) These meetings function as a discussion of what has been learned in the previous month, and what the future shall bring. Ultimately, this meeting will be the basis of what changes need to happen and afterwards these changes will be implemented throughout the organization. The management meetings and product team meetings afterwards will function as evaluation meetings of the implemented changes. (Appendix 1, l. 604-607)

Based on the above-mentioned facts, we believe that YoungCRM's internal communication is symmetrical, which Men and Stacks state is when ideas and behaviors are adjusted. (Men and Stacks, 304) By having weekly management and product team meetings, ideas flow from management to employees. These ideas are then carried out by the employees, who afterwards give feedback, which helps the management to adjust the change in order to improve it. In addition, according to Men and Stacks, symmetrical communication emphasizes *"[...]trust, credibility, openness, relationships, reciprocity, network symmetry, horizontal communication, feedback, adequacy of information, employee-centered style, tolerance for disagreement, and negotiation"* (Men and Stacks 2014, 305).

Even though the communication at YoungCRM appears to be horizontal, as ideas are implemented on management level, the internal communication in the company is symmetrical. We believe so, as YoungCRM applies two-way communication. Dialogue is key in order to improve the ideas, which means that trust, feedback, and tolerance for disagreement, among others, are key in the internal communication of YoungCRM. Lastly, an important factor, according to Men and Stacks, is that employee participation in the decision-making is vital for internal communication. The employees do not directly partake in the decision-making, however, their ideas and feedback are taken into consideration, through RS, at the management meetings. Thus, the employees indirectly both participate and contribute to the changes that are made within YoungCRM.

As previously mentioned, quality relationships can enhance the productivity and willingness to achieve organizational goals. We have already argued that the internal communication form of YoungCRM can be defined as somehow symmetrical, as the employees can give their opinions on the weekly product team meetings. This is one way to create a quality relation to RS, who represents the employees during management meetings. Another way YoungCRM tries to create quality relationships to the employees is by attending corporate parties. YoungCRM, together with

CompanYoung, arranges a couple of parties a year, which they call 'Fredagsbar'. (CompanYoung February 20 2018) Corporate parties are a great opportunity for employees and management to interact in a more casual environment, where the hierarchy might be leveled out and everyone can take part in the activities. We believe, that this kind of after-hour activities can heighten moral and make the employees feel included.

We believe, that the internal communication is very important and is something YoungCRM must pay attention to. If the employees are dissatisfied with the work environment, the company is less likely to succeed. As we previously mentioned, employees are the production force and YoungCRM must ensure that the employees are content. This can both be professionally and personally. Professionally could be by ensuring that the employees feel like an asset that helps YoungCRM grow and are incorporated in important decisions regarding the company. Personally could be by nurturing quality relationships and ensuring that the employees receive the appreciation they need to be content. Employees are the biggest assets in a company, and growth is impossible to manage without them. YoungCRM must therefore be sure to keep the employees involved and content when they decide to expand abroad as the employees have a vital role to play each and everyone of them.

After having discussed the internal communication within YoungCRM, we will now address the external communication, which we believe is equally important. External communication is targeted towards customers and stakeholders, who are vital, for a company, to please. External communication is, basically, how the company chooses to appear to the world, and is the most common way for customers and stakeholders to interpret the communication of the company. (Men and Stacks 2014, 302)

With the rise of social media and other technological tools, companies have numerous communication channels in which they can share information. They can do so to heighten their transparency and stay open towards the public who expects organizational transparency. Thus, it is important for companies to develop a strategic communication strategy. (Men and Stacks 2014, 302) In the next section, we will analyze examples of YoungCRM's external communication, to understand how it interacts on an external level.

External Communication

This section contains analyses, which will help us determine how YoungCRM communicates externally. We will look at respectively Talenthub's Facebook page and a blog entry which has been posted on YoungCRM's website. To conduct our analyses, we have chosen the 'CDA' and Register theory, to be able to investigate how the language is used, as well as the communicative purpose. We have chosen only to conduct a register analysis of the blog entry, as we find it interesting to investigate the communicative situation of this specific blog entry. As previously mentioned, the 'CDA' and Register theory complement each other and will constitute our investigation of YoungCRM's external communication.

Talenthub's Facebook page (Appendix 3-7)

In this section we will conduct a 'CDA' of elements from Talenthub's Facebook page. This analysis will help to investigate how YoungCRM communicates with its customers on social media. We will investigate why some of the Facebook posts have been written and how. The 'CDA' will mainly be focused on the 'text' and 'discourse practice', as we seek understand who made them and how the posts were made. In the 'sociocultural practice' we will investigate some of the discourses we believe have had an impact on why the marketing messages have been created the way they have.

CDA

This analysis will be based on Norman Fairclough's 'CDA', and will be used as a tool to analyze elements of Talenthub's Facebook page. The analysis will be divided into the sections, each will contain an analysis of the respective dimensions: 'text', 'discourse practice', and 'sociocultural practice'.

Text

The main purpose of this dimension will be to look at some of the visual images on the Facebook page of Talenthub. We will look at how the pictures complement the functions of Talenthub, and also how the pictures help to engage and guide the reader.

Looking at the home page of Talenthub's Facebook page, it contains a large banner picture. It is a depiction of two young men and two young women. (Appendix 3) Every person in the picture is

holding some kind of electronic device such as a computer, a tablet or a smartphone. We believe, that it is intentional to give the models an electronic device to show the versatility of the Talenthub software, which can be used on any electronic device. If this is the case, it can be seen as subtle promotion of the product, which the reader may not think about, but subconsciously be aware of. Moreover, the way the people are sitting on set-up chairs on a row, we believe the situation of the picture to be four people sitting in a waiting room before a job interview. Talenthub is a software, which seeks to create the best possible recruitment experience as can be seen in its 'about' page on Facebook. (Appendix 7) As the men and women in the picture are smiling, the banner depicts the 'good' interview situation, where the candidates are happy during the entire process. We believe that every aspect of this picture is an intentional choice taken by YoungCRM, as the picture depicts exactly what Talenthub is focusing on. The choice of picture also indicates that YoungCRM knows how to create a common thread and thereby make consumption easier for the reader. By using pictures to 'tell a story', the picture does not necessarily need text attached to it.

YoungCRM has published posts including both videos and related text. Examples of such can be seen in Appendix 4 and 5. In Appendix 4, the post contains a video showing Eddie Murphy giving an 'OK' gesture whilst smiling. The video also contains the text 'ja tak til gode ansøgningsoplevelser', which can roughly be translated into 'good application experiences, yes please'. The same text can be seen in the written section of the post, where it also explains how the reader can rate a company's recruitment process. Once again YoungCRM shows how it can create a common thread and cohesion, which guide the reader by making every element complement each other.

The general tone throughout the page is very informal, as can be seen in Appendix 5, where the post celebrates the fact that Friday has arrived. The text states that one should remember to take some time off and recharge the batteries before a new week approaches. To cement the informality, the post also uses a video, showing a woman throwing papers up in the air in relief. This is a feeling most of the readers can relate to, and it thereby makes Talenthub seem more human and on the same level as the readers, which will be elaborated in the Register analysis.

Discourse Practice

In this section we want to investigate how the text has been produced. The Facebook page of Talenthub was created in June 2017 and has been regularly used by YoungCRM. Two 'Marketing Assistants', who currently work as interns at YoungCRM, run the page. (Appendix 9) The two interns are responsible for deciding the content of the posts. However, RS has decided on the overall direction of the messages the content should exude.

Looking through the page, there has been a steady stream of posts, which range between a two to five days gap. The two interns have the responsibility of choosing the frequency between posts, as long as it harmonizes with other activities. (Appendix 9)

It can be a big responsibility for an intern to oversee the social media activities of a company, but we believe that choosing young adults under education is helpful for YoungCRM. The posts on the Facebook page show a great mix of humor and professionalism. As the target groups, for the Talenthub software, are all focused on young adults, it is wise to use individuals who fit into these same groups to create a connection between writer and reader. Individuals from these groups often understand the needs of each other better than individuals from another group. We therefore argue that YoungCRM should continue using interns to oversee its social media to better connect with its target groups.

Sociocultural Practice

This section will contain a discussion of how unemployment in Denmark, as a discourse, has a role to play in the production of Talenthub's Facebook posts.

As previously mentioned, the AKU unemployment rate provides YoungCRM with the opportunity to increase its candidate database. Thus, we believe that the unemployment rate is an important discourse for YoungCRM and especially when it comes to the Talenthub software. The target groups of Talenthub are mainly young adults who are currently under education or recently graduated. As previously stated, the AKU unemployment rate includes, among others, students who are actively searching for a job. As the vision of Talenthub is to help provide the best possible recruitment process available for the students, the AKU unemployment rate is an important discourse to be aware of for Talenthub. In January 2018, the number of unemployed student was 156,000 people in Denmark. (Danmarks Statistik 1 2018) This shows, that there are many potential

members of Talenthub present within the market, and Talenthub can connect with these candidates through its Facebook page. Talenthub tries to create an informal environment on its page, by using videos and sarcasm in its posts, which makes it more approachable for readers, as it does not present itself as professional or technical. (Appendix 3-7) By using videos and other visual effects on the Talenthub Facebook page, YoungCRM follows an ascending trend of using pictures that rely on humor.

Social factors are important to be aware of at all times, as these are humanly constructed and can change at any time. The Facebook page of Talenthub must therefore always be aware of changes that might have an impact on how to act on social media but mostly on Facebook, as this is the social media platform where YoungCRM is most present.

YoungCRM Blog Entry 'What about the new GDPR' (Appendix 8)

This section will contain a 'CDA' and 'register analysis' of a blog entry, posted by YoungCRM's CEO, KR, on the YoungCRM website. The 'CDA' will highlight which instruments KR has used to promote YoungCRM. Additionally, we will use the 'register theory' to analyze the communicative situation, which YoungCRM has created. The 'CDA' will mainly be focused on the textual and discourse practice, as we seek to find how the blog entry has been produced. In the 'sociocultural practice' we will investigate some of the discourses we believe have had an impact on why the marketing messages have been created the way they have.

CDA

Text

The main purpose of this dimension is to conduct a linguistic analysis of the written text and how the language is used to engage the reader.

The title of the blog entry is *"What about the new GDPR?"* (Appendix 8), and the first thing we notice is, that KR has chosen to use the title as a question. By using a question mark, KR engages the reader, and the title will pique his or her interest. KR has chosen to write all headlines as questions as well, and then answer them in the text straight afterwards. It creates a steady flow and, once again, it engages the reader to think about the question before giving anything away. Another way KR engages the reader, is by using personal pronouns such as 'you', 'your' and 'we'. It

makes the text more personal, as the reader feels as a part of the communication. Furthermore, the text can be addressed to anyone interested in what the GDPR is, as it does not limit itself to specific individuals, but rather both existing and potential customers. A final example of how KR has managed to make the text personal is by using a photo of himself in both the banner and 'author' section. Moreover, he gives a short description of who he is and what qualifications he has regarding recruitment. This is an example of the form of appeal called 'ethos'. 'Ethos' refers to credibility and use of personal pronouns such as 'I' and 'we'. KR is using this description of himself as a way to make the reader believe what he has written and that they should respect his notions. Another apparent example of the use of 'ethos' is the last part of section two called "*YoungCRM vs. GDPR*". Every sentence starts with a self-mentioning in the form of the word 'we'. Furthermore, KR uses a very positive tone towards how YoungCRM has accommodated the requirements of the GDPR. An example hereof, could be the sentence: "*We are very secure, and apply best practice on the matter*" (Appendix 8). Here KR uses the words 'very' and 'best' to show the confidence of YoungCRM and implies that the reader can and should trust YoungCRM as a partner that is in control of the situation. KR uses a statement to 'scare' the reader who is still receiving applications through an e-mail account by saying: "*So if you are still managing your application through an e-mail account you'll have a problem*" (Appendix 8). This sentence is both in the text itself but also as a highlighted quotation. The large quotation will automatically create visual attraction for the reader, thus the message of the sentence is very important. When creating visual attraction in texts, the writer must be fully aware of what to use in the specific situation. KR has chosen to use this 'scare' factor as a visual attraction, which make us believe that the main purpose of the blog entry is to accumulate more clients to acquire the YoungCRM product. Moreover, by using the text in a later quotation, KR intentionally refers back to the text to create cohesion. By using cohesion the writer creates a common thread throughout the text, and it helps guide the reader through it.

Discourse Practice

In this section, we want to investigate how the text has been produced and the intentions behind it. As mentioned earlier, this blog entry was written and published by KR, on October 10, 2017. The blog entry has the title “*What about the new GDPR?*” (Appendix 8) which indicates that it will contain some kind of description of the general data protection regulation. The GDPR was, as previously mentioned, sanctioned by the EU parliament in 2016, and will be enforced on May 25, 2018. KR has written this blog entry to elaborate on some of the key requirements of the regulation. Furthermore, the intention must be to highlight how YoungCRM has worked to improve the software to ensure customers that they will be safe by using the YoungCRM software. KR has chosen to divide the blog entry into several sections indicated by a big headline. This makes the text more reader-friendly. Within each section are several points, which once again make the consumption of the text easier for the reader. By writing small sentences, it is easier to keep the reader interested and concentrated. Furthermore, KR has taken one of his own sentences and highlighted it as a big quote, which makes it apparent that KR believes, that this is very important for the reader to notice. The general assumption when reading this blog entry is, that it fulfills its purpose of communicating information to the readers, and KR has managed to produce a simple and clear text.

Sociocultural Practice

In this section, we will discuss the importance of the GDPR as a discourse and why YoungCRM has deemed it necessary to produce a blog entry to address the issues.

As previously mentioned, the GDPR is a new regulation, which has been enacted by the EU parliament and will be enforced on May 25, 2018. The regulation has a big impact on how companies use and store personal data, which is essential for YoungCRM, and we therefore believe that this is an important discourse for YoungCRM. Furthermore, we believe that the GDPR has been the reason for the creation of this blog entry. The blog entry is most likely directed towards existing and potential new customers or stakeholders. It is a good idea for YoungCRM to address its customers when something like the GDPR comes up. It shows that YoungCRM exudes confidence in the software it provides.

Register Analysis

As previously mentioned, the 'CDA' and 'register analysis' complement each other, and that is the reasoning for why this 'register analysis' of the blog entry is important for us to conduct.

The purpose of a 'register analysis' is to derive the use of language in any given text. The language in the text can help understand the nature of the situation, which we will be focusing on by investigating the blog entry on YoungCRM's website. This is done, as we want to investigate the communicative situation of the blog entry, which is exactly what a 'register analysis' can. Furthermore, when this analysis is complete, we will be able to determine how YoungCRM is using its communication channels to communicate externally.

Field

When looking at the blog entry by KR, it is apparent that the subject matter of the text is the GDPR. This is apparent, as the blog entry attempts to inform the reader about the GDPR requirements and the measures, which YoungCRM has taken to comply with GDPR, which can be seen in the headlines; "*What are the requirements?*", "*YoungCRM vs. GDPR?*" (Appendix 8).

The degree of specialization is semi-technical, as there are some technical words, such as '*consent*' and '*security breach*' that need clarification, if one does not occupy oneself with the processing of data. (Appendix 8) However, the simplicity of the general language improves the understanding of the context in the blog entry, which can be seen throughout the text.

The blog entry can be considered to be more abstract as the text regards a general topic. The writer is discussing the GDPR, and the majority of the text has been set up in bullet points. If we isolate the communicative purpose of the blog entry, it is apparent to be more concrete, as the author is using personal pronouns throughout the text such as '*we*' and '*you're*', thus involving the readers in the context of the blog entry. (Appendix 8)

Tenor

In the ‘tenor’ section of the ‘register analysis’, we will start out by analyzing the ‘agent roles’ of the blog entry. In this case, the ‘agent roles’ are ‘vendor-customer’, as the vendor, KR, uses the blog entry to inform the customers about the GDPR’s influence on the YoungCRM software.

The distribution of power in the blog entry is unequal, as the author presumes that the reader has no knowledge of the GDPR requirements. However, the author attempts to equalize the distribution of power by applying several personal pronouns throughout the text. Nevertheless, the unequal distribution of power becomes apparent, as it seems to be a necessity for the author to inform and explain the requirements of GDPR.

The social distance between the author and reader is as informal as can be, since the use of personal pronouns throughout the text creates a one-to-one communication, e.g. *“It means you have to live up to GDPR. So what is it you have to be aware of?”* (Appendix 8). As the author and the reader do not know one another, there is no apparent intimacy between the two.

There is some emotional involvement in the blog entry, however, since it is mostly an informative text, the emotional indicators are limited. Nevertheless, there are few examples of emotional involvement, e.g. *“So if you are still managing your application through an e-mail account you’ll have a problem.”* (Appendix 8). The more specific reader can be difficult to define, as there potentially could be many different stakeholders that could have an interest in this blog entry.

The definition of a stakeholder put forth by Freeman is “[...]any group or individual who can affect or is affected by the achievements of the organization’s objectives”. (Cancino and Holmgreen 2014, 8) From this definition, we can see that this blog post could potentially influence a broad range of stakeholders.

However, according to Cancino and Holmgreen, the stakeholders can be divided into ‘primary stakeholders’ and ‘secondary stakeholders’. Thus, making each group narrower and thereby easier to understand how these are affected by the blog entry in different ways and for different reasons. The ‘primary stakeholders’ are defined as owners, suppliers, investors, customers and employees. The ‘secondary stakeholders’, on the other hand, are environmental organizations, media etc. These are not involved in any transactions with the company. (Cancino and Holmgreen 2014, 9)

From this perspective, it is possible to claim that the main intention of this communicative situation, in terms of recipient, is the ‘primary stakeholders’. As an example, customers can be affected by reading this blog entry. Firstly, due to the informal social distance, the customers can

obtain new knowledge and thereby discover a need they previously might not have been aware of, was essential to them. Secondly, the customers can potentially read this, and from the emotional involvement, they might see YoungCRM as a potential partner to help them solve this issue of the GDPR. The same goes for investors, as they through the emotional involvement potentially can see a future opportunity from YoungCRM being on the front foot with an upcoming issue, such as the GDPR.

Mode

The 'experiential role' of the language in the blog entry is constitutive, as there is no activity taking place and language is all there is in the text. This is in coherence with the typical medium of a blog entry, as it is a written medium.

The 'interpersonal role' and the 'rhetorical role' correlate to one another in this blog entry by YoungCRM. The 'interpersonal role' is a monologue with distance in both time and space, which often means that the text has been carefully planned. However, in this case we do not perceive the text to be carefully planned, as there several grammatical flaws such as '*build*' instead of '*built*', which could indicate that the blog entry has been rushed. (Appendix 8)

The 'interpersonal role' is in coherence with the rhetorical role of the blog entry, as the 'rhetorical role' is informative. As the language functions as an 'informative role', it is typical that the text is one-way communication.

Through our definition of YoungCRM's organizational structure, we have found that it has, on paper, a horizontal hierarchy. Seen from the organizational chart, there is a top-down structure, which suggests that communication comes from the top and flows down through the organization. However, from our analysis of YoungCRM's internal communication, we have found that the internal communication is more fluent between the categories of the organizational chart. We found, that the communication is more dialogue and two-way than a dictation from management. Furthermore, we found that the communication is symmetrical as it is based on trust and employee participation in decision making. The employees of YoungCRM have a voice in organizational matters, which includes them. Moreover, YoungCRM creates quality relationships with the employees by having company parties where all employees are on an equal level.

From our analyses of YoungCRM's external communication, we have been able to deduce how YoungCRM uses different communication channels to interact with external factors such as stakeholders. We have found, that the tone set on the Facebook page of Talenthub has proven to be less professional than the blog entry on the YoungCRM website. This indicates, that the two channels are targeted at different audiences. The Facebook page is intended for the target groups we defined in the Competitive Position, and the blog entry is targeted towards a professional clientele such as customers of the YoungCRM software and/or stakeholders. Thus, we believe, that the two communication channels demand separate communication approaches to interact with the intended reader. On Facebook, YoungCRM has chosen to interact on the level of the followers, as YoungCRM uses an informal tone combined with humor and sarcasm. Its followers can relate to this, and as we also discovered, YoungCRM uses pictures and short videos to entertain its audience. On Facebook, YoungCRM generally has a 'young' and 'hip' image, which can be based on the fact that the company uses its young interns to maintain the page along with innovative means. Thus, we believe that YoungCRM's image on Facebook can be determined to be informal and showcases understanding of the intended target groups. On the other hand, the blog entry shows great amount of professionalism, except for the language itself. YoungCRM manages to show customers and stakeholders that the organization is on top of the changes that will arise with the GDPR, and it shows a company in control of the situation. Therefore, YoungCRM shows a professional image towards its audience, and it could prove to be a great way to show stakeholders that they would be in great hands when using the YoungCRM product. From our 'register analysis', we found that the sole communicative purpose of the blog entry is to inform existing and potential customers of YoungCRM, how the company has complied with the legislations of the GDPR.

Our analyses have given an insight to how YoungCRM, as an organization, looks and communicates on the Danish recruitment market. This is only an insight to the present state, whereas we do not, at this moment, know how it would look in the future if YoungCRM chooses to expand abroad. However, we will investigate this further in this thesis. Before being able to look to the future, we believe it necessary to weigh our findings from 'Part 1' against each other as

‘restraining –’ and ‘driving forces’. By doing so, we will be able to determine whether we believe there is potential for YoungCRM to engage in an internationalization.

Forcefield

As Figure 18 shows, we have reached the fourth and final step in 'Part 1'. This final step of 'Part 1' will contain a 'forcefield' framework, which, in this thesis, will be applied as a tool to summarize and conclude on the previously conducted analyses.

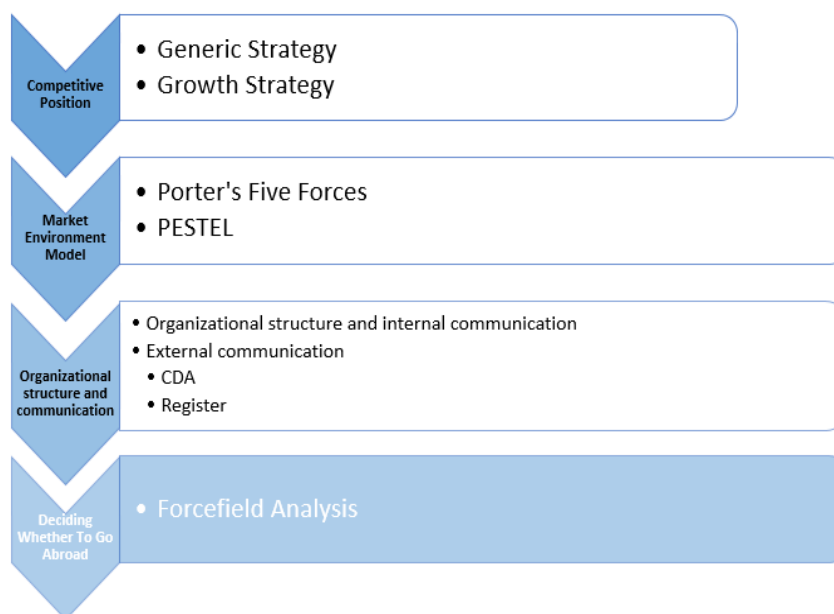


Figure 18 - Forcefield

As formerly stated, YoungCRM is considering an expansion in the near future in order to continue the growth and success the company has enjoyed so far. This is reflected in the addition to the current 'growth strategy' with the choice of 'market development', as accounted for earlier. However, on the basis of our analyses in 'Part 1', we will provide an objective assessment towards whether YoungCRM is in a position to expand to foreign markets. Thus, the 'forcefield' framework will be used as a sub-conclusion to 'Part 1', which will lead to our opinion on whether YoungCRM has the capacity to go abroad. This will function as a way of completing the first step *Deciding Whether to go Abroad* in Kotler and Keller's 'Competing on a Global Basis', which 'Part 1' is based on. This assessment is based solely on the findings of 'Part 1', which is centered around YoungCRM's current position on the Danish recruitment market. This means, that our recommendation and evaluation of YoungCRM's desire to go abroad, is based entirely on our

obtained knowledge of the recruitment industry from a perspective of the Danish market and YoungCRM's current position.

In this section, we will list and discuss different aspects of our conducted analyses in 'Part 1' as either 'driving -' or 'restraining forces' of an internationalization, as accounted for in our Methodology section.

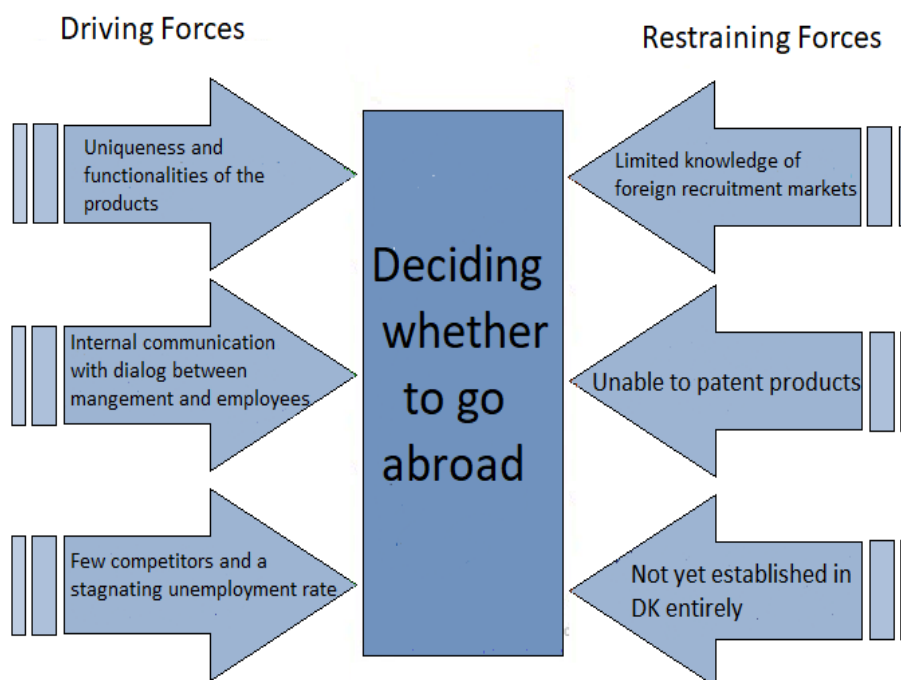


Figure 19 - Forcefield - Deciding Werther to go Abroad

From our analyses of YoungCRM's Competitive Position, we found that the 'generic strategy' was 'differentiation', and the 'growth strategy' was 'product development' with the addition of 'market development', if an international expansion should become reality. We believe these to be 'driving forces' for an internationalization, as these strategies emphasize the uniqueness and functionality of YoungCRM's software, which provide the company with a competitive advantage. The competitive advantage that YoungCRM currently possesses in uniqueness and product functionality, will eventually lay the foundation of any potential success the company might enjoy following an international expansion. The ability to compete on uniqueness, in terms of 'generic strategy', is a reason for YoungCRM to believe in prosperity from an expansion, and the 'growth

strategy' of 'product development' supports that notion. The 'driving force' from the Competitive Position is, thusly, evident.

The analyses of the Market Environment have shown us that both 'Porter's Five Forces' and the 'PEST(EL)' present 'driving -' and 'restraining forces'. One of the 'driving forces' we have found through our analysis of 'Porter's Five Forces' is, that YoungCRM has technological know-how over potential new entrants. Furthermore, the company is in no need for a supplier and there are no current noteworthy competitors and, as YoungCRM is targeting the clientele of CompanYoung for the YoungCRM software, these customers are already presumably loyal to the company.

From our 'PEST(EL)' analysis, we can deduce that the new 'GDPR' has been taken into account by YoungCRM. The company has interpreted the regulations into the line of business and is ready to oblige to the 'GDPR'. Based on this, we believe, that the 'political factors' and 'legal factors' are 'driving forces' for YoungCRM, as the company is applying these new regulations to improve the safety of the YoungCRM customers. Even though other countries might not follow the same regulations, as the ones upheld by the EU, YoungCRM is aware of the need to contemplate to these regulations and thereby shows, that it will be able to adapt accordingly in any given situation in the future. This is also considered a 'driving force'.

However, we believe, the 'social factors' to be a 'restraining force' for YoungCRM, due to the Danish welfare state. As previously accounted for, Danes are given the opportunity of free education and a social security system, which acts as a safety net for many individuals. As the Danish welfare system is unique, it must therefore be presumed that welfare systems in other countries around the world can differ or are non-existing. Thusly, we believe, that the Danish welfare system can be regarded as a 'restraining force' for YoungCRM towards going abroad, as YoungCRM knows the Danish welfare system, and thereby knows how it can be optimally exploited to suit the software. This is a different scenario regarding countries abroad, as YoungCRM does not know how the social systems and societies of other countries function. Thus, it becomes a 'restraining force' for YoungCRM, when deciding whether to go abroad.

A final part, we have been able to deduce from our Market Environment analysis, is the attractiveness of the overall recruitment industry, which has to be regarded as an important factor towards expanding abroad. As previously mentioned, this is based on our findings and understanding of the Danish recruitment market. As stated above, YoungCRM faces no direct competition from competitors that offer the exact same services. These findings were deduced from the 'Porter's Five Forces', which provides a snapshot of the current overall recruitment industry. The fifth force, 'rivalry between existing competitors', provided a competitor analysis, which showed that even though there are a lot of ATS', none compare to the exact functionalities of the YoungCRM software. This must be considered as a highly motivating 'driving force' towards an international expansion, because it must be regarded as a factor that holds true in the overall recruitment industry, as proven by the industry analysis, 'Porter's Five Forces'.

Another motivating factor is the stagnant Danish unemployment rate, which suggests that if YoungCRM wishes to continue its growth, new markets must be taken into consideration. This aligns with the company's possible addition of 'market development' in the chosen 'growth strategy'. The Danish unemployment rate must, therefore, be regarded as a 'driving force' towards expanding abroad. However, YoungCRM must also take into consideration that this could be a general tendency for all unemployment rates across the globe, which increases the risk of such an expansion. Even though an expansion can provide initial growth, the unemployment rates in other countries might reflect what the Danish rate is currently showing. This might therefore prove to be a future challenge for YoungCRM on a foreign recruitment market. However, despite these factors, which can be regarded as parts of the overall recruitment industry, the stagnant Danish unemployment rate must be viewed as an overall 'driving force' for YoungCRM, in order to secure continuous growth if the Danish recruitment market is shrinking.

The analysis of the internal communication has shown, that the way YoungCRM communicates internally can also be interpreted as a 'driving force'. The internal communication is a 'driving force', due to YoungCRM having a clear idea of the most efficient way of communicating internally. This includes a flat structure and the fact that the two-way communication secures the constructive communication within the company. This is a prerequisite for a potential future

profitable communication between entities, should YoungCRM decide to expand abroad. It must be considered, that internal communication potentially can be more difficult with an international expansion due to e.g. language or simple distance regarding time difference. Having the internal communication under control, suggests that the transition from being domestic to becoming an international company will be more fluent.

As a closing notion, we previously mentioned, that YoungCRM itself has determined a 'restraining force', which RS stated in our conducted interview. The simplicity of the software is a 'restraining force', as the software can easily be duplicated and YoungCRM is unable to take out a patent. Furthermore, the fact that the company has not yet established itself completely in Denmark, is a 'restraining force' according to RS. (Appendix 1, l. 114-120) These 'restraining forces', combined with little knowledge of foreign recruitment markets, pose a significant consideration for YoungCRM in regards to its future plans of expanding abroad. However, if we compare these 'restraining forces' to the many 'driving forces' stated above, we believe, that an international expansion from YoungCRM is justified. The main aspects of the products' quality and functionality, the internal communication, combined with few direct competitors and a stagnant Danish unemployment rate, outweighs the 'restraining forces'. All of this taken into account, we believe that YoungCRM has the potential and capacity to expand and succeed abroad along with a clear motivation based on a shrinking Danish recruitment market. Our collective analyses of 'Part 1' provides an answer to our working questions:

- *How does YoungCRM position itself on the Danish recruitment market, and how does the market environment look?*
- *Is YoungCRM ready to engage in foreign affairs?*

Even though we have stated that YoungCRM has the potential and capacity to expand abroad, there are, however, some other factors, which must be taken into account by YoungCRM. On one hand, it can be risky for YoungCRM to move forward with the plans of an international expansion without having established a substantial strong position on the Danish recruitment market. This establishment on the Danish recruitment market will provide YoungCRM with experience, increased capital, and in general a strong point of departure. On the other hand, the simplicity of

the YoungCRM and Talenthub software and the fact that they cannot be patented are factors that the company must consider as well. Even though, that the evident lack of current direct competitors has been defined as a 'driving force', the fact that the software cannot be patented, means that direct competitors eventually will emerge, if the company is successful. Therefore, the management of YoungCRM must ask themselves the question: How long do we dare to wait with an international expansion before the window of opportunity closes?

Should YoungCRM decide to move forward with the plans of an international expansion, further investigation will be needed towards the international markets of the recruitment industry. We are going to assume that YoungCRM will eventually decide to expand abroad, thus we choose to conduct analyses of a process regarding expanding abroad. This will be elaborated in 'Part 2' of our thesis, which will complete the remaining four steps of Kotler and Keller's framework 'Competing on a Global Basis', which functions as the overall framework for this thesis. Furthermore, it will be used to provide a more structured approach of expanding abroad to a company that emphasizes the 'learning by doing' approach.

‘Part 2’ – Deciding Which Markets to Enter, How to Enter, Marketing Program and Marketing Organization

After having conducted ‘Part 1’ of our thesis, and in this process assessed that YoungCRM is ready to go abroad, we will now turn our attention towards which countries potentially could be a consideration for the company to enter. As previously mentioned, we wish to look further into both a near market and a distant market. It would be obvious to choose countries such as Sweden, Norway or Germany as they are neighbors of Denmark, and also the top three trade partners for Denmark. (Santander, n.d.) However, we have chosen to look at the UK and the US instead. We have chosen these two specific countries to go outside the regular comfort zone of neighborhood partners, but, with that being said, we believe, that the UK and the US are legitimate choices for an investigation of potential new markets for YoungCRM. This is based on the fact that Santander rates the two countries as the number four and five biggest trade partners for Denmark. (Santander, n.d.) Furthermore, we believe both countries to be viable partners, as both countries’ second highest import is ‘other business services’, which we believe YoungCRM can be defined as. (Santander UK, n.d.) (Santander US, n.d.)

In this ‘Part 2’ of our thesis, we will investigate both countries and their respective recruitment markets, and continue our focus on the ‘Competing on a Global Basis’ framework by Kotler and Keller. As accounted for earlier, there are five steps within this framework, where the first was reviewed in ‘Part 1’, and now we will focus our attention on the last four steps, which can be seen from Figure 21. Each of the four steps will have its own section, where the focus will be to complete the respective step. In this context, we will analyze the recruitment market environment for the UK and the US, and in addition to that, examine both British and American culture to see what effect they might have on YoungCRM, should the company decide to start business there. We will also look at which ‘entry strategy’ YoungCRM could apply to enter the two markets, and how the marketing program could look for such an entry. Lastly, we will focus on the YoungCRM organizational structure, meaning how YoungCRM can change its structure and organizational culture to enable itself to adapt to the new surroundings and market environments.

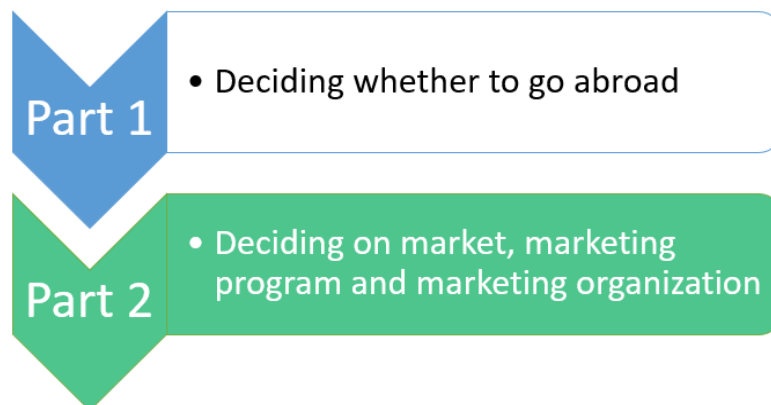


Figure 20 - Overall Framework Part 2

Globalization

As part of our analysis, we would like to draw attention to our overall methodological framework by Kotler and Keller called 'Competing on a Global Basis'. A part of this framework is the word 'global'. Now that we have concluded our first part of our thesis from the basis of *Deciding Whether to go Abroad*, we are now venturing forth into the 'global scale' as the framework suggests. We therefore believe it necessary to define the term 'globalization', as this term will help provide a better understanding of where YoungCRM is headed with its expansion ideas. Another factor for this definition to be valid in this introduction to 'Part 2', is that this term has made FDI 'easier' to manage, which is exactly what YoungCRM is looking to explore with its international expansion.

We have earlier used the expression of a 'shrinking world', which is what we believe globalization has brought with it. Globalization can mean many various things to different individuals, as it all depends on the perspective one takes on the subject.

To define the term globalization, we have chosen to look towards Shenkar et al. (2015), whose focus lies with global governance, which entails an importance of international relations, alliances, and regional and world institutions.

Shenkar et al. defines globalization as: *"The acceleration and extension of the interdependence of economies and business activities across national boundaries."* As Shenkar et al. puts forth, an occurrence in one part of the world will evidently have a consequence in another. (Shenkar et al., 2015, 3)

We believe that globalization has had a big impact on how the world looks today. Markets have become more alike and cultures are being mixed as borders between countries disappear.

Globalization is therefore a term, which YoungCRM must get accustomed to, if it wants to engage in FDI.

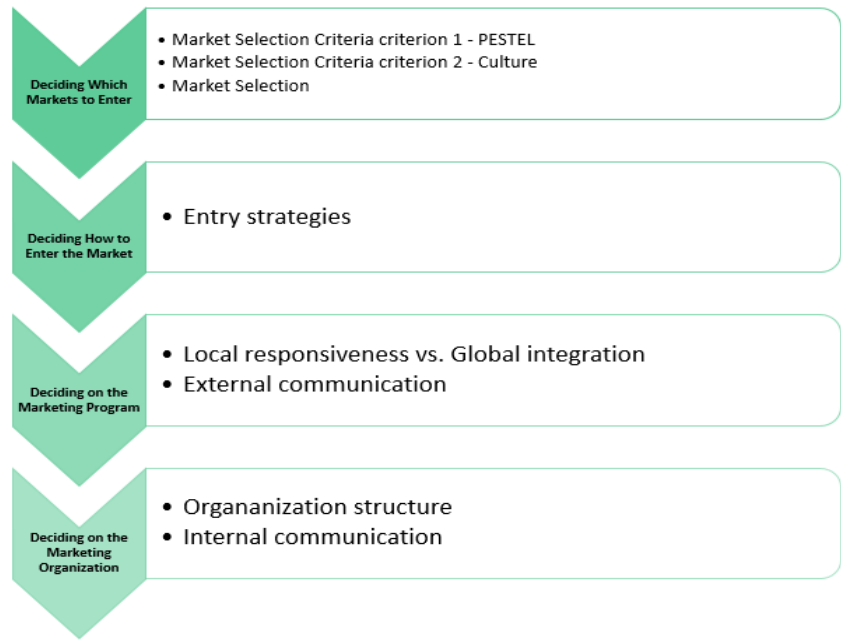


Figure 21 – Framework Part 2

Deciding Which Markets to Enter

As can be seen in Figure 22 below, this section will contain an investigation of which specific markets YoungCRM should consider expanding to.

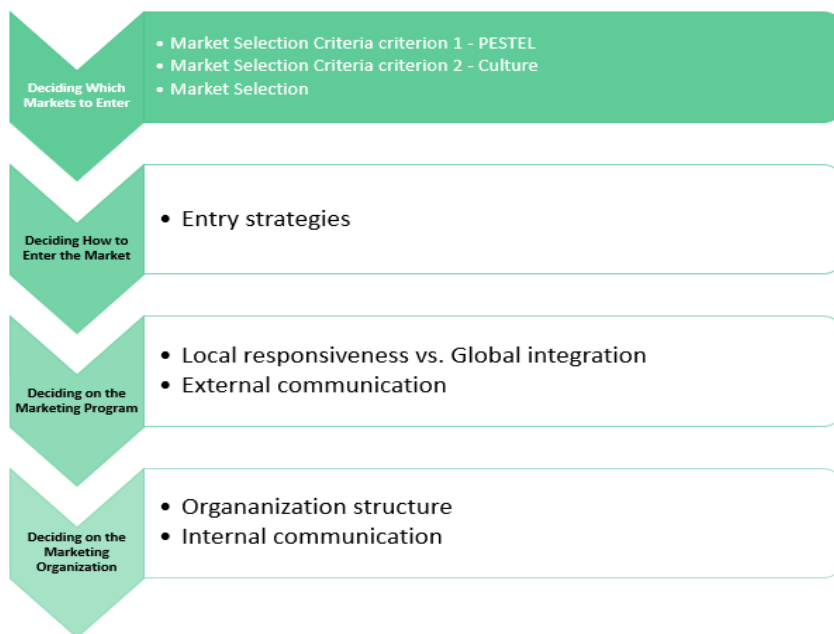


Figure 22 - Deciding Which Markets to Enter

We have chosen to focus this investigation on two countries, namely the UK and the US. We have chosen these two countries to look at a near and distant market for YoungCRM. Furthermore, we believe that these two countries are relevant, as they both are in the top five trading countries for Denmark. We have therefore chosen the UK and the US to have two countries that are relevant for YoungCRM, but not too similar to the market in which YoungCRM currently resides.

We will conduct a 'PEST(EL)' analysis of both the UK and the US market, where we will focus on some of the factors we believe could influence YoungCRM's decision of which markets to enter. Furthermore, we will conduct a cultural analysis of each country, which will give us a better understanding of which cultural differences between host and home country YoungCRM must consider. The two countries will be analyzed separately and each analysis will result in a 'forcefield' analysis. Here we will define 'restraining –' and 'driving forces' before being able to conclude whether the specific country is ideal for YoungCRM to expand to.

Analysis of the British Recruitment Market

PEST(EL)

Political/Legal Factors

In this section, we have chosen to focus on two topics, which we find important for YoungCRM and its choice of country. The first is 'Brexit', which will have substantial consequences if upheld by the UK. The other topic is the new 'GDPR', which we have mentioned in 'Part 1'. We want to investigate how this legislation will influence YoungCRM in its expansion to the UK.

'Brexit' is a term that refers to the British exit from the European Union. A vote in the UK was held on June 23, 2016, which eventually showed a majority of votes in favor of leaving the EU. When 'Brexit' goes through, the UK will leave the EU on March 29, 2019. This date, however, will change if the UK is unable to invoke 'Article 50' of the Lisbon Treaty. The Lisbon Treaty offers guidelines for how a Member State can withdraw from the EU, and 'Article 50' addresses that the Member State has to come to agreement with the EU about future relationships with the union. (Article 50 - The Lisbon Treaty, 2013)

One of the benefits of being a member of the EU is the 'single market'. The 'single market' offers free trade between countries that are members of the EU. This includes movement of goods, services, money, and people within the EU. (Hunt and Wheeler 2018) The 'single market' has been seen as the EU's biggest achievement, as it boosted trade, created jobs, and lowered prices. However, it has taken away a country's control over own affairs. Having a 'single market' entails all countries in the EU having similar laws to ensure equality and 'leveling the playing field'. (Hunt and Wheeler 2018) As a result of this, the UK will be unable to embark on its own deals with other countries that are bound to EU legislations, which hinders it from achieving independence in this aspect. With 'Brexit', the UK will be able to have more control of its own affairs. Before 'Brexit' becomes a reality, the UK must negotiate separate agreements on various subjects with every country taking part of the EU. At this moment, it is impossible to say which agreements the UK will be able to negotiate with the EU, and we are therefore unable to predict which exact difficulties and/or possibilities 'Brexit' will propose. However, the majority of the UK believes that 'Brexit' is necessary to ensure the future of the country. As the UK will be unable to exploit free trade between Member States, the UK must find new ways of exporting and importing and maybe even

new trade partners in the future. The legislations set up by the EU suggest that members trade between each other, and offers trade without tariffs. (Hunt and Wheeler 2018) Therefore, present trade partners for the UK may not be as beneficial after 'Brexit' as they were before.

This development in British politics will also eventually influence the recruitment market for the UK, as the UK will no longer be able to exchange individual members of the labor force between EU Member States for free. At the moment, 15 % of the academic workforce in the UK comes from other EU countries. (Boffey, Helm and Bachelor 2016) This percentage will most likely decline and so will the number of British students and expatriates who decide to either take an education or work in other EU countries. The less likeliness for British individuals to go abroad, means that there is a higher probability for the Brits to stay in the UK and demand jobs that previously have been occupied by people from other EU countries. Consequently, the UK will become more self-reliant, which means that recruitment exclusively will consist of hiring employees with a British passport, unless the company is willing to pay high sums to import an employee.

Another perspective of 'Brexit' affecting the British recruitment market is, the new EU legislation called 'GDPR'. This was also a political/legal factor we found very important for the Danish recruitment market, and it will equally affect the UK while it is a Member State of the EU. Privacy and protection of personal data is a concern for the EU, which is why this act has been passed. Therefore, the protection and privacy of personal data became a major concern for the UK legal system after its intention of exiting the EU. However, the UK will still be a member of the EU when the 'GDPR' comes into effect on May 25, 2018. (Donegan and Reynolds 2018) The UK has stated, that it will comply with the 'GDPR' and that 'Brexit' will not have any effect on how the country handles privacy and personal data after all strings are cut with the EU. Thus, the 'GDPR' will remain, in some form or another, in the UK legal system. Furthermore, the UK is currently trying to pass the 'Bill', which contains laws about data protection, proposed by the 'UK Department of Digital, Culture, Media and Sports'. This bill is yet to be agreed on, as it is currently being reviewed by the government. (Donegan and Reynolds 2018)

'Brexit' will ultimately have consequences for YoungCRM if the company is to expand to the British recruitment market.

134,835 EU students are currently residing in the UK (Universities.uk n.d.). When 'Brexit' becomes effective, these students will be required to pay higher tuition fees and lose access to the European funding system in the UK. (Eilstrup-Sangiovanni 2017) If the legislations from 'Brexit' mean that it will be more expensive for students from EU countries to take an education in the UK, it is more likely that the students will choose a country that is a member of the EU instead. Students are, as previously mentioned, one of the most important target groups for the Talenthub software, and losing the EU students in the UK, due to 'Brexit', could potentially be a giant loss for YoungCRM. Not only is it a loss in terms of numbers of potential candidates entering the Talenthub software for UK jobs, but it is also a loss in terms of a future launch pad to other countries within the EU, when the students go back home.

The number of foreign professors on British universities will most likely also drop, and as Dame Julia Goodfellow, President of Universities UK and vice chancellor of the University of Kent, says: *"British students benefit from being taught by the best minds from across Europe. Membership of the European Union is good for our universities and good for the science and research that improves people's lives."* (Eilstrup-Sangiovanni 2017)

This quote emphasizes the fact that the British education programs and students will eventually be the losers in this context.

Hunter and Wheeler (2018) believe, that the UK and the EU will devise an agreement to continue their business relationship, which include trade, travel, and security, as usual. (Hunter and Wheeler 2018) This can become vital for YoungCRM, because without an agreement, YoungCRM would need facilities in the UK to do business there and facilities in Denmark to do business within EU. (Boffey 2018) Moreover, 'Brexit' will have an impact on the Danish export, as 53 % of the Danish GDP comes from export. With 'Brexit' becoming a reality, the advantage of the single market will disappear, meaning that there would not be any 'free' trade between Denmark and UK. (Eilstrup-Sangiovanni 2017) As business between Member States of the EU will become more expensive for UK companies, it is possible, that they will use British services instead of e.g. Danish services such as YoungCRM. This could prove to be an upset for YoungCRM, if it suddenly has to compete with British companies because of tariffs and not only the price and functionality of the products caused by the UK not being a member of the EU anymore.

On the other hand, in spite of these abovementioned difficulties, the British recruitment market is extremely intriguing for YoungCRM, as recruitment last year generated £28.2 billion from temporary placements and approximately £4 billion from permanent placement. Thus, £32.2 billion was generated through recruitment in the UK, which indicates that there indeed is a market for YoungCRM, where it will be able to consume some of the market shares. (The Recruitment & Employment Confederation 2017) It is, however, impossible to predict how 'Brexit' will affect the British recruitment market in the future, so YoungCRM has to be aware of the uncertainties that 'Brexit' induces.

With regards to the 'Brexit' and 'GDPR', for YoungCRM, it is beneficial that the UK wants to comply with the 'GDPR' and make further regulations that will be carried out through the 'Bill' after 'Brexit'. By doing so, the UK will ensure that it has legislations that comply to the ones of the Member States of the EU. Thus, the UK avoids 'burning a bridge' between current trade partners, as other Member States within the EU will not necessarily benefit from complying with specific British regulations. For a company like YoungCRM, where the 'GDPR' is very important, it is vital that partnering countries agree on some of the same legislations about privacy and protection of personal data. If the UK chooses to implement the exact same legislations as the ones known in the 'GDPR', YoungCRM will be able to compete on the same level as British recruitment companies within the UK, regarding personal data protection. However, if the UK chooses to adopt stricter rules about privacy and personal data protection, YoungCRM will suddenly be at a disadvantage in the UK recruitment market and will have to alter its products to comply with UK legislations.

As nothing has come into effect yet, it is uncertain what the future will bring in terms of 'legal -' and 'political factors', which means that the timing of an expansion of YoungCRM into the UK might prove difficult due to the current uncertainties surrounding 'Brexit'. A concern could therefore be, that it would be a good idea for YoungCRM to wait until the aftershocks of 'Brexit' have settled. If YoungCRM chooses to expand to the UK before 'Brexit' is enforced, it could eventually fail to establish itself before being forced out because of new laws that appear after 'Brexit'.

Economic Factors

This section will focus on the 'economic factors' that might affect YoungCRM's choice of country. One of the 'economic factors', which we believe important for YoungCRM, is the buying power of the consumers. When looking at buying power, we believe it evident to focus on the GDP per capita, which indicates the average yearly income of each individual in a specific country. As we previously have explained, high GDP per capita indicates that the buying power of the citizens is relatively high. This also means that there is a higher demand of products, which leads to increased need of labor. The current GDP per capita in the UK is 39,921\$, which is the lowest GDP per capita since 2010 during the recession. Furthermore, the British GDP per capita has decreased since 2014. (Country Economy UK n.d.) Compared to Denmark, the UK GDP per capita is approximately 14,000\$ lower, which means that the disposable income of the average Brit is lower compared to the average Dane. (IMF 2017, 5)

The uncertainty that 'Brexit' has induced since the majority of the British population voted for a retreat from the EU, also affected the British economy. The British currency Pound Sterling was affected immediately after the election. Compared to the Dollar, the Pound fell from 1.49 to 1.32, which means that the British pound fell 11,4 % in just four days. (XE n.d.)



Figure 23 – Development of the GBP (XE n.d.)

However, since the large decrease in June 2016, the GBP has increased again and has almost reach similar level as before 'Brexit' was announced. Nevertheless, the GBP is affected by 'Brexit'. When the GBP is low, the UK is cheaper to do business with for other countries. Import will therefore be more expensive for the UK. Companies from other countries, such as Denmark, can take advantage of the current situation and open offices in the UK or buy struggling British companies cheaper compared to what might have been possible earlier. (New York Times 2017)

Taking the 'economic factors' into consideration, we firstly believe that YoungCRM could take advantage of the uncertainty that 'Brexit' induces and especially with the uncertainty surrounding the GBP. The fall in the currency means it is less expensive for YoungCRM to establish itself in UK. Despite the GBP being on the rise again, the uncertainties, which 'Brexit' induces, can cause a decrease of the currency during UK's retreat from the EU, as companies are afraid to invest in the country, which in the end damages the value of the GBP. Taking the aforementioned into account, YoungCRM must decide whether the company is willing to take the risk of the uncertainties 'Brexit' prompts.

Secondly, we believe that the difference between the Danish and the British GDP per capita can affect YoungCRM's possible expansion to the UK, as the lower GDP per capita in the UK means a decrease in buying power, which ultimately leads to a decrease in UK based companies. Moreover, we stated that high buying power indirectly creates more jobs, and as the British GDP per capita at this moment is falling, it suggests that there might be fewer jobs available in the future. Companies will not have the wealth to hire new employees and might even have to let some go. This is an obstacle for YoungCRM, as it means there will be fewer jobs to offer to candidates. Thus, if companies are not hiring, they are less likely to buy new recruitment software, which ultimately makes YoungCRM irrelevant on the British recruitment market. However, on a positive note it means that the amount of potential candidates for the Talenthub software will increase compared to if the UK had a substantially higher GDP per capita. Going to the UK based on the 'economic factors' can therefore be bipartite, as it can have both favorable and unfavorable consequences. However, we believe there is an overweight of unfavorable factors constituted by the uncertainties of 'Brexit'.

Social Factors

This paragraph will contain 'social factors' that might affect YoungCRM's choice of expanding to the UK. The most apparent 'social factor', which we believe is important to investigate in connection to YoungCRM, is the unemployment rate in the UK. The British unemployment rate has fallen from 4.7 % in 2017 to 4.3 % in 2018, and has been decreasing since 2013. Additionally, 136.000 people have been recruited for a job from 2017 to 2018. (Office for National Statistics 2018, 22) The decrease in unemployment rate and the amount of people that has been recruited might be due to the efficiency of the British recruitment industry. (The Recruitment & Employment Confederation 2017)

Another factor we believe important to discuss is how the education system is in the UK. According to 'Study in UK', most undergraduates pay £9,000 each year in tuition fees. The tuition fees cover the education itself and furthermore, it also gives access to university services such as tutoring, information technology and library. Postgraduates, on the other hand, can 'look forward' to paying up to £12,000 each year to get a university degree. (Study in UK n.d.) Compared to the educational system in Denmark, where the government pays students, the British educational system forces the students to have an economic background to be able to attend university. This might have a negative effect on how many Brits apply to universities, as many families might not be able to afford sending their children to universities. As we have previously mentioned, the GDP per capita in the UK is approximately £40,000, and £9-12,000 is a large sum of money to pay for an education, if your family is on the low end of the economic hierarchy. However, according to 'Universities UK', 1.87 million Brits studied at a UK higher educational institution in 2016. (Universities UK n.d.) Thus, even though students have to pay to get a higher education, there are still plenty of talents for YoungCRM to approach, if it was to expand to the UK. For YoungCRM and mostly Talenthub, well-educated talents are important, as they constitute the main target groups. A third 'social factor', which we believe is important to address about the UK, is the structure of the British health care system. The UK spent approximately 9 % of its GDP on health care in 2013 and 83 % of these expenses were publicly covered by National Health Service (NHS). The NHS is the general health care system provided by the government and paid for through taxation. NHS covers all registered citizens in UK and it covers basic services such as urgent and emergency care,

pharmacy services and dental services etc. Some of the services are partially covered by NHS, meaning that Brits must pay parts of the bill themselves, depending on which treatment is required. (Mossialos et al. 2016, 49) Compared to Denmark, where health care is mostly paid through taxation, and Danes will only have to pay for services provided by private institutions, the UK provides a universal health care system that does not ensure full protection. Brits will, thusly, be more afraid of being ill or injured, as they may be forced to pay expensive medical bills that are not covered by the NHS. This can create an uncertainty for the Brits, as they must always put money aside for potential medical bills, which gives them less buying power in their daily lives. After analyzing the 'social factors', we believe that several aspects make the UK recruitment market attractive for YoungCRM.

From this perspective, the British recruitment market is beneficial for YoungCRM as millions of Brits are still unemployed and as previously mentioned the revenue of the British recruitment industry is approximately £32 billion. On the other hand, it is adverse for YoungCRM that the unemployment rate is decreasing, as the number of potential candidates to phase into the Talenthub software is declining. Nevertheless, 1.42 million Brits are still unemployed, and we therefore believe that the British recruitment market is attractive for YoungCRM, based on the number of unemployed individuals.

The high number of British students is beneficial for the Talenthub software, as this group could be potential candidates. As previously mentioned, students are the main target group for Talenthub, at the moment, and it is therefore important for YoungCRM to choose a country, where the citizens value taking a higher education. Lastly, the difference between the Danish and the British health care system can affect YoungCRM's choice of country. As we previously mentioned, the NHS does not cover all medical expenses, which means that it is required by Brits to have a job, in order to pay potential medical bills. Brits will therefore have more incentive to require a job to be able to cover oneself economically. The individuals are therefore more likely to use software such as Talenthub, as it simplifies the process of getting a job and heightens the chances of getting a job interview by putting the individual in a shared talent bank.

Taking these 'social factors' into consideration, we believe the UK recruitment market to be attractive for both YoungCRM and Talenthub, as there are plenty of unemployed individuals and

students, which constitute a recruitment market filled with resources. For Talenthub, the British individual is more motivated to obtain a job to be able to secure and maintain life quality and protection against illness, compared to Denmark, where the previously mentioned safety net secures the life of the individual.

Technological Factors

According to Allouche (2016), the UK is the seventh most technological country in the entire world, whereas Denmark is not even listed in this article. It has proven itself by producing individuals who have invented revolutionary products such as the World Wide Web and the commercial electric telegraph. (Allouche 2016) We believe, that Brits are accustomed with technology and does not feel alienated in the modern world. Technological advancement is therefore an important factor to investigate when looking at the market environment in a specific country. As the UK is, according to Allouche, more technologically advanced than Denmark, it raises its attractiveness in 'country competitiveness'. (Allouche 2016) The technological advancement of the UK may provide YoungCRM with opportunities to grow and enhance its software to the better, by being in a market environment where the technology generally is more advanced. However, it also presents challenges, as competitors within the British recruitment market might be more technologically advanced than the ones in Denmark. As mentioned in 'Part 1', the YoungCRM and Talenthub software are fairly simple and easy to duplicate. Thereby, we believe that the risk of being duplicated by UK competitors is higher due to the advanced knowledge of technology within the country. It can become vital for YoungCRM to offer state of the art technology to the British customers, as the population of the UK is accustomed to advanced technology. Thus, making it even more important for YoungCRM to stay on top of the technological development within its industry.

Cultural Dimensions

In our cultural analysis, we want to focus on the aforementioned chosen dimensions of Hofstede and Trompenaars, which we find essential for YoungCRM when expanding to a new market. As mentioned in our Methodology, we will combine Hofstede and Trompenaars' *Individualism vs. Collectivism* into one dimension, as well as we will look at Hofstede's *Uncertainty Avoidance* along with Trompenaars' *Internal vs. External Control*. In addition, Hofstede's *Power Distance* will be combined with Trompenaars' *Achievement vs. Ascription* dimension. Lastly, we will discuss Hofstede's *Masculinity vs. Femininity* along with Trompenaars' *Neutral vs. Affective* dimension.

Individualism vs. Collectivism

As previously established, globalization is a huge part of today's society as economies and businesses are interdependent across borders. The empirical data from Hofstede shows that the UK scores 89 out of 100 on individualism, which is the third highest score, only beaten by the former British colonies Australia and the USA (Figure 24). This indicates, that there is an extremely high level of individualism present in the UK. This indication is supported by Trompenaars research, where an overall of the consulted managers from the UK scores 61 % in individualism (Figure 25). Following these research projects, this places the UK as an above average individualistic country. The numbers can be seen in the figures below, and worth mentioning is that the former British colonies have a higher level of individualism than the UK. This can be due to the fact that these tore themselves from the British Empire and became sovereign countries. In doing so, they have gained independence, which can have contributed to the feeling of individualism as a high scoring value along with possibly still possessing some of the British values of individualism.

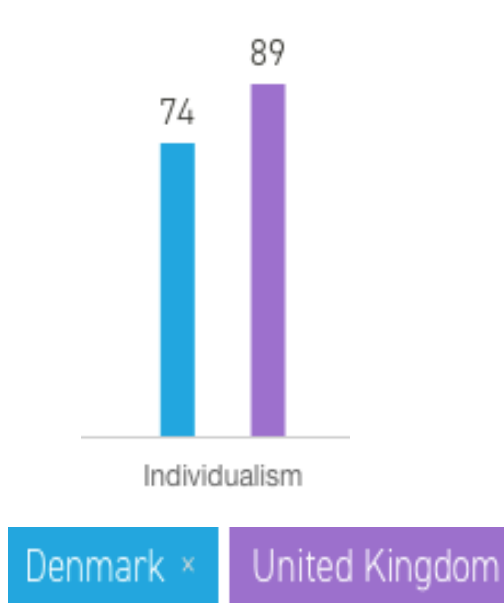


Figure 24 - Individualism (Hofstede Insights UK n.d.)

INDIVIDUALISM VERSUS COLLECTIVISM how to improve your quality of life

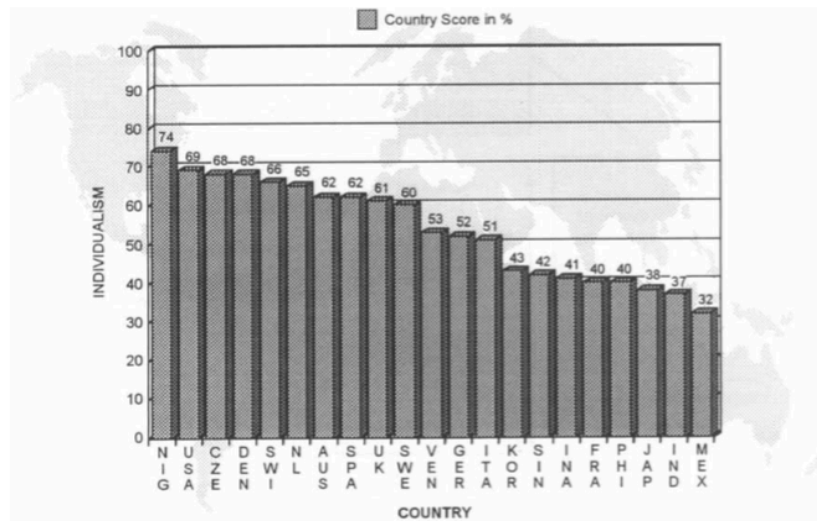


Figure 25 - Individualism versus Collectivism (Trompenaars 1996, 56)

One thing, which is important to notice, is that the studies from both Hofstede and Trompenaars are from respectively 1984 and 1996. It must therefore be taken into account that there is a possibility of a change in the numbers from then till today. However, as we can see from Hofstede Insights, the numbers have not changed since his original study in 1984. (Hofstede 1984, 85) (Hofstede Insights n.d.) So therefore these numbers still appear to be relevant today.

The progress of globalization in recent years can be a contributing factor to the facilitation of a change and can potentially signify an increase in individualism for the UK. An example, that could support this notion, can perhaps be found in 'Brexit'. Because, even though the world is 'shrinking' through globalization, the UK still holds on to individualistic values, as we have deduced with the explanation of 'Brexit'. 'Brexit' can in this regard potentially be seen as the UK increasing its position as an independent and individualistic culture in a modern society. Going solo from the EU is a way for the British people to regain more independency in a world that is more intertwined than ever before. (The Economist 2017) However, this can be viewed only as an illusion of independency since the country is still dependent on other countries and can never be fully self-reliant. Growing competition with the rest of the world, and in particular the EU, is a possible answer to why the UK is looking to protect its own interests more than in the past. This also

affects the recruitment industry, which entails YoungCRM. As previously accounted for, 15 % of the British workforce is comprised of workers from around the EU. (Boffey, Helm and Bachelor 2016) From a cultural perspective, the individualism of the UK combined with EU employees in the UK, can help explain why Brits decided to exit EU. This is an advantage for YoungCRM to be aware of, as it can use this knowledge of British cultural motives in how the company should approach the British recruitment market and the consumers. As an example for the Talenthub software, individualistic marketing messages could be developed to match the individualism of the UK citizens in order to get them to sign up for the system.

Another factor for YoungCRM to be aware of, is that Denmark scores lower than the UK on individualism in Hofstede's studies but higher in Trompenaars', with respectively 74 out of 100 and 68%. The difference is most noticeable in Hofstede's research. Here it is seen that the UK is more inclined to be individualistic than Denmark, which in comparison is a more collectivistic society. This can be related to the fact that Denmark is a 'welfare society', where it is important to attend to the weak. As mentioned previously, it is society's responsibility to help out those who cannot help themselves, and everybody pays to finance this arrangement via taxes. The fact that there is little difference between the UK and Denmark, and that Denmark is even more individualistic in Trompenaars' research, might be caused by multiple factors such as the questions asked by Trompenaars, the people asked, or because of the years between the studies. Even though the two studies show conflicting results, they both show a high degree of individualism in both countries on a similar level. This is something YoungCRM can take advantage of, as it indicates that the two countries are quite alike when it comes to individualism. If this is the case, YoungCRM will have a smoother transition to the UK, as it will be close to Danish cultural conditions when it comes to this particular dimension. Thereby, YoungCRM already has the means to tackle the culture.

Power Distance and Achievement vs. Ascription

Hofstede's 'power distance' entails how societies view inequality. The UK scores 35 out of 100 in 'power distance', which ranks it between the 10-12 lowest scoring within the fifty analyzed countries. The score indicates, that Brits believe that there should be a higher degree of equality in

society. The fairly low score, matches the previously mentioned need for independence. Even though this is the belief of the consulted Brits, it stands in contrast to numbers from the BBC, which states that UK has the fifth most unequal income rates in the developed world and in 2015 had the most unequal wages in Europe (BBC 2018).

Trompenaars' research shows, that the UK scores 47 % in 'achievement', which means that more than 50 % of the British population ascribe status to people due to attributes such as gender or age rather than what they have achieved. (Figure 27)

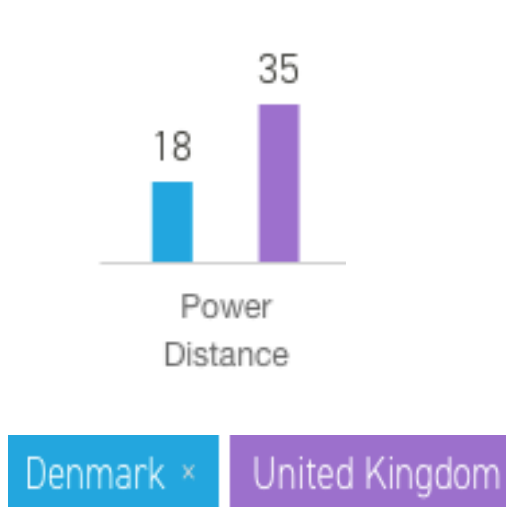


Figure 26 - Power Distance (Hofstede Insights n.d.)

ACHIEVEMENT VERSUS ASCRIPTION
quality of life is not as suits you

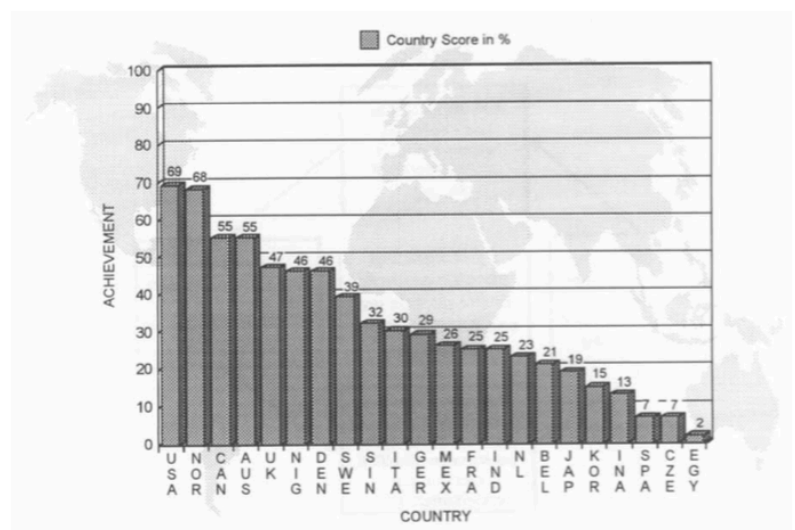


Figure 27 - Achievement versus Ascription (Trompenaars 1996, 62)

The UK scores higher in Hofstede's study than Denmark, which only scores 18 out of 100 on the scale. This places Denmark amongst the fairly low countries in terms of inequality compared to the other countries investigated. (Figure 26) A reason for this can be found in the very open and flat-structured hierarchical environments most Danish companies have. Here the tone is mostly informal, open dialogue is encouraged, and equality amongst all workers are highly valued. (Copenhagen 2018) Trompenaars' research suggests, that the Danes are quite similar to the Brits, as Denmark scores 46 % in achievement (Figure 27).

These numbers can be translated into what effect YoungCRM's software can have on the recruitment market. As an example, when signing up for Talenthub, it is a candidate's personality

and personal qualities that determine if the person gets the job or not, and less so as a result of their achievements. When the British culture suggests, that achievements is a minor factor in terms of cultural status in the UK, it will match very well with the functionality of the Talenthub software, as achievements mean less in the Talenthub process towards finding an employer compared to personal traits. From Hofstede's numbers it can also be deducted, that both the UK and Denmark are fairly low in 'power distance', which again means that YoungCRM is looking to enter a market quite similar to what it comes from on this parameter. A thing the company has to be aware of though is that there is a higher degree of inequality present in the UK, which means that it might be necessary to consider how to approach this difference between the UK and Denmark. Here it could be an idea to expand the target group of the Talenthub and YoungCRM software to companies that have more jobs suited for those Brits without a higher education, as, mentioned earlier, YoungCRM is currently looking to target candidates with a high education. Moreover, Trompenaars' research suggests, that status is almost equally awarded through 'achievement' and 'ascription' in both the UK and Denmark. Parallels can therefore again be drawn between the two societies, which can be seen as being in favor of YoungCRM, as the software tested on the Danish recruitment market will, all things being equal, add more or less up to what can be expected of the British people's perception of the products from this cultural perspective.

Uncertainty Avoidance and Internal vs. External Control

The empirical data from Hofstede shows that the UK scores 35 out of 100 in 'uncertainty avoidance', which gives them a sixth or seventh place amongst the participating countries. (Figure 28) This means, that Brits can handle uncertainty better than many other societies. This is supported by numbers from a statistic from last year, which shows Brits have grown in happiness, even though they have experienced a period with extreme uncertainty and political change due to 'Brexit' (Dua 2017).

Trompenaars' research shows, that the UK scores 83 % in 'internal control' (Figure 29), so even though the Brits are fine with a certain degree of uncertainty, this indicates that the British people are still looking to be in control of different aspects - such as the weather as asked by Trompenaars. A later study from 2000 showed, that 36 % of the UK respondents believed it was

worthwhile trying to control natural forces (Trompenaars and Hampden-Turner 2000, 143). This is an extreme decline compared to Trompenaars' previous study. However, there are current factors, which potentially could indicate that the curve now is on its way up again, because certain happenings in time may influence the Brits' need and desire for 'internal control'.

In connection to this, we would like to discuss how 'Brexit' can be seen as a snapshot of how this dimension of British culture, is looking at this moment.

The Europe Minister, David Lidington, says about 'Brexit': *"This is part of the leap into the unknown. Expat organisations are understandably worried and most of their members seem to be desperate to avoid Brexit. For them, it will at the very least deliver a prolonged period of uncertainty."* (Boffey, Helm and Bachelor 2016)

Thereby, Lidington connects uncertainty and inner control.

This development in British culture matches very well with what the numbers from Hofstede and Trompenaars show. Because, taken into account that the British people is not afraid of uncertainty, 'Brexit' proves, that the UK still wishes to have more personal control of political matters rather than answering to the EU, including recruitment. However, stepping out of the EU means a higher degree of uncertainty for the UK. So it can be deduced from this, that the British people are willing to accept more uncertainty for a period of time, for then in the long run to gain more inner control. This adds up with the findings of Hofstede and Trompenaars, thus making these two dimensions complement each other in picturing this aspect of British culture.

INTERNAL VERSUS EXTERNAL CONTROL

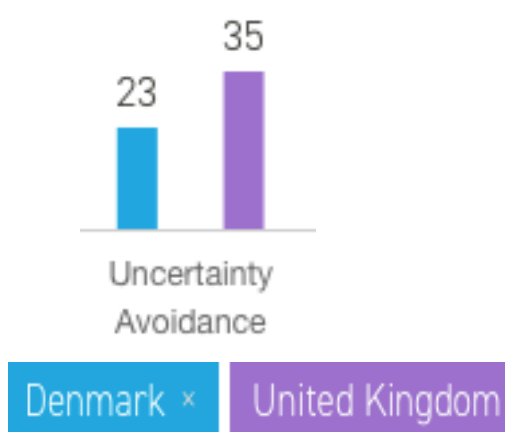


Figure 28 - Uncertainty Avoidance (Hofstede Insights UK n.d.)

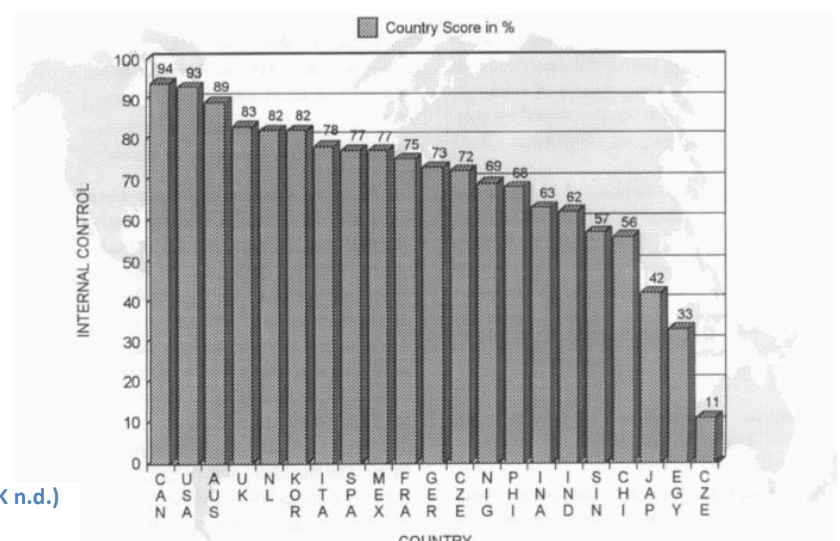


Figure 29 - Internal versus External Control (Trompenaars 1996, 85)

In Hofstede's study, Denmark scores lower than the UK with 23 out of 100, which means that Danes are even better at handling uncertainty than Brits (Figure 28). Again, a contributing factor to this can be the Danish welfare system. There will always be a supportive hand underneath the Danes to catch them, if they should fall. Denmark is not incorporated in Trompenaars' small figure above, but is in his book, where the country scores 45 % on 'internal control' (Trompenaars and Hampden-Turner 2000, 143). This is almost half as much as the UK's score. Thereby, the Danes seem more likely to let external factors take control, which again supports the notion of the influence of the Danish welfare system.

For YoungCRM, the fact that both the UK and Denmark scores fairly low in the 'uncertainty avoidance' dimension means that the values in the cultures are similar. Low 'uncertainty avoidance', however, can mean difficulties for YoungCRM regarding the recruitment market. This issue at hand, is that if unemployed people in the UK are not particularly bothered with the uncertainty of not having a job, they might not take as much of an active role in looking for a new job as YoungCRM hopes for. The Talenthub software, in particular, could suffer as a consequence from this point of view.

On the other hand, the Brits prefer more internal control than the Danes, which YoungCRM potentially can consider a positive note. The 'internal control' could be an advantage for the YoungCRM software, as companies will be provided with the joint talent database that comes with the purchase of the software. It gives the British companies more 'internal control' of their future employees, as they can maintain and keep their applicants within their own system. However, it is a different perspective for the Talenthub software, as it helps the Brits find a vacancy for them, but it is done with less control from the individual. As mentioned earlier, Talenthub helps with matching companies and employees, but the employees have less control over which companies specifically they are recommended applying to. It therefore might prove a challenge to persuade the unemployed Brits 'to give up control' of their job search.

Masculinity vs. Femininity

In Hofstede's study, the UK scores 66 % in 'masculinity' (Figure 30), which means that the UK can be seen as a rather masculine society. Hofstede states, that masculine cultures are success-driven and even calls them 'performance societies' (Figure 30). Being success-oriented and performance-driven, can create motivation for results, which fits well with the Brits' need for 'internal control' and 'individualism'. On the other hand, it contradicts the British lesser belief in achievements to obtain social status.

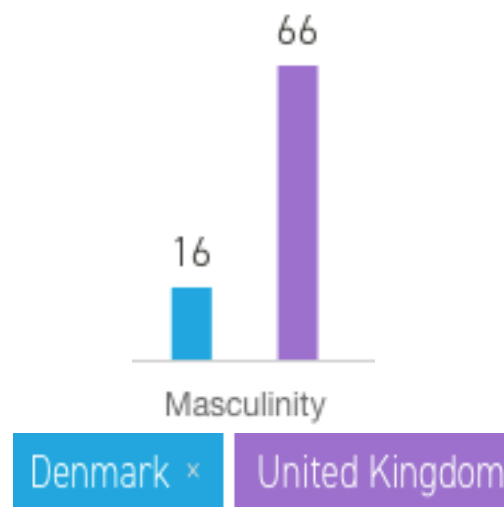


Figure 30 - Masculinity (Hofstede Insights UK n.d.)

Denmark scores 16 on Hofstede's 'masculinity' scale. (Figure 30) Thereby, Denmark is an extremely feminine country, which supports the notion of "[...]carrying for the weak[...]" (Hofstede 1984, 84), as Denmark is a 'welfare society'. Moreover, the aforementioned work-culture and flat structure in Danish companies can contribute to the incentive for minimal social differences.

For YoungCRM, this means that the Brits might have more incentive towards using the software, as they are more inclined to want to work, in order to meet the idea of the performance driven society. The Brits need to work in order to make money, since they do not have the same social security system as the Danes - and in addition they have to pay for education, health care etc. YoungCRM can therefore use this when approaching the market. An issue for YoungCRM in using these numbers when approaching the market, is that the abovementioned low belief in achievements, and the high score in 'masculinity' of the British society, is in conflict. Noteworthy

in this matter, is that the numbers are provided by two different studies. However, this is still worth considering as leaning too much towards one study without considering the problematic of two conflicting researches in this situation, could mean a wrong approach towards the British recruitment market for YoungCRM.

Neutral vs. Affective

Trompenaars' research suggests, that the UK is to the more 'affective' side on this dimension, as it only scores 31 % measured in the 'neutral' dimension (Figure 31). Over time, the research shows that the Brits have become more 'neutral' in their way of showing emotions as the study from 2000 shows that the UK scores 45 % (Trompenaars and Hampden-Turner 2000, 70). These studies indicate that more than 50 % of the Brits would show their emotions openly, if they were feeling upset at work. This could potentially be translated into how a British employee would react to becoming unemployed and the following process of looking for a job. If the Brits are becoming more neutral in terms of showing their emotions, it could mean that they are less inclined to openly express their desires towards getting a new job. Firstly, it could prevent that they actively go out looking for help in finding a new job from new software like Talenthub. Secondly, it presents a challenge for YoungCRM in terms of spreading the message through 'word of mouth'. This will therefore have to be considered as a factor for YoungCRM's approach towards the British recruitment market as well.

Furthermore, as RS states in our conducted interview, Talenthub is at the moment focused on feedback from the candidates regarding their recruitment experiences. This collected data will then be used to inform the companies involved that their recruitment process might not be optimal and thusly inspiring them to engage in YoungCRM's software. (Appendix 1, I. 55-71) If one would imagine that YoungCRM potentially could use a similar initial approach to the UK market, the 'neutrality' of the Brits could present a challenge in this regard, as they would be less inclined to share their opinion regarding their recruitment experiences.

NEUTRAL VERSUS AFFECTIVE would not show emotions overtly

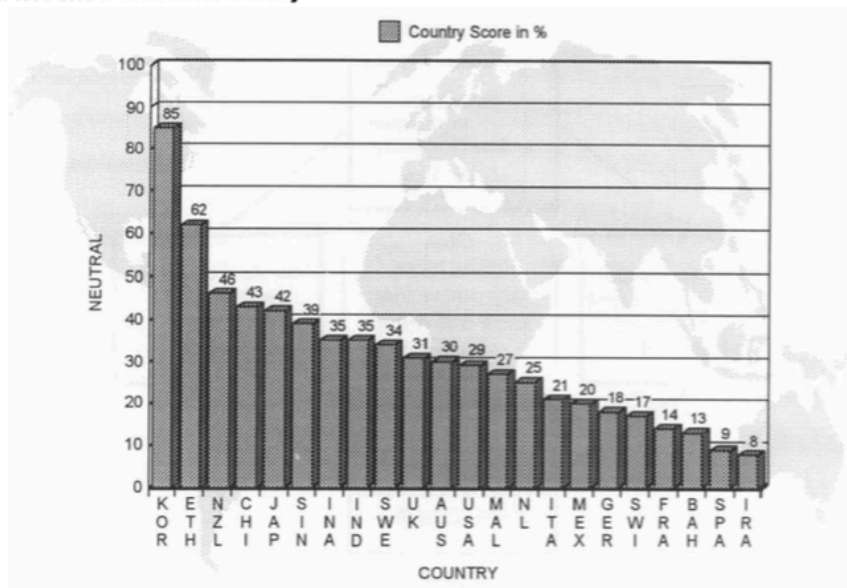


Figure 31 - Neutral versus Affective (Trompenaars 1996, 58)

In comparison, Denmark scores 34 % (Trompenaars and Hampden-Turner 2000, 70), which means that 66 % of Danes are likely to show their emotions at work. This is not a significant difference for YoungCRM to consider when approaching the British candidates.

Forcefield

In this section, we will conduct a 'forcefield' analysis to determine and structure the attractiveness of the British recruitment market, based on the investigated 'driving –' and 'restraining forces'. These 'driving –' and 'restraining forces' are based on the market environment and cultural analyses of the UK. We will compare the 'driving forces' to the 'restraining forces' and give our opinion on whether YoungCRM should choose to expand to the UK, based on our findings.

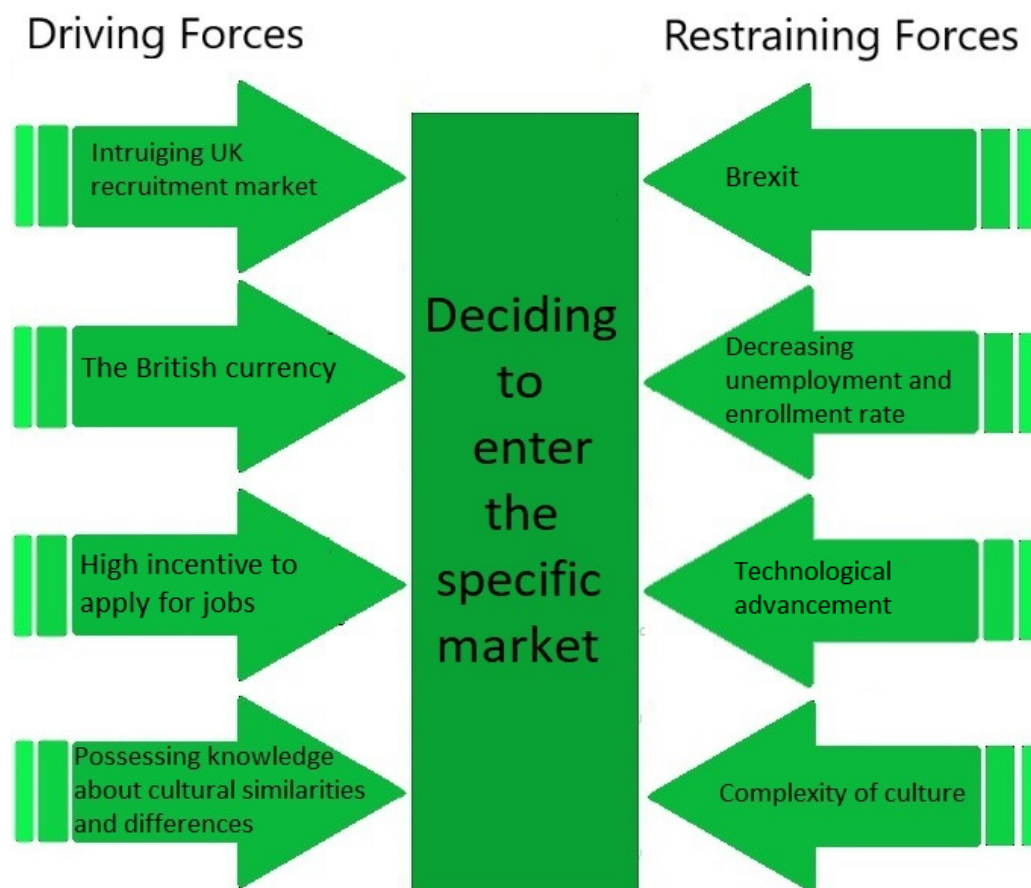


Figure 24 - Forcefield UK

From our analyses, we have been able to deduce several 'driving –' and 'restraining forces' towards YoungCRM choosing an expansion to the British recruitment market.

We previously mentioned, that the UK had spent over £32 billion on recruitment in 2017. This indicates, that there is in fact a bountiful recruitment market for YoungCRM to be a part of and benefit from. We have therefore chosen to define this factor as a 'driving force' for YoungCRM, as

we established in 'political/legal factors' the British recruitment market to be attractive in terms of size and prosperity.

However, from our analysis of the market environment, we found that 'Brexit' is an important discourse for YoungCRM to be aware of as it, all things being equal, will influence the recruitment market of the UK. Firstly, 'Brexit' has created a certain level of uncertainty, thus making it impossible to foresee how the British recruitment market will appear when 'Brexit' is finalized. As an example, from the 'political/legal factors', we found that 'Brexit' will have a substantial impact on how the UK will cooperate with other EU Member States, such as Denmark, and it must be considered a significant 'restraining force' for YoungCRM, not knowing which agreements Denmark can reach with the UK after 'Brexit'. The restraining factor here regards whether the current trade partners of the UK will be as beneficial to the country now as before 'Brexit', because the UK will no longer be part of the EU's 'single market'. The UK will, potentially, have to pay tariffs etc. when trading with EU Member States, depending on which agreements are reached with the EU. This must be expected to work the other way around as well. The uncertainty surrounding 'Brexit', however, still remains the biggest 'restraining force', in our opinion.

Another uncertainty regarding 'Brexit' is the value of the GBP. Our findings showed that 'Brexit' has had a negative influence on the value of the GBP, which ultimately benefits YoungCRM, as it will get more value for money than it would a few years ago. This can be an opportunity, created by 'Brexit', for YoungCRM, which we define as a 'driving force' for a YoungCRM expansion to the UK. In contradiction with the potential of the intriguing British recruitment market, we have, however, discovered another 'restraining force': The current decrease in the British unemployment rate and student enrollments into degree-granting institutions. The decrease in the unemployment rate, matches our findings from 'Part 1' regarding the Danish recruitment market. Here, we defined the stagnating unemployment rate as a 'driving force' to go abroad, but as the British recruitment market shows the same tendencies, we believe YoungCRM should be aware of the current situation, before expanding to the UK. This also supports our notion of a stagnating unemployment rate on a global scale, as mentioned in 'Part 1'. These factors influence the potential expansion in a rather negative manner; the low unemployment rate is a problem for

Talenthub as less people are looking for a job, and the low student enrollment means a decrease in the number of potential candidates for the Talenthub software.

On the other hand, as established in 'Part 1', an upside of the low unemployment rate is a boost of the economy and therefore British companies might be more willing to invest in a new recruitment system like YoungCRM. However, this decrease in unemployment rate and student enrollments is, overall, leaning towards a 'restraining force', due to the effect it will have on the Talenthub software. A further decline in student enrollments and unemployment rate can be expected from fewer international students and fewer international employees within the UK, as a consequence of 'Brexit'. Students are one of the most important demographic groups for YoungCRM, especially for the Talenthub software, and if the number of British students keeps decreasing, the UK may become a less attractive market for YoungCRM going forward.

The technological advancement of the UK can both have a positive and a negative effect for YoungCRM, when expanding to the British recruitment market. On a positive note, by expanding to the UK, YoungCRM can learn from other British companies and maybe adopt new functionalities to its software based on the technological know-how of the competition. Though, it can also backfire for YoungCRM if entering the UK, as it is a more technologically advanced market than YoungCRM is used to, and the competitors may therefore have a technological edge, which potentially could pose a threat for YoungCRM. However, as we discovered in 'Porter's Five Forces' in 'Part 1', there are currently no apparent direct competitors in YoungCRM's market environment. This was discussed in 'rivalry between existing competitors', where a 'competitor analysis' was conducted, and it showed that on all levels YoungCRM, with its uniqueness and functionalities, faces no immediate threats from competitors. Nevertheless, if we consider the technological advancements of the British market, combined with the weakness of not being able to take out a patent on its software, YoungCRM might be facing the 'threat of new entrants' or '-substitutes' instead. This would force YoungCRM to reconsider its market environment with regards to 'Porter's Five Forces'. Thereby, the overall recruitment industry could potentially decrease in attractiveness. We have therefore chosen to define the technological advancement as mainly being a 'restraining force' for YoungCRM, as it could prove difficult to compete with

companies that have a technological edge compared to the competitors YoungCRM is already familiar with.

The final force, we will focus on from our analyses above, is culture. This factor, however, is ambiguous for YoungCRM, as the concept of culture can be seen from two angles. On one hand, our analysis of the British culture showed both similarities and slight differences between the UK and Denmark, but we did not find anything that YoungCRM should be overly focused on, as the two countries are not too culturally different. This is a positive side of the culture element as the approach towards the British recruitment market can be similar to the Danish approach. Nevertheless, YoungCRM must still keep in mind that there are slight differences on a few areas, but the big picture is fairly close to the Danish culture. This is a 'driving force', as knowledge and awareness of the British culture can be used in a future marketing strategy and in the shaping of marketing messages that should capture the attention of local target groups. Furthermore, cultural awareness can also be used to adapt changes into the products if needed.

On the other hand, based on Hofstede and Trompenaars, a cultural analysis is a static depiction of how a given culture looks at a given time. If this is to be considered, we believe, that our cultural analysis can be seen as the current state of the British culture based on the dimensions of Hofstede and Trompenaars. However, as accounted for earlier, Gullestrup suggests, that culture is anything but static, quite the contrary. Culture is under constant pressure to change by 'determining factors'. As mentioned earlier, Gullestrup believes that individuals cannot be bound to one specific culture, as there are several sub-cultures within each culture. This presents a huge complexity in the use of culture for corporate purposes. We therefore believe, that the complexity of a culture, in this case the British, is a restraining force for YoungCRM as it might be too loose of a term to benefit from acknowledging. However, the fact that we have defined some of the basic cultural differences is, nevertheless, a positive tool for YoungCRM to possess when expanding to the UK where culture, all things being equal, will play a part in spite of its complexity. 'Brexit' also influences the cultural elements and, as we have discussed in the analysis, it can potentially help explain why this British choice happened. Furthermore, aside from having contributed to the choice of leaving the EU, the British culture might also be changed by this discourse of 'Brexit', and how it can be changed remains to be seen. Taking both these perspectives into consideration, we

still believe that it can, nonetheless, never be a disadvantage to possess knowledge about a specific culture of which one is about to venture into.

‘Brexit’ influences all of the aforementioned aspects combined. This is why we, at the moment, define ‘Brexit’ as being both a ‘driving –’ and a ‘restraining force’ for YoungCRM’s expansion to the UK, as the ongoing process of ‘Brexit’ creates uncertainty. Even though, the British recruitment market contains many opportunities and potential for growth, the uncertainty that follows ‘Brexit’ is still too much of a factor to ignore, because it imbues every aspect of the British recruitment market and the British culture. We therefore believe, that YoungCRM should hold off the expansion to the UK for now, until the aftershocks of ‘Brexit’ have settled. It might still be a good idea to focus on a near market before looking towards a distant market, but a consideration could be to start with a market that is not going through a major change both politically, corporately and culturally.

Analysis of the American Recruitment Market

PEST(EL)

Political/Legal Factors

After the end of the Cold War in 1989, the US became the world leader and only superpower, both militarily and economically. This has enabled the Americans to enjoy the success that comes with being number one on the global market. Many other countries have also benefited from this situation, as they have been able to enter into agreements with the US that would favor their economy. (Brands and Feaver 2018)

However, on November 8, 2016, Donald Trump was elected President of the United States and he, along with his administration, had a different perspective on the US' involvement in foreign affairs. Trump believes, that other countries have thrived and experienced prosperity as a consequence of the US involvement at the expense of the American industry. (Trump 2016)

As a result of this belief, President Trump expressed in his inauguration speech that *"From this day forward, a new vision will govern our land. From this day forward, it's going to be only America first, America first."* (Trump 2016) Trump signaled very strongly with his speech, that he would attempt to have the US rebuilt through the use of the country's own resources and labor force, and through that he encouraged US citizens to buy American products and hire American workforce.

This led to the consequence of President Trump signing the executive order called 'Buy American and Hire American'. 'Buy American' is supposed to protect the US industry, whereas 'Hire American' is supposed to ensure that US workers are preferred over foreign workforce. (White House 2017) Another 'political factor' that has to be taken into account since the inauguration of Donald Trump, is that he has cut the company taxes with 15 %. As part of the overall 'America First' plan, Trump has lowered the US company tax from 35 % to 20 % in an attempt to keep the capital of US companies in the country. (Bendtsen 2017) These are new 'political factors' that both foreign countries and companies must take into account in future relations with the US.

As we discovered in our market environment analysis in 'Part 1', the 'legal –' and 'political factor' of 'GDPR' plays a massive role for a company such as YoungCRM that handles a lot of personal information. The 'GDPR' is applicable for all EU Member States and will become effective in May

2018. However, as the US is not a part of the EU, different regulations regarding the possession of personal information is a factor that must be considered in this section.

According to the source of the National Conference of State Legislatures, there are as many different variations of handling a security breach of personal data, as there are states in America. (NCSL 2018) As an example, the correct way of approaching a security breach of a business or agency that contains personal information is different from state to state.

In this case, the following quote is concerning the regulations regarding the state of New York:

“Any person or business which conducts business in New York state, and which owns or licenses computerized data which includes private information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the system to any resident of New York state whose private information was, or is reasonably believed to have been, acquired by a person without valid authorization.” (New York Legislative Information 2018)

For comparison, the regulations regarding the state of California can be found below:

“Any agency that owns or licenses computerized data that includes personal information shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California (1) whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person, or, (2) whose encrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person and the encryption key or security credential was, or is reasonably believed to have been, acquired by an unauthorized person and the agency that owns or licenses the encrypted information has a reasonable belief that the encryption key or security credential could render that personal information readable or useable.” (California Legislative Information 2018)

Considering these two quotes, it can be deduced that there are different approaches for these two states and reviewing the NCSL webpage shows that each state has its own regulations regarding the management of personal information. (NCSL 2018)

Looking at the ‘political factors’, YoungCRM will have to be aware of the prospects ahead when considering the US’ new direction of governing. Donald Trump’s reforms must be taken into consideration, if an expansion to the American recruitment market is to be successful. Firstly, the ‘America first’ policy of the Trump administration has to be measured very carefully, as it can both be an advantage and a disadvantage for YoungCRM. An advantage could be aimed at the software Talenthub. If YoungCRM was able to accommodate the demand of American workforce getting jobs in the US (Hire American) through the Talenthub software, the company might be able to benefit from this protectionist American approach. On the other hand, the YoungCRM software

might find it more difficult to grow in this element as the 'Buy American' aspect might prove an obstacle to this. If American companies are urged to buy American solutions to the issues they might have, it can become very difficult for YoungCRM to enter the American recruitment market. This risk will have to be weighed out with the prospect of a lower company tax.

There is however a question regarding the effect of the 'America first' policy. The question at hand is whether the American companies, as a matter of fact, will follow this perspective that the Trump administration is trying to impose on them. When looking at the statement regarding 'America first', it can be deduced that the Trump administration uses a lot of adjective words to further its cause. Examples such as *"[...] tough new lobbying standards [...]"*, *"[...] protecting it from unfair competition [...]"* and *"[...] has taken historic action [...]"* can be viewed as an attempt to create credibility for the Trump administration and the 'America first' ideas. (White House 2017) Whether the US industries are buying into these statements and their requests for 'buying – ' and 'hiring American', remains to be seen. However, it is a factor that YoungCRM also will have to consider.

In terms of the 'legal factors' of the American market environment that influences YoungCRM, the regulations regarding the possession of personal information must be taken into account. YoungCRM can be affected by the many different regulations from state to state and will have to widely consider each state before entering. Not all states can necessarily be seen as a potential possibility of expansion. It will require a great deal of legal preparation and consideration before venturing forth into one or more states.

Economic Factors

As previously mentioned, we believe that it is evident to investigate the buying power and thereby the GDP per capita in a country, when analyzing the 'economic factors'. The current GDP per capita in the US is 59,501 \$ and has increased since 2009 (Country Economy US n.d.). Moreover the American GDP per capita is approximately 3,000 \$ higher than the Danish GDP per capita, meaning the average American buying power is stronger than the Danish. (Country Economy DK n.d.) The higher American buying power means that there is a higher demand of products, which ultimately will lead to the need of more employees.

Just like 'Brexit' had a negative influence on the value of the GBP, we believe the election of Donald Trump as president of the US has had a negative influence on the value of the US Dollar (USD). As can be seen in Figure 33 below, the USD rose significantly during 2016 up until November where Donald Trump was elected for president. (XE US n.d.) Since the election the USD has decreased. However, the value of the USD is not at a historical low, as it peaked during 2016 and is now again reaching a more 'normal' level.

1 Feb 2013 00:00 UTC - 1 May 2018 07:31 UTC **USD/GBP** close:0.72725 low:0.58273 high:0.83174



Figure 25 - Development of the USD (XE US n.d.)

As we have previously mentioned, when a currency is low, the country is cheaper to do business with for companies based in other countries. Companies from other countries, such as Denmark, can take advantage of the current situation and open offices in the US or buy struggling American companies cheaper compared to what might have been possible earlier.

Taking the 'economic factors' into consideration, we firstly believe that the US is an attractive country for YoungCRM, due to its high GDP per capita and therefore buying power. For YoungCRM it is important to consider its possibilities within a specific country. As the GDP per capita is currently rising in the US, the American consumer will have more buying power. As previously

mentioned, high buying power ultimately means that consumers can spend more money and with a higher demand, companies must be able to supply. To oblige to the higher demand, American companies might acknowledge the need to hire more employees. When companies need to hire more employees, it is important to have well-functioning recruitment software, thus making YoungCRM relevant on the American recruitment market. Regarding the Talenthub software, the amount of unemployed candidates will be lower, which will be further discussed in the 'social factors'.

Lastly, we believe the value decrease of the USD is important for YoungCRM to take into consideration, should it choose to expand to the US. We believe that the election of Donald Trump has created an uncertainty in the country, which ultimate has created a decrease in the USD. YoungCRM should consider the timing of the expansion, as the value of the USD determines the cost of expanding to the US. The USD may decrease additionally in the following months, but it could also increase. YoungCRM must decide whether it is willing to take a leap of faith into uncertainty, which could have both positive and negative consequences. We, however, believe that the American recruitment market, based on 'economic factors', offers more favorable than unfavorable consequences, due to the high GDP per capita, high buying power, and a favorable value currency compared to recent years.

Social Factors

This section will contain social factors that might affect YoungCRM's choice of expanding its business to the American recruitment market. The first 'social factor' we believe is important to discuss is the unemployment rate. The American unemployment rate has decreased from 4.4 % in April 2017 to 4.1 % in March 2018, and has additionally been stagnating the past six months. This means that almost 450,000 Americans have been recruited for a job in under a year. (Department of Numbers n.d.) Furthermore, in March 2018 there were 148,230,000 jobs in America, which is an increase of 103,000 jobs from February 2018. (Department of Numbers 2 n.d.) According to Bersin (2017) 20-24% of all Americans change their jobs every year. Furthermore, it is estimated, that companies pay \$4,000 for each candidate on interviewing and deciding whether the candidate is

right for the job. (Bersin 2017) 61% of top executives in a survey, conducted by Deloitte Human Capital Trends, believe that their companies are bad at finding the right employees. (Bersin 2017)

A second 'social factor' we believe important to discuss, is the American educational system. According to the 'National Student Clearinghouse Research Center', 18,463,677 students were enrolled into degree-granting institutions in the fall of 2017. This is a decrease of 1.1% compared to the year before. (National Student Clearinghouse Research Center 2017) We believe that the decrease in number of students may be due to the mere costs of a degree-granting education. Depending on the specific education, the tuition fees vary from \$3,570 to \$34,740 on average per year. (Bridgestock 2018) Furthermore, the poverty rate has inclined since the beginning of the worldwide financial crisis. The American poverty rate increased to 15 % during the recession and has first in recent years declined to 12.7 %, which correspond to around 40 million Americans. (Semega, Fontenot and Kollar 2017, 12) Taking the inclining American GDP per capita into account, it is contradicting that the amount of Americans living in poverty is increasing as well. Given that the average American, according to the GDP per capita, is getting wealthier, it is rather peculiar that the poverty rate remains high. The poverty rate might have influenced the number of student enrollments, as less people are able to afford tuition fees. However, some of the higher educational institutions offer financial aid to its attending students. An example hereof is MIT, which is the highest ranked university in the US. MIT offers financial aid to 91% of all undergraduates in the form of scholarships and grants. (Bridgestock 2018) Students with low income will therefore be given the opportunity to get an education, if they have the credentials for success regardless of their social status.

The third and final 'social factor' we want to discuss is the American health care system. In 2010 the Affordable Care Act (ACA) was established. The establishment of the ACA divided the responsibility of health care between the American government, the employers, and the individuals. Moreover, the ACA covers various medical services e.g. ambulatory patient services, hospitalization etc. (Mossialos et al. 2016, 171-172) Just like the NHS in Britain, the ACA does not provide full coverage of the individual, and it is a service which families have to pay for to get coverage. However, a Medicaid expansion is available for individuals or families below the

American poverty level. (ObamaCare Facts n.d.) Medicaid, thusly, acts as a safety net to secure the individuals in the lowest social class.

According to the American constitution 'The Declaration of Independence' all men are created equal and are entitled to pursuit happiness. (Amadeo 2018) However, as we have found the poverty rate to be high and a large part of Americans cannot afford health care or education, we believe that all men, in fact, are not all equal and do not have the same opportunities to pursue happiness. The pursuit of happiness is often associated with the term the 'American dream'. The 'American dream' is achievable through hard work and achieving the goals on your own.

The 'American dream' can be defined as *"What prevents Americans from taking charge is, according to the authors, our long and abiding allegiance to individualism the belief that the good society is one in which individuals are left free to pursue their private satisfactions independently of others, a pattern of thinking that emphasizes individual achievement and self-fulfillment."* (Andre and Velasquez n.d.) This 'social factor' is an aspect, which permeates the American culture on a profound level. This discourse will therefore be further elaborated in our cultural analysis of the US.

After reviewing the social factors in the American market, we believe that the decrease in the unemployment rate indicates that recruitment indeed is relevant in the US. Furthermore, the 103,000 newly generated jobs suggest that there is a high demand for recruitment from both company and applicant. Studies also showed, that 61 % of all executives are dissatisfied with how their companies currently are recruiting. We therefore believe that YoungCRM and the Talenthub software could be in high demand on the American recruitment market. YoungCRM could potentially replace the current ATS', which according to Bersin, are very old and are fairly rudimentary. (Bersin 2017)

Regarding education, we believe that the decrease of students in recent years can be based on the high tuition fees and the poverty rate. A decrease in students ultimately limits the amount of candidates that can be implemented into the joint talent bank, Talenthub. However, there are still approximately 18.5 million students enrolled in degree-granting institutions throughout the US. This means, that the target groups of the Talenthub software can still be saturated by the current amount of students. Lastly, the ACA is a service, which has to be paid by the individual, and the American citizens must therefore be sure to have an income to be able to be covered by the ACA or to pay unexpected medical bills. Americans will therefore have more incentive to apply for jobs

to either have money to pay for ACA or to be hired by a company, which offers employee insurance. This might be why 20-24 % of all American switch jobs each year, which means that 41 million people are searching jobs and being recruited every year. (Bersin 2017) Another reason might be, that Americans strive to achieve the 'American dream'. For Americans, the 'American dream' is an incarnated part of life. It means that one should create one's own happiness and no one helps to achieve the dream. The social structures of the American society do not form a safety net, which helps those in need. Instead they have to pay for their health care and educational system, which means that Americans are more used to taking control of their own lives compared to the Danes. Thus, we believe that the individualism and the American way of life, the 'American dream', make the American individuals more attractive for YoungCRM and the Talenthub software. Americans have to create their own happiness and are therefore also more likely to use products that could help them achieve their dreams. We, thusly, believe that the American recruitment market could be very attractive for YoungCRM, as the company could become relevant on the American market, where the supply and demand for jobs is high.

Technological Factors

According to Allouche (2016), the US is the second most technological country in the entire world. It has proven itself as a global superpower with its breakthroughs within space technology and telecommunication. (Allouche 2016) We believe, that Americans are accustomed with technology and does not feel alienated in the modern world. Technological advancement is therefore an important factor to investigate when looking at the market environment in a specific country. As the US is technologically advanced, it raises its attractiveness in 'country competitiveness'. As the US is, according to Allouche, more technologically advanced than Denmark, we believe it may provide YoungCRM with opportunities to grow and enhance its products to the better, by being in a market environment where the technology generally is more advanced. (Allouche 2016) However, it also presents challenges, as competitors within the American market might be more technologically advanced than the ones in Denmark. Companies such as Apple, Google, Facebook and Microsoft are all located in the US and could potentially become competitors of YoungCRM. As mentioned in 'Part 1', the YoungCRM and Talenthub software are fairly simple and easy to duplicate. We believe that the risk of being duplicated by the US competitors is higher due to the

advanced knowledge of technology within the country. It can become vital for YoungCRM to offer state of the art technology to the American customers, as the population of the US is accustomed to advanced technology. Thus, making it even more important for YoungCRM to stay on top of the technological development within its industry.

Cultural Dimensions

As in our cultural analysis of the UK, we will in our cultural analysis of the US be concentrating on the dimensions, which we believe to be important for YoungCRM during an expansion.

Here we have combined Hofstede and Trompenaars' *Individualism vs. Collectivism* into one dimension, as well as we will look at Hofstede's *Uncertainty Avoidance* along with Trompenaars' *Internal vs. External Control*. In addition, we will be viewing Hofstede's *Power Distance* combined with *Trompenaars' Uncertainty Avoidance*. Furthermore, we will look at Hofstede's *Masculinity vs. Femininity* and Trompenaars' *Neutral vs. Affective* dimension.

Individualism vs. Collectivism

According to Hofstede, the US scores 91 on his Individualism index out of 100, which ranks the US as number 50 out of 50 countries in terms of individualism. Thereby, the US is the country with the highest score in individualism followed by Australia and the UK - Australia being a former British colony, similar to the US, during the time of the former 'colonial power' (Hofstede 1984, 85) (Figure 34). We previously established, that globalization brings the world closer, and history might also be a factor here. The shared bond between the three countries can be perceived as having created similar values within each country, which are visible here in this dimension.

Trompenaars' research supports that of Hofstede, as it shows the US as the second most individualistic culture with a score of 69 % (Figure 25) (Trompenaars and Hampden-Turner 2000, 50). Thereby, Trompenaars' study backs Hofstede's notion of the US being a severely individualistic country. Something that evidently supports this claim in today's society is 'America first', which we have covered in 'political factors'. This change of course in American politics suggests a desire for more independency in the US, and a 'we' before 'them', regards to the US versus the rest of the world. Another contributing factor, that could provide evidence for why the American culture is so drenched with individualistic values, is the influence of the 'American

dream’. This core value of the US culture, the idea that every person is responsible for its own pursuit of happiness, can be regarded as the main reason for the high score on Hofstede and Trompenaars’ findings, as it also can be seen as the foundation of the ‘American first’ policy.

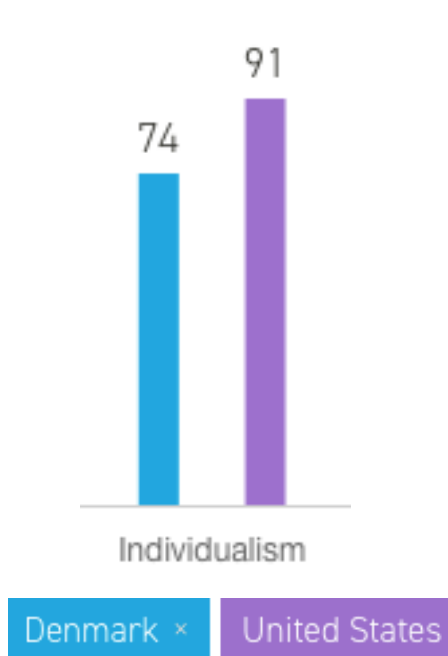


Figure 34 - Individualism (Hofstede Insights US n.d.)

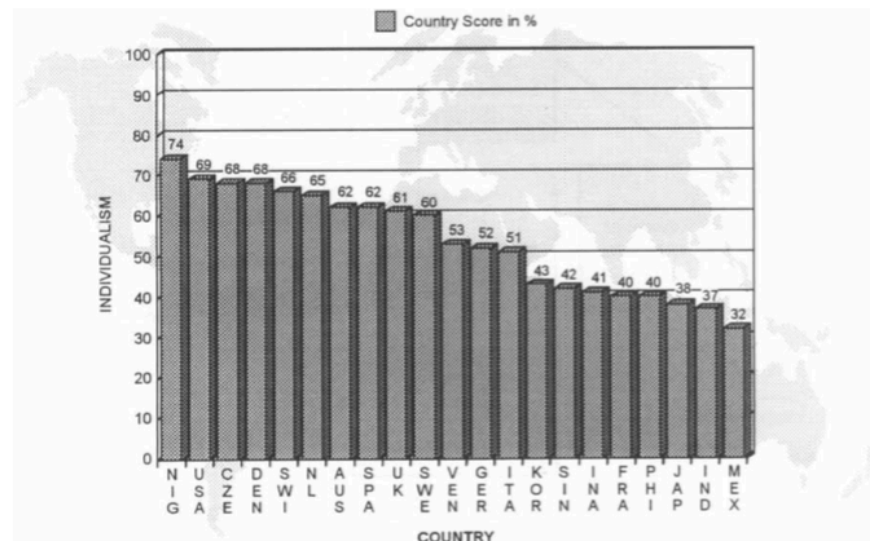


Figure 25 – Individualism versus Collectivism (Trompenaars 1984, 85)

As previously mentioned in our cultural analysis of the UK, Denmark’s score in individualism is 74 out of 100 in Hofstede’s study (Figure 34), and 68 % in Trompenaars’ research (Figure 25). Thereby, Denmark is respectively 17 points away from the US in Hofstede’s study and only 1 % different in Trompenaars’. Thereby, Hofstede’s data suggests that the US is more individualistic than Denmark, when compared to Trompenaars’ data.

Either way, this is an adjustment that YoungCRM must consider when looking at the US as a potential expansion possibility. Individualism is arguably even higher at the moment when considering the ‘political –’ and ‘legal factors’ accounted for earlier. With this new ‘America first’ policy the Trump administration is pushing forth in the US, it can be viewed as having an effect on the American culture in terms of individualism. If these messages from the government regarding ‘Buy American’ and ‘Hire American’ are being adopted by the US population, it will affect YoungCRM’s options for succeeding in the US. Firstly, it can affect the chances of entering the market in the first place if the ‘Buy American’ suggestion is moving forward in the American

society. However, should YoungCRM successfully enter the US recruitment market, the increased US individualism becomes a concern for e.g. the Talenthub software as it could be seen both as an opportunity and as an issue. The fact that the US scores highest and second highest on the scales of individualism in our empirical findings, can be an advantage for YoungCRM and Talenthub, as people might be more inclined to sign up for the talent bank, to get ahead of everyone else in the individualistic society. If one could gain an upper hand over the rest, it would not only give an advantage in getting a job, but it would also enforce the core value of the 'American dream' enhanced by the 'America first' policy. On the other hand, being a severely individualistic society might hinder the Americans in 'seeking outside help', especially if the Talenthub software suggests that all candidates are being put in a joint talent bank. An American might feel that he/she is not in a situation of individual control, thusly striding from the core values of individualism. The recruitment market is therefore influenced greatly by this dimension and marketing approaches must therefore be carefully considered as to not conflict with the American cultural perspective of American individualism.

Power Distance and Achievement vs. Ascription

In these dimensions, the US scores respectively 40 on Hofstede's Power Distance index (Figure 35) and 69 % in Trompenaars' Achievement vs. Ascription dimension (Figure 27). On the Power Distance index, this ranks the US as number 16, which strengthens the idea of the 'American dream' and the individual pursuit of happiness. Though, the score indicates that Americans believe there should be a higher degree of equal rights and justice, the latest statistics shows that the distribution of wealth in the US is becoming more and more unequal. (Statista - US Wealth Distribution 2018) This is a contrast to the American ranking on Hofstede's index and maybe a sign towards a change over the years since Hofstede's results were collected. It can however also be a reflection of the 'American dream', as the individual that has success gets to rise in power compared to the individual that does not. If this is the case, the 'American dream' favors the fortunate individuals and is therefore a continuous factor to high power distance. To support this notion, Trompenaars' dimension of 'achievement vs. ascription' can be used. The 69 %, which the US scores in Trompenaars' 'achievement' dimension is the highest score out of all the interviewed countries. It can therefore be deduced that status in America mainly is accomplished by achieving

goals due to skills, knowledge, resources etc. The 'American dream' can therefore also be detected as a core value shining through in the dimension, as any individual is free to achieve happiness in whatever form and is praised in achieving success. This can be linked with 'power distance' in the sense that achieving something workwise is likely to increase the 'power', and the more people who are able to achieve great success, the more inequality there will be.

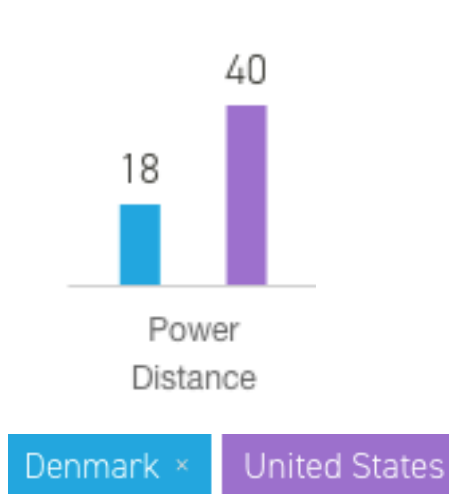


Figure 35 - Power Distance (Hofstede Insights US n.d.)

ACHIEVEMENT VERSUS ASCRIPTION quality of life is not as suits you

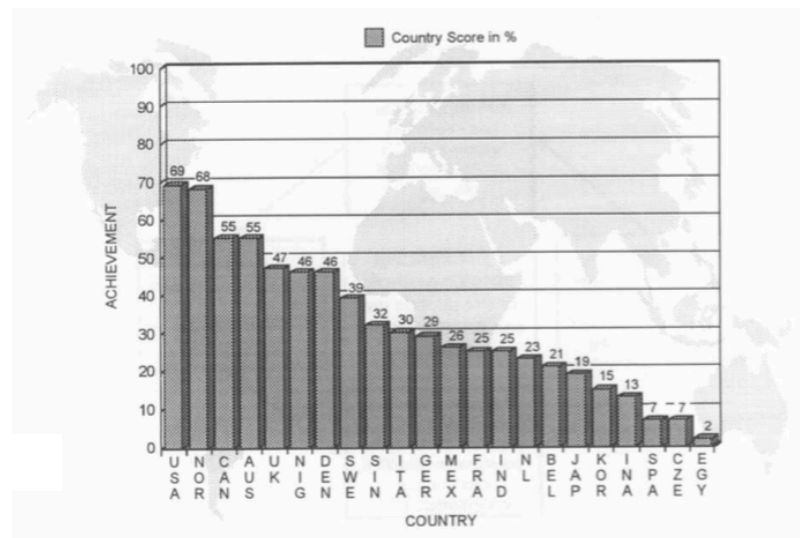


Figure 27 - US Achievement versus Ascription (Trompenaars 1996, 62)

In Trompenaars' research, Denmark scores 46 %, about a third less compared to the US. Therefore, the Danes do not reckon achievements as a mark of success as much as the Americans do, when it comes to giving status.

The differences between the two cultures will evidently become a huge influential factor for YoungCRM. The fact that the US scores higher on the 'power distance index', and appears to be heading further down the path of inequality in society, is something YoungCRM needs to be aware of. A consideration could be to ensure jobs for all parts of the different social classes in order to target a maximum amount of people from the Talenthub software. As the interview with YoungCRM proved, the company is at the moment focusing very much on the candidates with a university degree or other forms of higher education, meaning the jobs in the higher levels of society. Regarding Trompenaars' findings in the 'achievement' dimension, YoungCRM must approach this with caution. Because initially, it can be seen as a positive aspect for the Talenthub

software that Americans focus on enhancing achievements and competencies, as this is what Talenthub is using to help people find a job. It could potentially mean that promoting oneself is something the Americans probably are even better at than the Danes, making YoungCRM's job of helping establish constructive contact with employers much easier. Hence, this workforce aspect of the American recruitment market can seem attractive to YoungCRM.

However, the main issue that YoungCRM must take into account is the apparent depth of American belief in achievements when it comes to status, particularly in terms of Talenthub. Because as accounted for in the interview, the Talenthub software focuses on promoting candidates personal traits and competences rather than their factual achievements and experience. This can be a potential game changer for the Talenthub software, when dealing with a country that appreciates and regards achievements as the superior reasons for hiring rather than personal traits. This is an aspect where the Danish culture and values are apparent in the design of YoungCRM's software. The more soft values that Trompenaars' results show for Denmark, suggest that the Talenthub software is created from a Danish cultural point of view. This difference between the two countries' outlook upon what personal qualities have the higher value, will have to be considered by YoungCRM when expanding to the American recruitment market. A failure to meet these cultural demands from the US' society, could be a severe set back in getting a foothold on this foreign market.

Uncertainty Avoidance and Internal vs. External Control

In Hofstede's 'uncertainty avoidance' dimension, the US scores 46 out of 100 on his index, and is thereby ranked as number 11 out of 50. (Figure 36) It can therefore be deduced, that Americans are relatively good at handling an uncertain future. As we have stated before, the Americans are used to having to create their own good fortune, and are being taught that they can grow up to become anything they want to be through the American dream. This can be a contributing factor to why uncertainty might not be a high level of concern for the Americans. In connection to this, the US' self-belief is also a factor that could potentially have a saying in the relative low 'uncertainty avoidance' of Americans. An American elaborates on this point by saying: *"When I was a kid, before I could even spell the word "flag" I was pledging allegiance to the American flag, literally every day. I sang the national anthem even though I didn't know what "land of the free"*

really meant. I bragged about living in a “free country” and the “best country in the world” before I could point to the U.S. on a map.” (Kumar 2017) This quote is backed by an investigation from 2017 concerning the US public opinion on America itself. A total of 85 %, by far the majority of the US public, believes that the US is either the best country in the world (29 %) or one of the greatest countries (56 %). (Thorsett and Kiley, 2017) This self-confidence of the US population coming from idolizing the nation, could potentially be a reason for the very low ‘uncertainty avoidance’ of Americans. The belief of being the best can be a factor that reduces the feeling of uncertainty, as the Americans might believe that, regardless of the situation, they will manage.

In connection to this, Trompenaars’ research shows that the US scores 93 % in the ‘internal control’ dimension. This is the second highest score, only topped by another North American country, Canada. (Figure 29) This high score suggests, that Americans appreciate having control of events, which is in contrast to the uncertainty factor stated above, because a low ‘uncertainty avoidance’ implicates that Americans do not oppose strongly to decisions taken out of their own hands. The idea of a high American ‘internal control’, however, suggests something else. ‘Uncertainty avoidance’ and ‘internal –’ and ‘external control’ are therefore in conflict.

The high ‘internal control’ can be linked to the ‘American dream’, as this value supports the notion that it is the individual that is in complete control of its own happiness and success. From this point of view, it is only natural that the Americans prefer to have their own finger on the pulse, thus creating a high ‘internal control’ score. The conflict between Hofstede’s ‘uncertainty avoidance’ dimension and Trompenaars’ ‘internal control’ for the US can, however, arguably be explained from the perspective of the ‘American dream’. If all Americans are brought up with the belief that they can create their own happiness and success, they might not feel a lot of uncertainty because of their belief in as long as they work hard, it will eventually pay off in the end. So if this is to be considered, the conflict might not be as apparent as firstly assumed, because both results on both dimensions originate from the same US core value that is the ‘American dream’.

Having a high desire for ‘internal control’ can also be linked with the high level of ‘individualism’ that exists in the US. In this regard, the two factors complement each other, as it is possible to

control things yourself, if you are doing them yourself. Again, this ‘internal control’ can be seen as a sign of the ‘American dream’, where anything is possible, if you take control of your own fate.

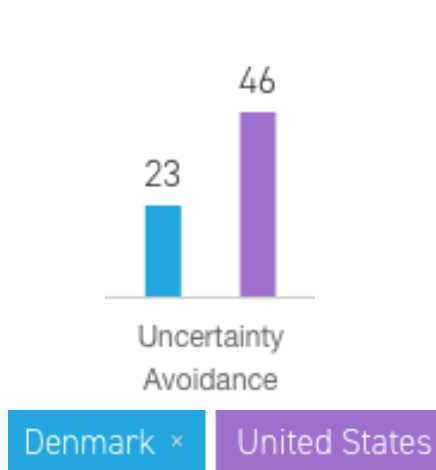


Figure 36 – Uncertainty Avoidance (Hofstede Insights US n.d.)

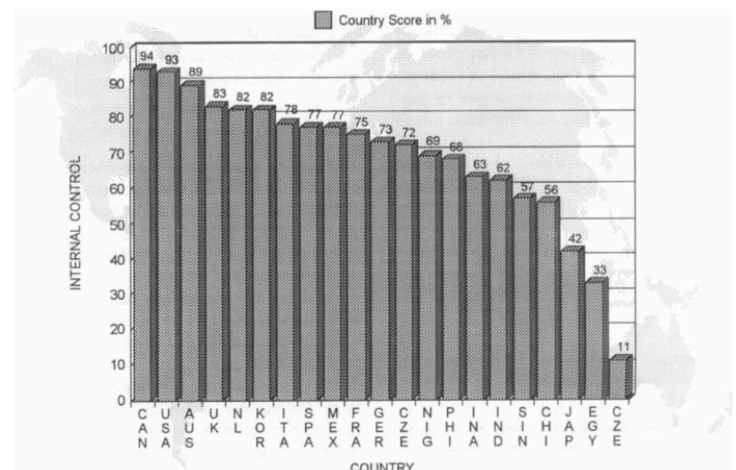


Figure 29 – US Internal versus External Control (Trompenaars 1996, 66)

Denmark scores respectively 23 on Hofstede’s ‘uncertainty avoidance’ dimension index (Figure 36) and 45 % in the ‘internal vs. external control’ dimension from Trompenaars. (Trompenaars and Hampden-Turner 2000, 143) Thereby, Denmark scores about 50 % lower in both dimensions than the US. This means, that the Danes have an even higher tolerance for uncertainty and less need for internal control than the Americans. Different factors can be contributing to this, e.g. as previously mentioned, Denmark is a ‘welfare society’ with a flat work structure, which means that there is not the same need for knowledge of the future. Additionally, Danes are used to leaving some part of their ‘control’ to the state, even though they too are fairly individualistic.

For YoungCRM, these differences present some new considerations, because the higher American score in ‘uncertainty avoidance’ is a concern that has to be taken into account when looking at it from a recruitment perspective. Even though Americans score a low uncertainty factor, we have also previously established that the US population is more or less on their own when it comes to daily economical sustainability. Education, healthcare, etc. are all factors that the Americans have

to pay for themselves, which means, that they are completely dependent on landing a job that can finance all these expenses. This is the flipside of the 'American dream'; everyone is in charge of his or her own happiness and that includes paying for everything yourself. This could explain the difference between the uncertainty factor between Denmark and the US as the Danes are not under the same financial pressure as the Americans, creating lower 'uncertainty avoidance' for the Danes. As mentioned above, the high US 'internal control' also helps reflect this flipside of the 'American dream', because every American is depending on him/herself. This will eventually influence the American recruitment market, but the question is how? The issue with the American 'uncertainty avoidance' is that it can be deemed both as an advantage and a disadvantage for the Talenthub software. If the higher US uncertainty, compared to Denmark, originates from the 'American dream' and thereby the necessity of finding a job, the advantage consists in that Talenthub helps meet that demand. On the other hand, since the uncertainty is still relatively low due to the self-confidence of the American people, the disadvantage, however, could be that the Americans feel they can do it without outside help. This is also where the Americans' extreme need for control might interfere with Talenthub. The high 'internal control' could potentially mean, that the Americans will have a little restrain towards a software that connects them with the companies for them. The candidates do thereby not have complete control over which companies and which vacancies they are applying to, because Talenthub does that job for them. Whether this is the case, and which of these arguments for the cultural perspective that will prevail, remains to be seen. From this cultural point of view, it is therefore difficult to predict how the American recruitment market will accept the Talenthub software. The YoungCRM software, however, will probably not suffer under this dimension as they provide less uncertainty and more 'internal control' to the American companies through the included talent database that comes with the software.

Masculinity vs. Femininity

The US scores 62 in Hofstede's 'masculinity' dimension, which indicates that it is a very masculine culture driven by competition, which is also reflected in the dimension of 'achievement vs. ascription' where the US has a very high belief in achievements to create status (Figure 37). As established above, the US is also an extremely individualistic society, which can contribute to this

drive for achievements and this contributes to a high ‘masculinity’. Also, as previously mentioned in ‘social factors’, Americans are coded from birth to believe they can be anything in the world, and therefore must have something to show for their success. As Americans must work in order to support themselves, this goes hand in hand with the aforementioned extremely high level of ‘individualism’ and the high score in ‘internal control’.

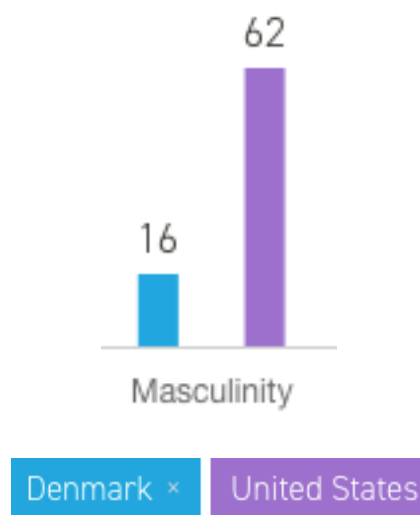


Figure 37 – Masculinity (Hofstede Insights US n.d.)

As mentioned in the cultural analysis of the UK, Denmark scores 16 in Hofstede’s study and is thereby more of a feminine culture with the previously stated influencing factors such as the ‘welfare society’ and flat-structured companies.

The high ‘masculinity’ might affect YoungCRM in the previously established ways from the individualistic dimension and the ‘achievement vs. ascription’ dimension. The individualistic influence on the ‘masculinity’ of the US society, can affect the American recruitment market through the cultural aspect of the ‘American dream’ and the ‘political factor’ of ‘America first’. This can both be an advantage and disadvantage as previously accounted for.

On the other hand, the effect that the ‘achievement’ dimension can have on the ‘masculinity’ of the US society can influence how the Talenthub software can be perceived in the US. The high belief in status from achievements is in conflict with the Talenthub’s focus on personal traits over achievement and experience. From this point of view, YoungCRM must consider if the more feminine values of Denmark that has influenced the creation of Talenthub can become an obstacle towards this much more masculine American society.

Neutral vs. Affective

In Trompenaars' 'neutral vs. affective' dimension, the US scores 29 % in neutrality (Figure 31), which indicates that the 71 % of the Americans would openly show their emotions at work. Thereby, the US can be categorized as a rather affective culture. It is particularly high arousal feelings as 'excitement' or 'enthusiasm' Americans cultivate compared to for instance eastern countries, which Trompenaars' studies show to be more 'neutral' (Nangyeon 2016, 107) (Trompenaars 1996, 58). These positive feelings of happiness are seen as being desirable (Nangyeon 2016, 107). Being an 'affective' culture means, that Americans can be very expressive when it comes to showing emotions, and in particular happy emotions.

NEUTRAL VERSUS AFFECTIVE
would not show emotions overtly

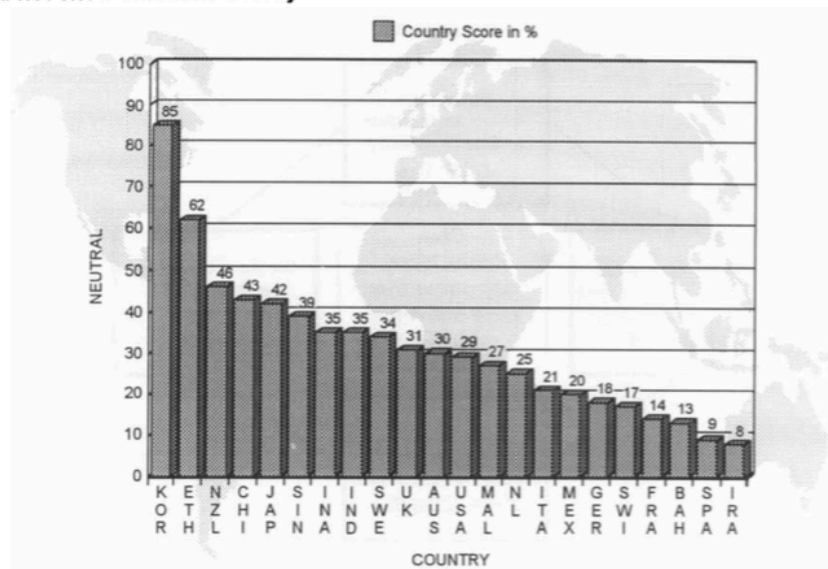


Figure 31 – US Neutral versus Affective (Trompenaars 1996, 58)

The 'affective' cultural perspective can work in favor of YoungCRM and Talenthub, as this way of expressing oneself in the US can be conveyed into the recruitment market. Being a very expressive culture can potentially mean, that the American population is more open to expressing their desires towards getting a job. This might present an opportunity for YoungCRM, due to the potential of 'word of mouth'. Furthermore, it is important that YoungCRM and Talenthub's future American clients and talents are willing to share their experiences and knowledge with the company, especially since Talenthub at the moment is focusing on feedback. It is plausible that

YoungCRM could decide to enter a similar period where feedback is the main priority and an 'affective' culture is in this case a huge asset.

Forcefield

In this section we will conduct a ‘forcefield’ analysis to determine the attractiveness of the American recruitment market based on the investigated ‘driving -’ and ‘restraining forces’. These ‘driving -’ and ‘restraining forces’ are based the market environment analysis and the cultural analysis of the US. We will compare the ‘driving forces’ to the ‘restraining forces’ and, based on our findings, provide a perspective towards whether YoungCRM should choose to expand to the US.

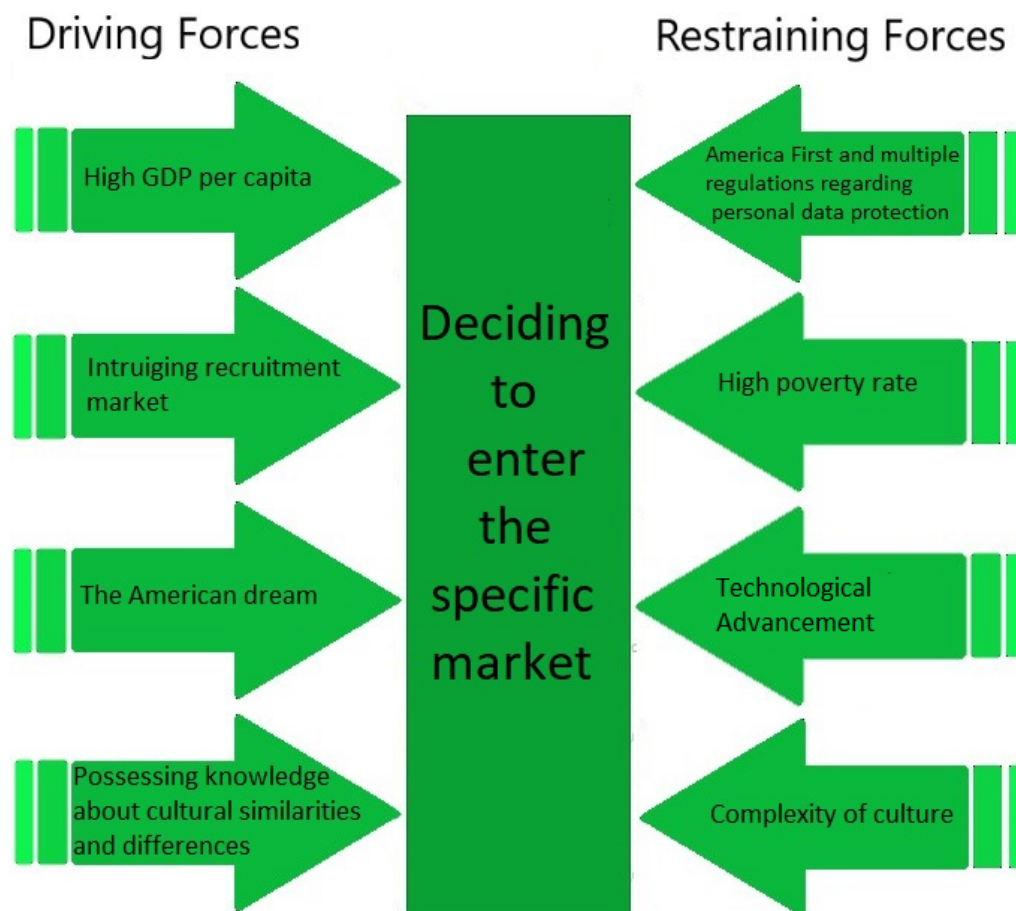


Figure 38 – Forcefield US

After conducting our ‘PEST(EL)’ analysis and cultural analysis, we have found different ‘driving -’ and ‘restraining forces’ for a possible expansion to the American recruitment market.

Firstly, our investigation has shown that 20-24 % of the American workforce changes jobs every year, which suggests a huge basis for the recruitment market in the US. This will in particular make the Talenthub software very relevant to the American recruitment market, due to this large

amount of the labor force looking for a new job annually. It also suggests a potential for the YoungCRM software, since a fifth, or more, of all working Americans are looking for a new job each year. This will evidently create a need for the American companies to have a recruitment system that is able to withstand the pressure of the many applicants each year.

Similar to the UK with 'Brexit', we found one discourse that permeates everything in the American culture, political affairs, and economical point of view: The 'American dream', as we have discussed previously. This core cultural value of the American people is difficult to perceive as being either positive or negative, because it has different consequences for different aspects, which YoungCRM must consider with this expansion. The 'American dream', we believe, can overall be seen as a 'driving force' for YoungCRM. From the perspective of US citizens being brought up with the idea that they, themselves, are in charge of creating their own happiness, the Talenthub software will become more relevant on the American recruitment market. It will become relevant in the sense of being a tool for the individual American to start the pursuit of happiness themselves and therefore, potentially make the Americans more prone to use the Talenthub software. The 'American dream' is also a contributing factor to the intriguing American recruitment market, as this value could be an explanation to why so many Americans constantly are looking for a new or better job to fulfill their need for happiness.

However, the 'American dream' can also be argued to be the root of a negative 'political factor' from YoungCRM's point of view. From the basis of our 'PEST(EL)' analysis, we found the new 'America first' policy, which arguably derives from the 'American dream', to be a 'restraining force' for YoungCRM. We believe, the 'America first' point of view can be regarded to have both negative and positive consequences. One of the negatives of 'America First' is the mindset of 'Buying American', which means that the YoungCRM software potentially could have difficulties being established on the American recruitment market. However, YoungCRM can regard this challenge in a positive manner, when looking at it from a Talenthub perspective. The Talenthub software helps establish the contact between employees and the companies and this can therefore be put into the other aspect of the 'America first' policy of 'Hiring American'. Following this protectionist line of thought from 'America first' in 'Hiring American', this could be an opportunity for the

Talenthub software. If the 'political factors' start to have an influence on how the American companies are looking to hire American, the Talenthub software can provide just that criterion. Disregarding that Talenthub is a factor for making the 'America first' mindset more positive, we, nevertheless, perceive the 'America first' mindset to be an overall 'restraining force', as the YoungCRM software is the main source of income for the company. YoungCRM must consider whether it will be attractive enough to expand to the US, if there is a 'Buying American' mindset that potentially could hinder the company from getting a foothold on the American recruitment market. As previously mentioned, it depends on whether the American companies decide to follow the mindset of 'America first' and thereby only hire and buy American. This is the negative side of the 'American dream' from YoungCRM's perspective, as 'America first' arguably originates from the 'American dream'.

Furthermore, as previously accounted for, YoungCRM faces a challenge regarding data protection regulations in the US, due to that each state has a separate legislative system. We perceive the varying data protection regulations from state to state as a 'restraining force' for YoungCRM. YoungCRM must investigate whether the company fulfills the required needs and legislative demands in order to operate within every desired state. As this investigation will require much legal preparation, it will thusly become a 'restraining force' for YoungCRM, due to legal cost and a large amount of time spent on investigations.

We believe, that the American GDP per capita is a 'driving force' for YoungCRM's expansion into the American recruitment market. The American GDP per capita has been, as mentioned earlier, increasing over the past years, meaning that the average American buying power is increasing. As the GDP per capita and the buying power are inclining, more American jobs will be created, due to a higher demand, and thereby higher need of labor force, which ultimately makes the American recruitment market more attractive. Thus, the increasingly high American GDP per capita is a 'driving force' for YoungCRM. On the contrary, in connection to this, we found the amount of Americans who live in poverty, in spite of the increased American GDP, to be a 'restraining force' for YoungCRM. We believe, that the high poverty rate can cause YoungCRM's potential target group to decrease, as higher education in America, unlike in Denmark, is expensive and self-

financed. Taking the poverty rate into consideration, a large part of Americans cannot afford to attend a higher educational institution, which otherwise is one of the preferred target groups of YoungCRM. This can prove to be a 'restraining force' as the target group becomes smaller in terms of getting the right candidates enlisted into Talenthub.

The more advanced technology that the American consumers are accustomed to, can arguably be perceived as being a negative aspect for YoungCRM, as the advanced technology could potentially challenge YoungCRM's software. As previously discussed, there are currently no apparent direct competitors to the YoungCRM software based on the overall recruitment industry, which was conducted in 'Porter's Five Forces' in 'Part 1'. The technological advancement in the US can therefore pose a threat in the sense of potentially creating new competitors or substituting products. Thus, we believe, the technological advancement of the US to be a 'restraining force' for YoungCRM, as competitive companies might possess more advanced technology than YoungCRM. This includes the fact that RS mentioned that the YoungCRM and Talenthub software are relatively easy to duplicate.

After an analysis of the American culture has been conducted, we believe, that the concept of culture can be perceived as both a negative and positive factor. Just as with the British culture, this newly obtained knowledge of cultural similarities and differences between Denmark and the US, can be perceived as a 'driving force' for YoungCRM. By possessing knowledge of similarities and differences, YoungCRM has a better basis from which it can effectively aim marketing campaigns at potential target groups. However, the cultural aspect can simultaneously be a 'restraining force' for YoungCRM, due to the complexity of the cultural term. As previously mentioned, current analytical tools of culture are rather static and a cultural investigation will therefore only provide the investigator with a snapshot of the culture as it is of this very moment. We believe, that our cultural analysis provides an example of that, based on the cultural aspects of Hofstede and Trompenaars. However, as a culture is ever changing and developing, it becomes difficult to maintain the grasp of the analyzed culture. Additionally, Gullestrup suggests, as previously mentioned, that there are many sub-cultures that have to be considered when conducting a cultural analysis. In terms of the US, that has 50 states, one must consider that there are many

sub-cultures, which make the concept of culture very difficult to grasp as a marketing tool. Thus, we perceive the complexity of the term 'culture' to be a 'restraining force'. Nevertheless, as mentioned in the British 'forcefield', the knowledge of the culture is also preferable to ignorance of this matter, and therefore culture will evidently become an essential part of a company's strategy when expanding to a new market.

Overall, we find that the American recruitment market is an attractive expansion possibility for YoungCRM. The market presents many opportunities and in particular the 'American dream' as a core value of the American society suggests potential for an expansion. The Trump administration's policies are something that has to be seriously considered along with the fact that it is a distant market with more differences in culture than a near market. Nevertheless, our analysis suggests that the US could be an evident opportunity in the long run for YoungCRM, but it might prove a good investment to gather some expansion experience at a near market before looking towards the US.

Gullestrup's Perspective on Culture

Gullestrup believes that one cannot possibly define a culture at first glance as more sub-cultures might emerge depending on how deeply one investigates culture. By recognizing Gullestrup's opinion on culture, YoungCRM will be able to acknowledge that there is more to a culture than meets the eye.

Culture is still an extremely important factor to consider for YoungCRM in its market selection, but the concept may not be as straightforward as Hofstede and Trompenaars are arguing. As can be seen in the above conducted cultural analyses, there are many ways of perceiving culture. As mentioned in our theoretical framework, Hofstede and Trompenaars have tried to make the understanding of culture more static by setting up dimensions that in a sense make culture measurable. However, the issue with this approach is that all dimensions are intertwined, and are at time contradicting towards one another. An example of this, could be regarding the conflict between a high 'masculinity' in the British society and the lesser belief in 'achievements', when it comes to social status in the UK. Another example could be 'uncertainty avoidance' and 'internal control' regarding the US, as previously accounted for.

Gullestrup has suggested that culture is more complicated than what Hofstede and Trompenaars argue. The perception of culture is very much depending on perspective, and also depends on the shaping of the questions that are asked regarding the investigated culture. The issues of conflicting cultural dimensions of Hofstede and Trompenaars support the notion of culture being too complex to be put into boxes. This is something that YoungCRM must consider when approaching the British and American recruitment market from a cultural stand. Furthermore, Gullestrup argues that culture consists of several sub-cultures, and it can therefore be dangerous to generalize a culture too much. For instance, there might be severe differences between England and Wales, even though they are seen as a being part of the UK culture. There might also be differences between London and Liverpool, and North London compared to South London. The same goes for the US. Therefore, once again, YoungCRM will have to consider these factors and differences between the various sub-cultures when approaching the two markets.

Deciding How to Enter the Market

As can be seen from Figure 39, this section will contain an investigation of how YoungCRM could enter the British and American recruitment markets. We will in this section of our 'Part 2' analysis base the choice of entry strategy on previous findings from 'Part 1' and the first step of 'Part 2'.

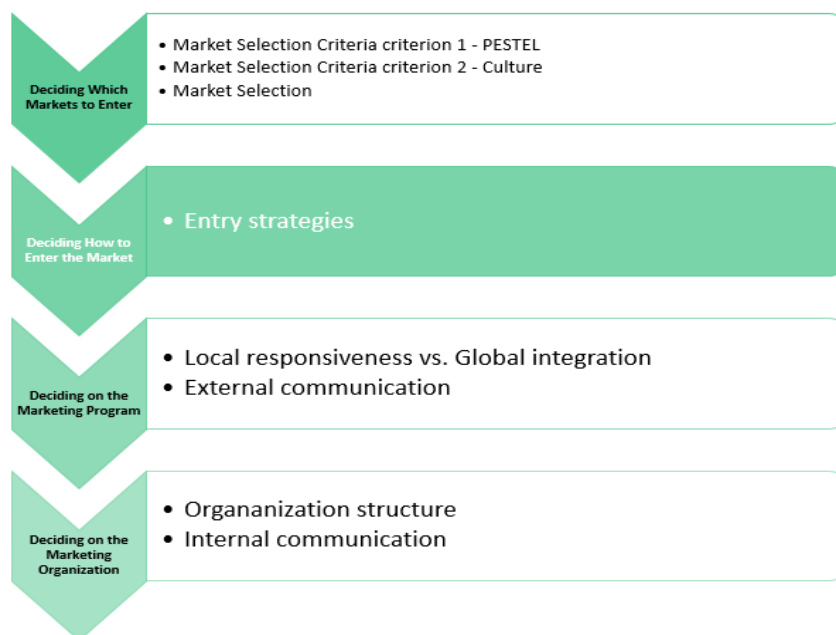


Figure 39 – Deciding How to Enter the Market

This discussion of an 'entry strategy' selection will contain various examples of how YoungCRM can enter the British and American recruitment markets. When entering a new market, it is important for a company to take its amount of resources, its vision, and the prospects of the target country into account. These must be considered in order to successfully enter a new foreign market. However, the question remains: How does a company optimally engage in FDI? This also happens to be Step 2 in Kotler and Keller's framework 'Competing on a Global Basis', which we have chosen as our overall framework for this thesis. To complete this step we will, thusly, investigate and determine which 'entry strategy' could be best suited for YoungCRM based on findings from previous analyses.

This section will be completed for both countries, despite our findings, which showed that it could be wise for YoungCRM to hold off the UK expansion until the aftershocks of 'Brexit' have settled. We have chosen to include the UK, since we found the British recruitment market to be bountiful,

as there have been spent approximately £32 billion on recruitment last year. This shows that there is potential for YoungCRM to grow on this market, and this analysis will therefore become a possible base for creating a future 'entry strategy' for the UK. Before being able to choose an 'entry strategy' for YoungCRM, we believe, that it is important to consider several factors, which may affect this choice. We will, from our previous findings, discuss how YoungCRM could use different 'entry strategies' by comparing each approach to the previous conducted findings. From this, we will be able to find advantages and disadvantages to each 'entry strategy', before being able to give our opinion of how YoungCRM should enter the British and American recruitment market.

Firstly, we believe that it is important to look at our findings from the section Competitive Position found in 'Part 1'. In our analysis, we found that YoungCRM's 'generic strategy' is 'differentiation' and its 'growth strategy' was a mix between 'product development' and 'market development'. YoungCRM, thusly, emphasizes the uniqueness of the software it supplies, which provides a competitive advantage. We believe, that companies, which focus on 'differentiation' and the uniqueness of its products are more likely to choose an 'entry strategy', where it is in full control of its operations. Meaning that when a company, such as YoungCRM, chooses 'differentiation', there is a wish for maintaining the vision behind the software, and thereby sustain ones competitive advantage. Furthermore, the company has more incentive to control its operations without influence from external factors, to ensure that the software remains as intended. An 'entry strategy' such as a 'joint-venture', could therefore prove not to be beneficial for YoungCRM, as it will be difficult to let go of the control that YoungCRM currently possess. (Shenkar et al. 2015, 363) This is in spite of the obvious advantage of joining forces with a well-established company. An example could be, if YoungCRM should choose to establish a 'joint-venture' with the ATS supplier ORACLE, which products include a recruitment software, as mentioned earlier in our competitor analysis (Figure 15). Since ORACLE is already an established company it will be more likely to have a loyal client base than YoungCRM would, and the YoungCRM software could complement ORACLE's recruitment product. YoungCRM could be implemented under the ORACLE name and instead substitute ORACLE's recruitment section. The upside of this would be an immediate foothold in the recruitment industry. Furthermore, as discussed in 'Porter's Five Forces', more

specifically ‘threat of new entrants’, an issue for a new company within any industry is having to compete with economies of scale. This challenge would also be a reality for YoungCRM when entering a new geographical market. However, this mode of entry, for YoungCRM, will diminish that challenge, due to the vast economical resources that ORACLE has at its disposal. By creating a ‘joint-venture’ with ORACLE, YoungCRM can instead benefit from this, rather than face the challenge of ORACLE’s economy of scale.

The downside of this mode of entry, on the other hand, would be that YoungCRM would have to relinquish some control regarding its product’s future to ORACLE. From our perspective, based on the previous findings, we do believe that YoungCRM has the potential to become a self-reliant brand within the recruitment industry, and would therefore not need a ‘joint-venture’ to succeed. Thus, this ‘entry strategy’ might not prove beneficial for YoungCRM, in the long run.

Instead, YoungCRM should choose an ‘entry strategy’ that compliments its ‘competitive –’ and ‘generic strategy’. Taking YoungCRM’s competitive advantage into account, the emphasis on uniqueness and the need to be in full control is in coherence with the aspects of a ‘branch office’. A ‘branch office’ is an extension of the company in the host country in which YoungCRM is expanding to. (Shenkar et al. 2015, 363) If YoungCRM chooses to enter the US and/or the UK with a ‘branch office’, the company will maintain control of its operations. However, political aspects such as ‘America first’ and ‘Brexit’ will affect the daily operations of the established ‘branch office’ in a higher degree compared to the entry mode of e.g. ‘joint-venture’. The uncertainty that these two discourses create will evidently have a bigger impact on YoungCRM with the ‘branch office’ than a ‘joint-venture’, as YoungCRM will face this uncertainty on its own. On a positive note, a ‘branch office’ is a rather simple approach when establishing and expanding in a target country (Shenkar et al. 2015, 363). When YoungCRM enters the British and/or American recruitment market, the ‘branch office’ strategy enables the company to quickly spread throughout the respective countries.

Additionally, through our analysis of the Danish recruitment market environment, we found that an important ‘political/legal factor’ in Denmark was the introduction of the ‘GDPR’. ‘Political –’ and ‘legal factors’ have an impact on which ‘entry strategy’ will be the best fit in the specific country. If the legislations and regulations differ between host and home country, it might be an

idea to adopt an 'entry strategy', which emphasizes on collaboration between partners. 'International licensing' regards a company buying a foreign patent and license of an existing company for a period of time. This gives the company the property rights of the foreign company in exchange for a determined royalty fee. (Shenkar et al. 2015, 360) If YoungCRM should choose 'international licensing' as its 'entry strategy' when entering the UK and the US, it can select a local company, which will be in charge of the operations in the host country, and thereby avoid investing vast resources to adapt to the many factors each country value deeply. However, it can also be a disadvantage, as YoungCRM will have to relinquish control over its products, and how the company is branded in the foreign country. To remain in control, YoungCRM could, instead, choose to enter the UK or the US by having a 'wholly owned subsidiary'. A 'wholly owned subsidiary' is an entity in a host country, which is 100 % owned by a company. The company can build this entity from scratch, or it can choose to buy an existing local business and transition that business into being part of e.g. YoungCRM. (Shenkar et al. 2015, 365) By choosing the 'wholly owned subsidiary' strategy, YoungCRM will remain in full control and make decisions from HQ, without having an uncooperative foreign partner which counteracts its decisions. This entry mode has previously been seen as negative, by the host-country government, as they believed it to offer little to no benefits for the local economy. (Shenkar et al. 2015, 366) However, the view upon this entry mode has shifted in recent years, and host-country governments are beginning to acknowledge that foreign companies, in fact, do benefit the local economy, and that companies are more willing to invest in large-scale operations, if the host-country government is accommodating towards them. (Shenkar et al. 2015, 366) For YoungCRM, this 'entry strategy' could be very beneficial, as it allows the company to remain in full of control of its operations and control the subsidiary from its HQ in Denmark. There are, however, issues, which we believe YoungCRM should take into consideration before potentially choosing this kind of entry mode.

Firstly, the communication between HQ and subsidiary must be transparent. If YoungCRM wants the foreign entity to reflect its Danish values, it must be effective in communicating what the software can do, how the entity should be run, company values, and goals. When YoungCRM enters the UK or the US, it must decide whether to change its corporate language to English, as both the UK and US' native language is English. YoungCRM can also choose to translate corporate

messages from Danish to English before communicating it to the foreign entity. The issue hereof could be, that some aspects might get lost in translation and the general context may be misunderstood. Moreover, with globalization and more companies engaged in FDI, more intercultural, and interlingual contacts have arisen. (Hyland 2005, 113) YoungCRM should therefore be aware of any linguistic disjuncture there might be between host and home country employees, to avoid misunderstandings. Secondly, we believe, that 'America first' and 'Brexit' will affect how this 'entry strategy' would pan out, due to the uncertainty the two discourses bring. Though the 'wholly owned subsidiary' is attractive for YoungCRM, as the company can remain in full control of the company, this type of entry into the American or British recruitment market could be problematic. As, previously mentioned, the 'America first' policy suggests a complete protectionist approach to politics and corporate affairs, whereas 'Brexit' only comprises a degree of protectionism. We believe this may affect how the host-country governments accommodate foreign companies compared to domestic companies.

As we have discussed some of the discourses, which we believe are important for YoungCRM in terms of choosing an 'entry strategy', we are able to give our opinion on the most suited entry mode into the UK and the US.

From the basis of our findings regarding YoungCRM's software, the functionality is a factor that contradicts the entire need for an 'entry strategy'. As mentioned earlier, YoungCRM's products are not physical and, therefore, we will argue that the daily operation of the company can be run entirely from Denmark and the company, thereby, does not necessarily need an 'entry strategy' for the UK or the US. However, as accounted for earlier, the discourses of 'America first' and 'Brexit' are representing a lot of uncertainty for their respective recruitment market. This means, that YoungCRM's current approach of 'learning by doing' (Appendix 1, l. 617) can prove to be a restraint and a potential risk of failure when expanding internationally. Furthermore, if this uncertainty is to be considered, the functionality of YoungCRM's software might not prove to be sufficient. Therefore, we believe that a more structured solution such as a coordinated 'entry strategy' is vital, if YoungCRM is to succeed in expanding.

We believe YoungCRM initially should consider the entry mode of having a 'wholly owned subsidiary'. As previously mentioned, YoungCRM will be able to have 100 % control of the entire operation in the UK or the US. If this investment proves to be successful for YoungCRM, we believe that the company could consider turning towards opening one or more 'branch offices' in the host country. The UK and the US are geographically larger countries than Denmark, and we, therefore, believe that for YoungCRM to be able to control its operations on respectively the British and the American recruitment market, it must have 'branch offices' spread throughout the countries. Thus, we believe the most suited mode of entry into the US and the UK is a mixture of a 'wholly owned subsidiary' and owning one or more 'branch offices'. An aspect to consider in this regard is the influence of the 'GDPR' in the UK and especially the personal data regulations in the US. In the US the personal data regulations vary from state to state, and a solution could be to open a 'branch office' in each state. This supports Shenkar et al.'s theoretical notion, which is to expand the presence of a company in a target country rapidly (Shenkar et al. 2015, 363). However, this choice of 'entry strategy' comes with a lot of counter arguments. These include: cost, time, resources etc. But the main issue for this 'entry strategy' from YoungCRM's perspective remains that YoungCRM's products are not physical and can be run from one office. Therefore, the need for multiple 'branch offices' is not apparent. Thus, in our opinion, the right 'entry strategy' is still a mixture of 'wholly owned subsidiary' and 'branch office', but it is debatable whether multiple offices are required. This remains to be seen, if it will change in the future once the expansion has become a reality.

YoungCRM should, though, also consider *how* it wants to set up its 'wholly owned subsidiary'. Shenkar et al. suggests that there are three ways to set up a 'wholly owned subsidiary', whether it should be through a 'greenfield investment', an 'acquisition', or a 'merger'. (Shenkar et al. 2015, 370) If YoungCRM should choose 'greenfield investment', it opens brand new facilities in the host country and YoungCRM handles all operations. If it chooses 'acquisition', YoungCRM buys an existing local company. YoungCRM thereby gains existing distribution channels, skilled labor force, resources, and facilities. Lastly, if YoungCRM should choose a 'merger' it shares knowledge with the new partner and the two companies will run the business on equal terms. (Shenkar et al. 2015, 370) We believe, that all three ways could be somehow useful for YoungCRM. However, the best

fit for the entry strategy we have chosen, is via 'greenfield investment' to fully be in control of its operations. As mentioned previously, we argue 'Brexit' and 'America first' to be protectionist policies, which means that our suggestion of 'entry strategy' might induce some limitations for YoungCRM. If 'America first', as it suggests, enforces that domestic companies are more important than foreign companies, it might prove difficult or even impossible for YoungCRM to compete on the American recruitment market with this mode of entry. To avoid conflict, YoungCRM could consider its organizational structure and whether the management of employees in the US should be American-based only. By doing so, YoungCRM could be an important asset for the American economy, as it helps to generate jobs for Americans, which is an important factor for the host-country government, as previously stated. In the case of the British recruitment market and 'Brexit', it is not as protectionist as the US and 'America first'. However, by breaking ties with the EU, the UK indicates that it wants to become more self-reliant and thereby less trade between European Member States might occur. It might have the same consequences as we have discussed regarding 'America first', but we still believe that a mix of a 'wholly owned subsidiary' and owning one or more 'branch offices' across the UK will be the best suited entry mode for YoungCRM. Similar for both recruitment markets is that YoungCRM must acknowledge and understand the uncertainties that surround 'Brexit' and 'American first'.

The choice of 'entry strategy' might affect how YoungCRM could organize its marketing program in each country. Depending on the choice of entry, the control that YoungCRM possesses varies, meaning that the foreign entity needs different marketing approaches depending on the choice of 'entry strategy'. This will be discussed in the following section. Furthermore, the choice of entry will drastically affect how YoungCRM's organizational structure could look and function, which we will elaborate further upon in our last section of 'Part 2' called *Deciding on the Marketing Organization*.

Deciding on the Marketing Program

As can be seen from Figure 40, this section will contain an investigation of YoungCRM's international marketing program. We will investigate whether YoungCRM should streamline its marketing program for a global level, or if it should acknowledge the differences each country has and therefore brand itself on a local level instead.

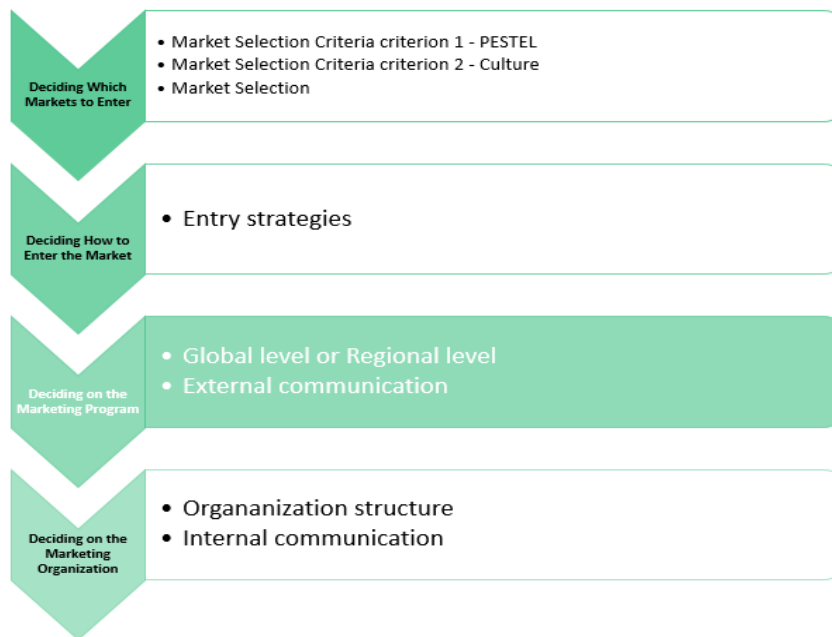


Figure 40 – Deciding on the Marketing Program

As today's consumers are becoming more and more dissatisfied with the quantity and, more importantly, the quality of advertising messages, it is becoming more crucial for companies to focus on how an advert ought to be constructed. (Mehta 2018) We, thusly, believe it to be important for YoungCRM to establish a purpose with its marketing messages when attempting to reach target groups on foreign markets, such as the US. Despite YoungCRM's current attitude, 'learning by doing' towards newly arisen challenges, we believe it to be important to have a more detailed plan for the construction of various marketing messages. By having a plan, we believe, that YoungCRM is less likely to fall short compared to competitors in terms of marketing. This also happens to be the focus of the third step, called *Deciding on the Marketing Program*, in Kotler and Keller's framework 'Competing on a Global Basis'.

In this section, we will distinguish between two different approaches to how YoungCRM could produce its marketing content. The first approach is targeted towards global level marketing campaigns. We define the global level approach as a company trying to globally integrate itself. By being globally integrated, Shenkar et al. (2015) suggest that a company streamlines its operations to fit into e.g. a global scale campaign. (Shenkar et al. 2015, 379) This approach would require less resources to become successful, however, it will try to minimize the cultural differences that are present within each country. A global strategy could potentially be offensive in one part of the world and a success in another. This poses challenges in terms of constructing a marketing campaign and framing the marketing messages. Instead the company can choose the second approach, which, according to Shenkar et al., includes targeting ones content towards a local and more specific audience. (Shenkar et al. 2015, 379) The local approach seeks to make the company locally responsive, in order to produce content that will suit local requirements and preferences. According to Shenkar et al., a company must consider its I-R balance, which is the balance between focusing on global integration or local responsiveness. (Shenkar et al. 2015, 379) It is important to do so before being able to define how a company wants to operate, and in this section, to create marketing content.

After having discussed the importance of choosing to be globally integrated or locally responsive, we want to conduct two 'reversed' 'CDA's', in order to determine how YoungCRM ought to construct its marketing program globally and/or locally. Under normal circumstances when conducting a 'CDA', one investigates the physical evidence through the 'text' dimension, and thereafter extracting knowledge regarding the author and which social discourses have influenced how the physical evidence have been produced. However, as we want to reverse the structure of the 'CDA', we will start with the 'sociocultural practice', since we have already established these discourses in *Deciding Which Markets to Enter*. From these discourses, we will give our suggestion as to how YoungCRM could potentially produce its marketing messages, through the use of the remaining two dimensions of the 'CDA' called 'discourse practice' and 'text'. Furthermore, we will discuss which communication channels to use, and who should produce the marketing messages. In the end, we will provide suggestions of which linguistic means YoungCRM could use when producing a marketing message. The messages are exclusively focused on the Talenthub software,

and they will therefore be characterized thereafter. These analyses will therefore enable us to decide on the marketing program, meaning how YoungCRM ought to approach its marketing on the foreign markets.

Global Marketing Approach

We want to reverse Norman Fairclough's 'CDA' framework (Figure 6) and start from the outer-layer called 'sociocultural practice'. However, this will not function as an analysis as such, but rather a discussion of how YoungCRM could potentially produce a marketing message, which could intrigue the global consumer. In order to form a suggestion of a global marketing message, we will apply previous findings.

Sociocultural Practice

To define the discourses that could be included in this 'sociocultural practice', we have to look at a global level. This means, that we have to define discourses, which are common throughout the world and therefore global. We will discuss the importance of some of these discourses, and how they potentially could affect how the marketing messages are produced.

The first factor we want to discuss is a previously discussed factor from our conducted 'CDA' of Talenthub's Facebook in 'Part 1', namely, the unemployment rate. This refers to the basic necessity for a job to uphold a certain life quality. We believe, that this is a global discourse throughout the world, and this is therefore something YoungCRM should focus on in its Talenthub marketing. Having used this discourse already on the domestic market in YoungCRM's current marketing program, we believe it to be a discourse, which the company can utilize in the future as well, when producing a global marketing campaign. By addressing this discourse, it is possible to create a sense of urgency by e.g. creating a 'scare campaign', saying that 'you must have a job to live' and thereby 'scaring' the consumer into enrolling in the Talenthub talent bank. Alternatively, YoungCRM could make a positive Talenthub campaign, which emphasizes the many benefits of the software and how well it helps the unemployed individuals through a tough period and into employment. From our previous analyses, we have been able to see that unemployment rate has been an important social factor for respectively Denmark, the UK, and the US, which is why we believe it to be an equally important discourse on a global level.

A second discourse we find important to discuss is 'nationalism'. Nationalism can be defined as way of thinking, and it entails a love for one's own country. (Cambridge Dictionary n.d.) The nationalist movement has been on the rise over the past years in different countries, however, it escalated even further after 'Brexit' in the UK and the presidential election of Donald Trump in the US. (The conversation 2017) Nationalists around the world share the common vision of wishing to preserve the prosperity of their respective nations. (The conversation 2014). Due to this globally shared vision of nationalists, we believe it relevant to the marketing program as we believe, that all individuals will have some degree of nationalism towards their own country. This makes it something YoungCRM should consider using in a potential global Talenthub marketing message. Creating a global message, which emphasizes nationalism, which in theory will be able to reach a global level of customers, could do this. The message will remain the same, the only thing that should be changed is the targeted country, through the use of the country's name.

A third factor we believe could have an impact on how YoungCRM could produce its global marketing message for Talenthub, is the universities and the student enrollment rate. According to Webometrics there are more than 26,000 different universities spread throughout over 200 different countries. (Webometrics 2017) We therefore believe, that students and education is a universal factor that YoungCRM could benefit from, especially since students are the main target group for the Talenthub software. A marketing message should be produced to address the students and inform them how the software can help them find a student job during their education or that it can help them acquire their first dream job after graduation.

This leads us to the next discourse, which is self-actualization. Maslow (1943) believes, that people around the world strive for self-actualization, as it is a human need to realize one's personal potential and thereby achieve personal growth. (Maslow 1943, 382-383) YoungCRM could focus on this human need in a marketing message, as the main part of the target group is recently educated and is eventually looking for their self-realization through their first dream job. Talenthub is, as mentioned, a possibility for the target group to achieve personal growth and realize their potential. Talenthub can act as the first stepping-stone on the road for an individual to be the person one is destined to be, as Maslow suggests is important to every person alive. This

could therefore prove to be an opportunity for YoungCRM to emphasize in a marketing message.

The last discourse we want to acknowledge in the section is the cultural dimension ‘internal –’ and ‘external control’ by Trompenaars, as discussed in our cultural section for both the UK and US. According to Trompenaars’ study, the majority of the investigated countries have a high score in ‘internal control’. (Figure 29) This indicates, that it is a common global need to be in charge of one’s own life decisions without having external factors intervene too much in one’s own affairs. As mentioned before, Talenthub offers candidates to be part of a larger talent universe, where they can be matched with companies that are searching for employees with specific personal credentials. YoungCRM must be sure to emphasize in its marketing messages, that being part of Talenthub does not necessarily take away the candidates’ control of their own recruitment process in order to meet the candidates’ need in this regard. The candidates still have to accept the offer, go to an interview, impress the employer and potentially acquire the job. This means, that the candidate is still in full control of his/her own decisions, and YoungCRM must emphasize this fact to successfully address the candidate who is afraid of letting go of control.

We have now discussed some of the discourses, which we find important for YoungCRM when producing a global Talenthub marketing message. These different discourses will now be viewed from the perspective of what channels can optimally convey them to the consumers, and how they most effectively can be constructed.

Discourse Practice

In this section, we will discuss how a global Talenthub marketing message could be fabricated, which communicative channels could be used, and who could be in charge of producing the message. For YoungCRM to be able to direct its messages to the global consumer, we are going to assume, in this case, that YoungCRM has a global span and job agreements with companies around the world. This means, that candidates in all countries are relevant and the Talenthub software is relevant for all candidates. We believe, that the current local marketing structure of YoungCRM can be somehow used when producing global marketing messages. As previously mentioned, the marketing messages are currently produced by interns, and the overall direction

of the messages is supervised by RS (Appendix 9). As we have stated earlier, we believe it to be a good idea to let interns handle social media and other marketing messages, as they are part of the Talenthub target group themselves, and therefore likely understand the needs of the target group. However, when Talenthub has to produce global texts, we believe that RS alone will not have the needed expertise to oversee the global marketing operations. We will therefore argue, that YoungCRM should consider hiring a full-time employee whose only function is to oversee the global marketing operations. We suggest, that this employee should have international experience to guide the interns in the right direction and keep the operations relevant on a global scale instead of local.

As mentioned in the introduction to this part, *Deciding on the Marketing Program*, consumers today are getting bombarded with numerous advertising messages and most of the adverts that consumers are exposed to are irrelevant, as it is an instinct for the consumers to tune out the marketing noise. (Mehta 2018) This means, that consumers are becoming immune to marketing messages due to the quantity, which means that it is becoming more crucial for companies to improve the quality of their marketing. (Mehta 2018)

One of the best communication channels for YoungCRM to use in global marketing is Facebook. YoungCRM is already accustomed with using Facebook for Talenthub marketing messages which we have previously explained in our communication section in 'Part 1', and would therefore, as a point of departure, not need much adaptation in going global. By using Facebook, YoungCRM will be able to reach the entire world for free, and be able to stay in contact with its target group by posting relevant information on the page.

A downside of using a Facebook page to advertise in general is difficulties of addressing the desired audience of the text specifically. When YoungCRM posts something on its Facebook wall, the post will only be seen by the individuals who intentionally have chosen to follow the Talenthub Facebook page. For the posts to reach a broader target, YoungCRM must rely on the willingness of the followers to 'like' and 'share' the post so friends can see it as well. With a relatively low score in 'neutral', Trompenaars' study suggests that the individuals in the surveyed countries are generally good at sharing their opinion. We therefore believe, that the high score in the 'affective' dimension indicates that this form of advertisement is a possibility for YoungCRM, as followers can

help to spread the marketing message. Despite individuals' willingness to 'like' and 'share' Facebook posts, the chance of YoungCRM to address the specific audience is still slim.

Facebook should be YoungCRM's main communication channel, but it could branch out and pay for advertisements on e.g. Facebook or Google. By doing so, there is a higher chance for candidates to stumble upon YoungCRM/Talenthub when searching for jobs and other recruitment software.

Text

We will, in this section, provide a suggestion of various linguistic means, which we believe to be important in the global marketing message that YoungCRM will produce. These aspects are based on the current procedure that YoungCRM uses on its Talenthub Facebook page and the discourses found above, and will eventually end out in our recommendation of a global approach.

Firstly, we believe, that the produced text should reflect some of the discourses that we found in the 'sociocultural practice'. The choice of discourse can vary from each time and should try to diversify the messages accordingly. For example, YoungCRM can use the discourse of self-actualization in its marketing content. This could be done by emphasizing the functionalities of the Talenthub software through phrases such as "dream job" or "accomplishing goals". In this case, these words, that could be included in a global marketing effort by YoungCRM, will be charged with hints that can be interpreted and perceived by the consumers as something that speaks to their self-realization. In order to target the consumer's need of self-actualization effectively, YoungCRM will also have to make a decision, as to what form of appeal that could best suit the marketing message created to target this discourse. By doing so, YoungCRM is using relevant discourses to address the consumer, and it will be more likely that the consumer finds it intriguing. It is important to keep the message globally oriented. This is why we urge YoungCRM to have a full-time employee to oversee the marketing operation to keep everything aligned and harmonic. As mentioned above, we further believe, that the global marketing message ought to contain different forms of appeal. YoungCRM can, through its marketing message, appeal to the audience by appealing to the logic through the use of 'logos', to credibility through the use of 'ethos', and lastly, YoungCRM can effectively appeal to the emotions through the use of 'pathos'. An example of 'pathos' that can be related to the discourse of self-actualization, could be by focusing on

emotions connected to phrases such as “dream job” or “accomplishing goals”. This could be done through a success story of a previous candidate that has managed to find the perfect job, or by encouraging people to look for their dream job or goal accomplishment e.g. through questions such as “Are you ready for your first dream job?” or paragraphs like “We can help you achieve your goals”. Here, the more specific target groups, such as students, must be taken into account when developing the wordings to ensure that the marketing content will successfully address the intentional consumer. All of this comes from the basis of the cultural discourses found in the abovementioned 'CDA' sections, which lay the foundation for creating the marketing campaign.

The final thing we want to address is the linguistic means YoungCRM can focus on in the production process. YoungCRM must consider whether the messages should be personal or not. We have previously established, that the consumer feel more integrated in the conversation, if the message is personalized and there is an abundance of personal pronouns. Personal pronouns help the reader associate oneself with the text and makes them feel that the message is directed directly towards them. Furthermore, it makes it feel like the writer is an actual person instead of being written by a company. Another feature YoungCRM could consider is if the messages should be negative or positive. We have previously discussed that YoungCRM could do a ‘scare campaign’ where the company could be ‘negative’, and emphasize that it is important to have a job. On the other hand, the above-mentioned phrases that link to the discourse of self-actualization, is an example of how YoungCRM could try and aim the messages towards being positive by emphasizing that Talenthub can be the gateway to the applicants dream job and goal achievement.

Lastly, we believe, that YoungCRM could continue posting pictures and short videos on Facebook, as it currently does, to enhance the messages. As human beings overall react more to visuals than the written text, it could be important for YoungCRM to incorporate pictures and short videos to address the global consumer all together. It is, however, important that YoungCRM chooses pictures and videos, which can be globally understood and not use visuals that have a national preference.

It is, however, difficult to do this, as these different discourses might be interpreted differently around the world. As we previously stated, the term 'culture' is difficult to grasp, and the differences between nation cultures can bring challenges in addressing a more specific target group. So, if one considers the phenomenon of sub-cultures, put forth by Gullestrup, it would be more essential for YoungCRM to create a local marketing message. This will be further elaborated in the following account for a local marketing approach.

Local Marketing Approach

Sociocultural Practice

In this section, we will apply our previous findings to form a suggestion of a local marketing message. This local marketing message will, thusly, be based on country specific aspects, which will force YoungCRM to adapt accordingly. To exemplify these country specific aspects, we will mainly put it into an American perspective, as the American recruitment market is a distant market, which means that the difference between Denmark and the US is more significant from a Danish point of view compared to the UK. Furthermore, in our 'forcefield' of the UK, we have suggested that 'Brexit' has created too many uncertainties, and YoungCRM should not consider expanding to the UK before the aftershocks of 'Brexit' have settled. Instead, we want to focus entirely on the American recruitment market, in this example of a local marketing message, as we believe that the complexity of the current UK market will create too much uncertainty for YoungCRM.

The first factor for YoungCRM to take into account when conducting a localized marketing message in the US is the 'American dream'. As previously mentioned, an important aspect of the 'American dream' is the 'achievement' factor, meaning that the 'American dream' is something one achieves through hard work. This cultural aspect is something YoungCRM could address, as it is a core part of the American culture and YoungCRM could therefore focus the marketing message on achieving ones dream job.

Another discourse that could be addressed in a marketing message is the 'America first' policy, as this is a strong sign of 'individualism' in the US. As mentioned previously, it is protectionism in action, as American citizens and products will be chosen over foreign products. The 'America first'

policy is in coherence with the high level of ‘individualism’ in the American culture, as this policy strives to make America more independent of foreign countries. This second discourse can be related to the first discourse when applied by YoungCRM in its marketing message. YoungCRM could therefore focus its marketing message to the American recruitment market on achieving ones dream by relying on the strengths of the individual.

Furthermore, a discourse YoungCRM could potentially use in an American marketing message is ‘nationalism’. We have previously argued that this was an important factor in the global marketing campaign, as ‘nationalism’ is something everyone can relate to, to some extent. In this case, Americans are notoriously proud of their country, which we have stated earlier, and, we thusly believe, that YoungCRM could emphasize the knowledge of high degree of ‘nationalism’ in the American individual in its marketing campaign. ‘America first’, as previously accounted for, is an example of a recent campaign based on the ‘nationalism’ of the American people. YoungCRM could potentially look towards this campaign for inspiration when producing marketing messages that target the Americans on their ‘nationalism’. An example hereof, could be using the phrase “Make America great again” to urge the Americans to help with the prosperity of the US by applying for a job through Talenthub at an American company and contributing to the American society. This, however, depends on YoungCRM being able to ensure American companies as customers for the Talenthub software, and thereby it can help enforce the Trump administration’s message of ‘Hire American’. It will, however, be a strong argument for YoungCRM, if it can advertise that it possesses the contact to the American companies.

A final factor that could potentially be applied here is the level of ‘uncertainty avoidance’ in the American culture, as mentioned in our cultural analysis. If a culture has high ‘uncertainty avoidance’, people within this culture will refrain from uncertainty in any form. As the American culture is neither high nor low in ‘uncertainty avoidance’, it might be strategic for YoungCRM to create a ‘scare campaign’ focusing on the uncertainties of being unemployed. However, as the US has a mediocre score, this ‘scare campaign’ might not prove efficient, as the general American public do not get easily frightened by uncertainties. This means, that YoungCRM potentially would have to change the focus of the marketing message towards a more positive angle such as the

‘Hire American’ message from the Trump administration, focusing on minimizing the uncertainty through providing American jobs for US citizens.

Discourse Practice

In this section, we will discuss how YoungCRM should differ from the abovementioned global production plan, and instead focus it around the American recruitment market. This section is based on our findings from *Deciding How to Enter the Market*, where we have suggested ‘a wholly owned subsidiary’ as a mode of entry for YoungCRM, and we therefore assume that it has an entity based in the US.

We believe, that YoungCRM should continue using Facebook as the main communication channel, but instead of letting Danish interns produce the messages, it should be local employees or interns. Local employees will have a greater understanding of the US market and of the American target groups. It would therefore be relevant that the US department will handle all communication with the target groups within the host country. By doing so, YoungCRM is more likely to effectively understand and target the American consumer, but it will require a great deal of resources to produce various local marketing messages.

Text

To avoid repetition, we will not conduct a full discussion of this dimension, as many of the features we mentioned in the global marketing suggestion will be the same here.

One of the discourses that was introduced in the ‘sociocultural practice’ as a potential subject for YoungCRM to use in a local marketing message, was the ‘American dream’. The most important thing for YoungCRM here, when addressing the US citizens from this perspective, is to use the different values that can be related to the ‘American dream’. By doing so, YoungCRM makes the marketing content relatable for the locals, and it gives YoungCRM a higher success rate of intriguing the American consumer. An example could be the use of words that Americans can recognize as a part of this core cultural value, they have been brought up with e.g. the ‘American dream’. The idea behind the ‘American dream’, as previously accounted for, is that every person is in charge of one’s own happiness, so an example of a marketing message that potentially could prove relevant, could be “Create your own happiness with the right job”. This marketing message

emphasizes the values of the 'American dream'. This can also be included as a way of looking to the 'America first' policy as a discourse, as the 'American dream' plays a key part in this discourse. The same procedure goes for any given country, if YoungCRM should decide to enter others, as the most important factor for YoungCRM is to keep it relevant for the local market. As we mentioned in the 'discourse practice', we suggest, that YoungCRM's subsidiaries should handle all communication to the local markets, and HQ should ensure that each entity follows the overall vision of the company. By doing so, YoungCRM will remain in control of the overall marketing operations but will have a locally responsive approach when producing its local marketing content.

After having discussed two different approaches for YoungCRM to produce marketing content for the Talenthub software, we want to give our suggestion to which approach YoungCRM could use, and explain why we believe this strategy to be the best fit.

We have previously given a rough definition of 'globalization' and explained it to be the term of the 'shrinking world'. It makes geographical distance irrelevant, however, we still believe, that one must take precautions before assuming that any country is similar to another which raises the questions of a global or local marketing strategy. The theorist Pankaj Ghemawat supports this. According to Ghemawat (2014), cultural distance is still relevant to acknowledge, and cultural differences such as religious beliefs, race, social norms, and language are attributes that can create cultural distance between countries. (Ghemawat 2014, 47) Ghemawat suggests, that these cultural factors can have an impact on how well a company can establish itself in a foreign country, if the factors are not acknowledged. Moreover, as we have mentioned earlier, Gullestrup believes, that within every culture there are several sub-cultures that can be defined. These sub-cultures must not be underestimated, as cultural factors can vary from different parts of a specific country. Gullestrup and Ghemawat therefore believe, that cultural differences is a force to be reckoned with, and one should not try to avoid the cultural factors that define a country. On a positive note, as far as YoungCRM is concerned, based on our findings the company is now able to reduce the cultural distance between the UK/US and itself. Nevertheless, this indicates, that there can be some difficulties present in trying to become successful with a global marketing strategy, as it seeks to minimize the impact of cultural differences.

However, being part of a global world does not necessarily mean that everything has to be similar. According to Stohl (2001), there are two perspectives to globalization, which are 'convergence' and 'divergence'. 'Convergence' suggests, that countries and people embrace similarities, which means that the world becomes united. This minimizes cultural differences in relation to a global system. (Stohl 2001, 325)

'Divergence' is defined as valuing national differences and: *"Whereas the convergence perspective assumes that similar actions, measures, and processes function in similar ways across cultures, the divergence perspective assumes that similar communicative actions may arise from differing interpretations and visions."* (Stohl 2001, 326) Stohl thereby suggests that 'divergence' is shaping the organizational structure and communication because of the individual's perception of culture and how tradition helps with sensemaking. (Stohl 2001, 326)

Stohl, furthermore, argues that: *"[...] most empirical studies find that cultural difference among nations do make a difference - often a substantial difference [...]".* (Stohl 2001, 335) From the basis of our findings, we believe, that Stohl is correct in acknowledging that cultural differences do matter, which is why, we believe, that YoungCRM would be most successful by adopting a local approach to its marketing content. If YoungCRM chooses the 'divergence' perspective, it will emphasize the differences between home and host country cultures. Furthermore, YoungCRM must be aware of the various sub-cultures that Gullestrup is suggesting, as it can have a massive effect on how the marketing message will be received and perceived within these sub-cultures.

In connection to the notion of today's immense bombardment of advertising targeted at the general public, a company must, as mentioned earlier, be very selective in its marketing activities. As accounted for in the section above, we have analyzed how marketing messages from YoungCRM could appear based on our previous cultural findings, along with how they can be used in a global and local marketing strategy. These messages are exemplified to fit Facebook posts for the Talenthub page, as the basis of our analysis of YoungCRM's Talenthub marketing efforts in 'Part 1' partially is centered around the Talenthub Facebook page. However, one thing to consider is the wordings of the messages, and how the intended audience can perceive these. Another aspect to consider is the channels, tools, or approaches that can be applied in order for the message to come across optimally. This is what we will attempt to do in the following paragraph, based on the target groups as accounted for in 'Part 1'.

The main target group for YoungCRM at this point is students who are about to graduate with the prospect of their first job. The important thing for YoungCRM to consider is the best way of approaching this target group. The marketing messages themselves can have a positive effect on the target group, if they are formed in the right way, but the hurdle for YoungCRM is to make sure that the target group is exposed to the marketing messages. Facebook is a possibility that YoungCRM already has started exploring, and it has the upside of being able to reach an almost endless amount of persons within the intended target group. The downside, however, as accounted for earlier, is that it can be difficult to expose the YoungCRM target group to the marketing messages, unless they actively seek out the information themselves. This is the sole issue for a social media campaign. How does YoungCRM get foreign students to enter its Talenthub Facebook page in order to be exposed to the marketing messages and hopefully consequently sign up?

A consideration and a suggestion could be to concentrate some resources around reaching the students directly through presentations or seminars at the universities. This approach reaches the right target group head on, and YoungCRM will be able to influence the potential candidates for Talenthub face to face, thereby giving them the necessary attention. However, this is an expensive solution that means either hiring a local representative or sending a domestic representative to the UK or the US from the Danish HQ. If the mixture of the entry strategies of 'wholly owned subsidiary' and 'branch office' are successfully implemented, the approach of reaching the students directly will, evidently, be simplified. If this is not the case, this approach also has the downside of being slow, because of the limited number of students YoungCRM can address at the time, even with the effect of word-of-mouth.

A different approach to consider could be if YoungCRM could cooperate with e.g. Aalborg University, to get access to students abroad, and thereby be able to contact them directly via email or phone. If YoungCRM is able to reach these students abroad, they could operate as ambassadors for the Talenthub software, and share it through word-of-mouth to their co-students and through sharing the Facebook page with their entire friends list, and thereby, their fellow students. This is an approach that is cost free for YoungCRM, as it will let the students do the footwork to spread the word about the software, and it has the potential of spreading more

effectively across social media directly from members of the target group. Another consideration in this regard, is to use this approach as an initial initiative and preparatory efforts before turning to seminars and presentations. In short, simply use a combination for the two to ensure that the target group is exposed to the marketing messages optimally.

Deciding on the Marketing Organization

As Figure 41 below illustrates, this following section will contain an analysis of YoungCRM's marketing organization after expanding abroad. We will investigate how YoungCRM could structure its organization on respectively the British and American recruitment market.

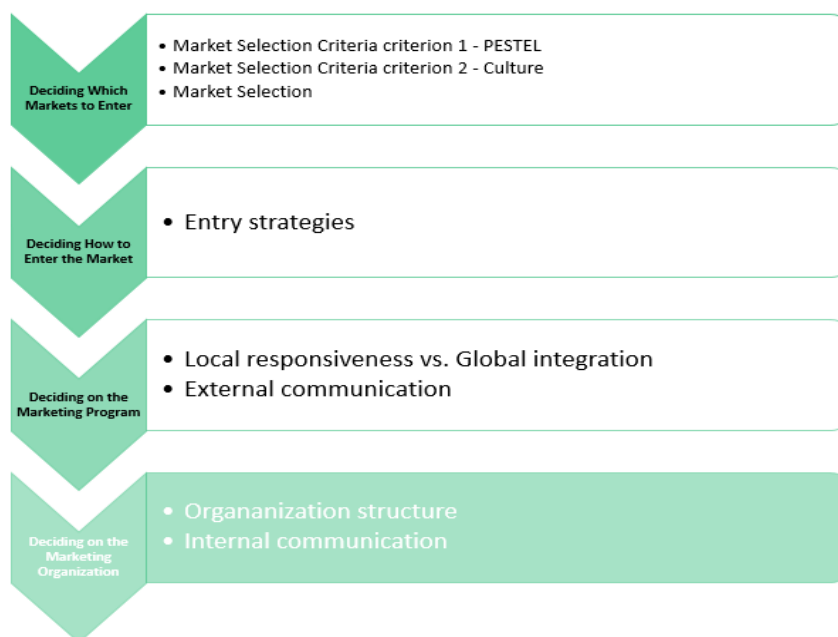


Figure 41 – Deciding on the Marketing Organization

In order to conduct an analysis of the marketing organization, we must consider findings from previous conducted analyses. Here we will draw on the findings from 'Part 1' and some of the cultural differences found in *Deciding Which Markets to Enter*. Furthermore, we will take our findings from the *Deciding How to Enter the Market* into account. This will be done, as the organizational structure is influenced heavily by our chosen 'entry strategy'. This section will constitute the last step in Kotler and Keller's 'Competing on a Global Basis' framework. Our suggestion of how YoungCRM's organizational structure could appear is based on the fact that we have chosen the 'entry strategy', which is a mixture of a 'wholly owned subsidiary' and 'branch offices' through 'greenfield investment'.

After investigating YoungCRM's current organizational structure, we found that there was a top-down hierarchy, on paper. However, since the employees are partaking in decision-making through weekly and monthly meetings, we concluded that the structure, in fact, is somehow flat and more organic. Furthermore, from our previous discussion in 'Part 1' we deduced that YoungCRM has the ability to expand to foreign markets and from *Deciding Which Markets to Enter* in 'Part 2', we extracted that the US could be a potential new market for YoungCRM to enter. However, in order to accommodate the challenge of going abroad, the organizational structure potentially has to be reevaluated and might need altering to adjust to this different business culture on this new recruitment market. Having an organizational structure helps to maintain the overall coordination and control of operations domestically and abroad. Shenkar et al. argue that when a company is globally oriented, changes to its structure are necessary to comply with the diversity of the markets the company enters. (Shenkar et al. 2015, 383)

Given the 'entry strategy', which we found most suited for YoungCRM, we believe the optimal organizational structure for the company to be the 'national subsidiary structure'. With this organizational structure YoungCRM will have a subsidiary abroad, which will act as an extension of the domestic HQ, and will report directly to headquarters as well. (Shenkar et al. 2015, 383) This structure is in coherence with our chosen mode of entry, as both emphasizes on YoungCRM having full control of its operations abroad. However, there are factors, which, in the past, have proven to be difficult to handle for a company that adopts the 'national subsidiary structure'. Foreign subsidiaries have been seen to develop their own way of conducting business, as communication has not been clear throughout the company, and the subsidiary abroad thereby has gone against company guidelines decided from HQ. (Shenkar et al. 2015, 283) It is therefore vital for YoungCRM to have clear and transparent communication with its subsidiaries at all times and involve the employees abroad in all operations. As we found in 'Part 1', YoungCRM's internal communication is two-way between management and employees. YoungCRM arranges weekly and monthly meetings where the overall vision and goals are discussed by management, which later will be communicated to employees on a product team meeting. We believe, that this kind of internal communication structure can prevent subsidiaries from straying from YoungCRM's way of operating, by arranging meetings where the visions and goals are discussed. By doing so,

YoungCRM clearly communicates with the foreign subsidiary on a weekly or monthly basis to ensure that the operations are running smoothly. Another way for YoungCRM to ensure this, and in this process help the subsidiary in the start-up phase, is by sending expatriates to the subsidiary. YoungCRM could avoid many challenges by sending expatriates from HQ to the foreign subsidiaries, as these will be able to share their knowledge and experience with the subsidiary.

There are six types of expatriates, but the most common definition is the 'traditional expatriate' who is an experienced executive, either external or internal, who can use his/her knowledge in a subsidiary. (Shenkar et al. 2015, 573) Expatriates can help the subsidiary employees in the start-up phase and teach them about the goals and values of YoungCRM and serve as a mechanism of control. In time, YoungCRM could consider when the local employees possess the needed experience, to retract the expatriates or recruit a full-time manager to take over the role of the expatriate for each subsidiary.

Recruitment has become increasingly important in recent years, which we have accounted for earlier. Globalization and the idea of the 'shrinking world' have also contributed to the rising need for right employees, as they have minimized the geographical distances and made hiring between borders easier than ever before. Furthermore, because of the 'shrinking world' more companies have expanded their businesses to international markets, and in that connection the need of an international workforce has increased. Thus, companies can choose to recruit employees from other countries, but must be aware of what the company needs in terms of staffing. Perlmutter (2001) suggests, that companies nowadays prefer to look multinational, as they believe it to be more prestigious than being a provincial company. (Perlmutter 2001, 10) Furthermore, Perlmutter believes a company can exude three different types of attitudes when recruiting employees. These three attitudes are called: 'ethnocentric', 'polycentric' and 'geocentric'. (Perlmutter 2001, 11) When a company chooses to have an 'ethnocentric' attitude towards recruitment, it will find the domestic candidate superior to the ones of the host country. Thus, a company like YoungCRM will hire and train Danish employees and use them in key positions everywhere in the world. (Perlmutter 2001, 11-12) If YoungCRM chooses to exude a 'polycentric' attitude during its recruitment of employees, it acknowledges that there are differences between home and host country, which means that individuals of the host country are superior to candidates from the

domestic country, due to understanding of the market. (Perlmutter 2001, 12-13) Lastly, if YoungCRM chooses to adopt a 'geocentric' attitude when hiring, it is more likely to disregard nationalities and instead focus on abilities and experience. This means that the company hires the *"best man in the world regardless of his nationality. His passport should not be the criterion for promotion"*. (Perlmutter 2001, 13-14) These attitudes will never appear in pure form, as companies often choose a mix of the three, however, they will always be distinguishable. (Perlmutter 2001, 11) The choice of attitude can have massive influence on how well a company can manage its subsidiaries abroad. If the company chooses to hire employees with the wrong attitude, it may fail in its foreign expansion. As an example, YoungCRM could adopt an 'ethnocentric' attitude and exclusively send Danish expatriates to a subsidiary in the US. YoungCRM will then be sure to have employees who know how to run the operations in Denmark, but the employees will have no understanding of the American recruitment market. Thus, the US subsidiary might encounter difficulties to get a foothold on the American recruitment market, unless YoungCRM acknowledges the differences between the two markets and hires accordingly to prevent failure.

Taking our chosen marketing organization into account, we believe that YoungCRM could hire expatriates to maintain a clear communication channel from the HQ in Denmark to the subsidiary in the US. Furthermore, we believe, from our findings, that it could be an important consideration for YoungCRM to recruit American employees, due to the 'American first' policy, where American companies are incited to hire American labor force. We believe, that it is important for any company to be aware of what the company needs in the specific situation, whether it is a local manager to oversee local operations or an international expatriate with knowledge and experience within a specialized field. The choice of attitude will therefore be based on the specific need in the given situation. Furthermore, a determining factor is also which attitude the management finds the most appealing and is willing to entrust. We are, at the moment, unable to determine which attitude YoungCRM's management currently adopts and whether this attitude will be eligible in the future. We will instead give our suggestion to which attitude YoungCRM could adopt when expanding abroad. In connection to this, YoungCRM could choose to adopt a mixture of the 'ethnocentric' and the 'geocentric' attitudes in the staffing process when going

abroad. By doing so, YoungCRM can hire locals when necessary, but hire experienced employees to do expatriate work and ensure that the foreign operations are run smoothly and in accordance with how it is decided by HQ. We believe, that a visualization of YoungCRM’s organizational chart would have to change in order to accommodate the new recruitment market. We have given an example of the structure of the organizational chart, which we believe is a visualization of how YoungCRM’s international structure could look.

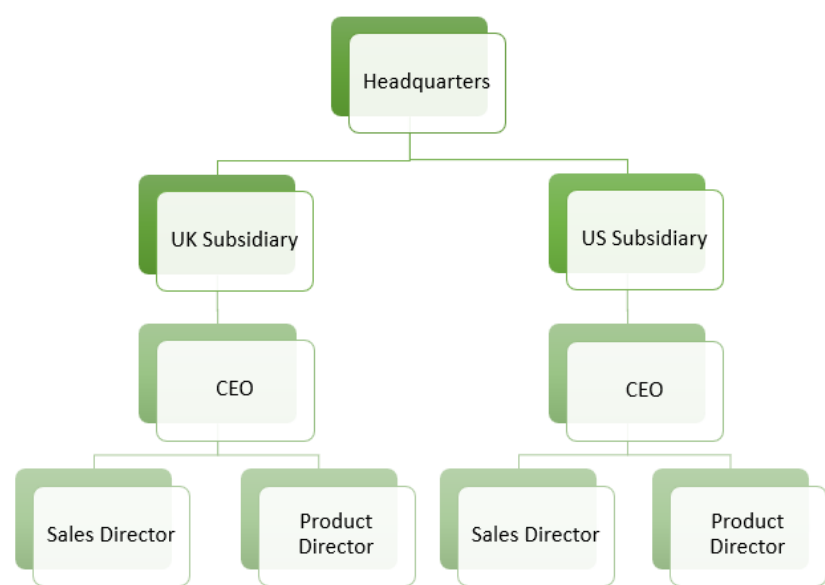


Figure 42 – International Organizational Chart

As Figure 42 illustrates, we find it a necessity for YoungCRM to have expatriates to maintain the communication channel between HQ and the new foreign market. As we previously mentioned, one recruitment attitude will not be visible in a pure form, instead a company often uses a mixture between the three. Thus, we believe that, depending on the specific market YoungCRM can adopt different attitudes to accommodate the needs of the specific market environment. Due to the ‘American First’ policy, we believe it to be evident to employ an American expatriate, which means that YoungCRM will be more ‘polycentric’ in its expatriate staffing on the American recruitment market.

YoungCRM could choose to focus on ‘global integration’, which has been explained in a previous section, if it wants to streamline its operations. This is in coherence with the mode of entry we have chosen for YoungCRM. However, as we have learned from our cultural analysis, there are

differences between the Danish and American culture. Thus, it might be essential for YoungCRM to acknowledge the apparent cultural differences and hire locally to accommodate the different needs of the American recruitment market. By doing so, YoungCRM would exude 'local responsiveness', as it acknowledges that cultural differences are important to account for and they can have a big impact on future success.

Another issue, which YoungCRM will encounter when engaging in international staffing, is the language barriers.

Marschan-Piekkari et al. (1999) argue, *"Indeed, communication across cultural borders frequently involves misunderstandings caused by language and other barriers."* (Marschan-Piekkari et al. 1999, 426) A solution to this general problem could be to establish a common corporate language for YoungCRM when expanding to a foreign market such as the American.

This corporate language will enable YoungCRM to streamline its operations both domestically and internationally. When streamlining the operations by having a common corporate language, the employees of YoungCRM will be enabled to maintain their focus on the corporate goals and vision. Moreover, this fosters a sense of belonging for the employees. (Feely and Harzing 2003, 45) As previously mentioned, it is important to maintain quality relations and make the employees feel like they contribute to the company. However, a downside could be when a company adopts a corporate language, which a substantial part of the employees are unable to communicate. (Feely and Harzing 2003, 45-46) YoungCRM must therefore consider whether to adopt a corporate language or instead maintain the domestic language but translate communication for the foreign subsidiaries, otherwise messages can get lost in translation.

Summary of 'Part 2'

After having conducted our 'Part 2' analyses, we are now able to deduce further points to help answer our problem statement. We have been able to do so, through the Kotler and Keller framework 'Competing on a Global Basis', which we have adopted throughout this thesis. It has helped us to understand the process a company has to undergo, when thinking of expanding to a foreign market.

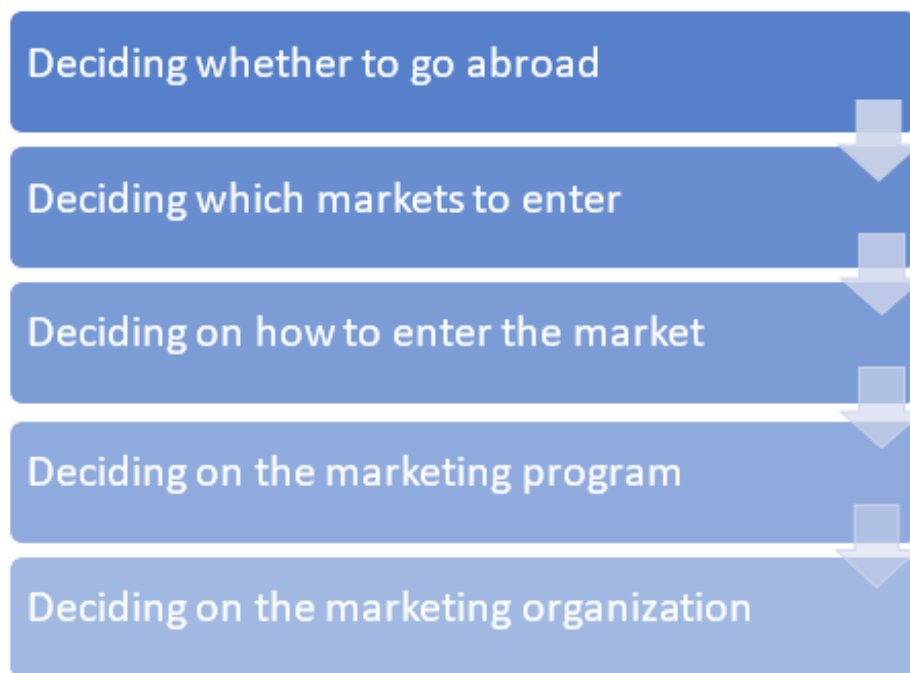


Figure 1 – Competing on a Global Basis

We have already established a desire and reason to go abroad in our 'Part 1' through *Deciding Whether to go Abroad*. In 'Part 2' we have investigated the following four steps in the process of 'Competing on a Global Basis', as the framework prescribes.

In *Deciding Which Market to Enter*, we investigated the British and the American market environments through a 'PEST(EL)' and a cultural analysis. The 'PEST(EL)' had already been introduced in 'Part 1' as a way of analyzing the 'independent market environment'. Here, we found 'driving –' and 'restraining forces', which YoungCRM should consider before taking any decision of expanding into one of these two countries. We furthermore found, that the UK recruitment market had too many uncertainties due to 'Brexit', and YoungCRM, therefore, should

hold off on a potential expansion until the aftershocks of 'Brexit' have settled. On the other hand, we found that the American recruitment market, despite some 'restraining forces', overall is an attractive market for YoungCRM to enter.

In our *Deciding How to Enter the Market* section, we discussed different modes of entry, which YoungCRM could use when entering the US or the UK, if the company should choose to enter the UK despite our suggestion to wait. The mode of entry we found best suited for YoungCRM, taken the company and the UK and US markets into consideration, is a mixture of 'wholly owned subsidiary' and 'branch offices', through 'greenfield investment'.

In *Deciding on the Marketing Program*, we discussed two approaches to how YoungCRM could create marketing messages for the Talenthub software. The two approaches were, respectively, a global approach and a local approach. Through our 'reversed' 'CDA's', we found that YoungCRM could potentially adopt a local approach to its marketing messages. This was based on our findings in our cultural analysis of both countries, but also the fact that culture can be difficult to grasp due to the many sub-cultures each culture can contain, according to Gullestrup. We therefore found it important for YoungCRM to focus its marketing messages accordingly to each local market to avoid any problems, which could occur through a global marketing approach.

Finally, through *Deciding on the Marketing Organization*, we found how YoungCRM's organization should be structured, based on the 'entry strategy' we chose in *Deciding on How to Enter the Market*. Here we found, that for YoungCRM to enter through a 'wholly owned subsidiary', YoungCRM would have to change how it operates. We believe, that YoungCRM could benefit from remaining in full control of its operations. We, thusly, suggested that YoungCRM could use expatriates to help the foreign entities in the start-up phase to keep the company and vision streamlined with HQ. Lastly, we found that YoungCRM should adopt a mixture of the two recruitment attitudes, 'polycentric' and 'geocentric', depending on the situation. At HQ, YoungCRM could benefit from adopting a 'geocentric' recruitment attitude simply to acquire the best employee for the job. Similarly, we believe the nationality of the expatriate is a factor, which YoungCRM should not focus on, as long as the candidate has the credentials to do what is needed

from him/her. However, when it comes to employees in the subsidiaries in the US, we believe YoungCRM could benefit from hiring with a 'polycentric' approach, as e.g. the 'America first' and 'hiring American' mindsets would evidently affect YoungCRM's operation in the US.

From our findings in 'Part 2', we can deduce that the process of expanding abroad is linked with massive complexity. This complexity originates from a long and tortuous course of action that is needed, in order to succeed on an international market. For YoungCRM, this indicates that a substantial amount of resources must be invested, to ensure that a structured plan can be effectively implemented.

Recapitulation and Final Discussion

Through our analyses in 'Part 2', we have been able to deduce the knowledge needed to answer a part of our problem statement, which 'Part 1' could not investigate. In 'Part 2' our focus has been to investigate the remaining elements of the first part of our problem statement: *"What is required of YoungCRM to expand to the United Kingdom and the United States of America..."*, which was done through the use of the last four steps of the overall framework by Kotler and Keller. In this process, we were also able to answer our working-questions, including: *"Which difficulties and/or possibilities do the two countries respectively present?"* and *"How can YoungCRM, if possible, approach foreign markets, such as the United Kingdom and the United States of America?"*. Thus, we have completed all five steps of the framework from Kotler and Keller's 'Competing on a Global Basis'. This framework was mainly used to provide an overall and structured approach for going abroad, to a company that follows the mindset 'learning by doing'.

However, in order for us to answer the final part of our problem statement *"...how can the company draw on experiences from the domestic market environment to make the internationalization a reality?"*, we will revisit the first step of Kotler and Keller's framework called *Deciding Whether to go Abroad*, which is also our 'Part 1'. We will use this to discuss and question whether our findings from 'Part 2', are sufficient solutions for YoungCRM to enter the British and American recruitment market. We will eventually give our opinion on whether YoungCRM has the needed capacity and knowledge for an expansion abroad. Additionally, we will discuss how the findings from 'Part 1' can be used in an international expansion as experiences that can be drawn upon.

The most important factor that we found in the Danish market environment, through our 'PEST(EL)' analysis, was the unemployment rate. This factor has a paramount influence on YoungCRM's potential of growth, as its software ultimately rely on unemployed individuals. Our findings showed that the unemployment rate was stagnating in Denmark, which is a paradox, when the universal need for having a job is apparent. Therefore, YoungCRM faces a serious challenge going forward, as the company is solely dependent on the level of the unemployment rate. We mentioned in our 'forcefield' in 'Part 1', that the unemployment rate in Denmark could be an indication of a tendency of how the general unemployment rate appears throughout the

world. However, we decided that the stagnating unemployment rate in Denmark was a 'driving force' for YoungCRM to expand abroad and seek new markets with more opportunities for growth. Through our country analyses of the UK and the US, we found that the tendency of the unemployment rate continued in these respective countries, which therefore provided further evidence supporting that this indication could be reality.

For YoungCRM, this decreasing unemployment rate ultimately affects the recruitment industry as a whole, and thereby also the various recruitment markets. We will argue, that there will always be a demand for recruitment companies based on the universal need of finding a job. However, it is still a significant concern for YoungCRM, as a newly established recruitment company, that its entry happens at a time when the unemployment rate is stagnating. Our findings showed that a substantial amount of money is being spent on the recruitment industry across the investigated markets, but the clientele is still shrinking. This means, that even though the value of the industry is apparent, there is an indication that there will be more competition in the future for the high amounts of capital, but with a decreasing number of unemployed individuals as a bearing factor for the industry, as a whole. This suggests an increase in competition in the years to come.

This presents YoungCRM with a new challenge when looking to expand internationally. Not only can the company potentially face increased competition, but, in addition, it will seemingly have to find a solution to how it approaches this, from its perspective, fundamental issue of a stagnating unemployment rate. The positive side of this issue is that YoungCRM has dealt with it on the Danish recruitment market and it is therefore accustomed with this challenge. The experience of being acquainted with this issue, however, does not necessarily mean that it can be dealt with in the same manner in the UK or the US, as in Denmark. The overall problem remains the same, and it therefore provides a sense of recognizability for YoungCRM in having to deal with it, though the solution may differ, not only from Denmark but also between the UK and the US.

Thus, the culture of a country and the communication towards that country become relevant in this regard. The question at hand for YoungCRM in this context is: How does the company get individuals to sign up for the Talenthub software and companies to buy the YoungCRM software?

From our interview with RS, we learned that YoungCRM at the moment is focusing its attention on feedback regarding Talenthub, but also that a marketing plan is under development for an upcoming campaign (Appendix 1, l. 55-56, 570). This marketing plan must, presumably, be centered around the Danish culture and be applied through the channels that YoungCRM regards as the most effective to reach the Danish clientele. Some of these, can arguably be found in our 'PEST(EL)' analysis for the Danish recruitment market, and some of them can potentially be transferred to an international market in terms of how to approach its clientele. An example, which was discussed in *Deciding on the Marketing Program*, is universities. Students are, as mentioned earlier, the biggest target group of YoungCRM, particularly towards the Talenthub software. We suggested, that a way to reach students in an effective manner was through the direct method of lectures and presentations. This is a communicative approach that applies to the Danish market, as well as any other market abroad, which YoungCRM should wish to expand to, including the UK and the US. Thereby, YoungCRM will be able to test this approach on the Danish market to see what effect it has, and that experience can be drawn on when trying to communicate with the potential candidates on a foreign market. RS mentions in our interview that YoungCRM recently has initiated contact with Aalborg University and University College Nordjylland (Appendix 1, l. 250). Thus, YoungCRM can use this experience from its domestic market when expanding abroad. However, YoungCRM must consider that there are various cultural differences that must be taken into account. Even though the approach is fundamentally the same in Denmark, as it would be on another market, there would be a difference in the shaping of the communicative messages, and how they would be constructed. The culture would have an impact on this aspect of the communication, as discourses and most importantly 'sociocultural factors' always will affect how messages are produced and perceived. YoungCRM must, therefore, be aware of the current situation of the market it wants to enter, as this can have an impact on how marketing messages should be produced and what they should contain. Depending on which country YoungCRM should choose to expand to, the disjuncture between home and host country culture can vary. As an example, we found the cultural differences between the UK and Denmark to be smaller compared to the differences between Denmark and the US. Thus, the basis of a Danish marketing message might not need as many alterations for a marketing campaign in the UK compared to one directed at the US market.

This is also the case when looking at the marketing channels of social media e.g. Facebook, as YoungCRM has already been using this communicative channel for its marketing purposes for the Talenthub software. Once again, YoungCRM can apply that experience through the use of Facebook when looking towards new international markets. For the YoungCRM software, the main communicative channel has been the official website of the company. Here, posts have been made and directed towards the stakeholders of YoungCRM. This is also an experience YoungCRM can draw on in the future, when needing to address potential international stakeholders with issues of pressing matters, and how YoungCRM works to comply with the issues at hand.

With regards to the internal communication of YoungCRM, we found in 'Part 1', that communication flows through the organization organically and that the, on paper, 'top-down' hierarchy was more symmetrical than the organizational chart suggests. YoungCRM can use the way the different instances of the company communicate, through weekly and monthly meetings, when communicating with subsidiaries abroad, after having expanded to other countries. This way, YoungCRM will have clear communication and will be able to communicate goals, visions, and assignments to all entities in order to better streamline the organization. This is an example of how YoungCRM can use its current internal communication approach in the future, and how it will help the company to better streamline the organizational visions etc. to the various subsidiaries abroad. However, YoungCRM should still be aware of the cultural disjuncture between host and home country. When YoungCRM is expanding abroad, the chance of expanding to a country with the same corporate language (Danish) is close to zero. YoungCRM must therefore contemplate whether it should adopt a common corporate language, to ensure that the communication between HQ and subsidiaries is effectively executed. This corporate language should be built on previously positive experiences regarding discourses within YoungCRM. As an example, the word 'candidate' might not have the same meaning in the UK and the US as it does for YoungCRM. Therefore, the development of a corporate language is needed to ensure a mutual understanding of various corporate discourses.

Through our 'Porter's Five Forces' analysis, more specifically 'rivalry between existing competitors', we found that there are no direct competitors to the YoungCRM and Talenthub software. Furthermore, we found several barriers for new entrants including 'economies of scale' and the importance of 'technological know-how'. YoungCRM, more or less, evaded these barriers by possessing a new technology and being funded by CompanYoung when it entered the Danish recruitment market. By diversifying its software, YoungCRM ensured that there were no direct competitors, which enabled the company to get a foothold on the Danish recruitment market. Combining these above-mentioned factors, we believe, provides YoungCRM with an opportunity to get a head start. This head start can prove crucial for YoungCRM in the attempt to expand its position, as there is a serious threat of the software being duplicated by known and unknown competitors and potential new entrants, due to the fact that the product cannot be patented. We have previously discussed, that YoungCRM could choose to hold off an expansion until it has obtained sufficient experience from the domestic market along with attempting to get a significant foothold on the Danish market, before looking to expand internationally. However, as a direct consequence of the factors stated above, YoungCRM must consider if this process is too slow. If the software are not only easy to duplicate but also successful, it must be expected that other actors within the recruitment industry will attempt to take advantage of this new opportunity as well. This will ultimately cause a rise in direct competitors for YoungCRM on both of its software. Therefore, YoungCRM must make a serious consideration, and eventually decide, if the company must throw caution into the wind and simply launch its international expansion to try and gain as much market share as possible before the other actors adopt YoungCRM's setup and technology. Either way, as mentioned earlier, it must be expected that new direct competitors eventually will emerge, if YoungCRM is successful in its ventures.

The growing competition could force YoungCRM into reconsidering its 'generic strategy'. This could be needed, in order to remain relevant and competitive in this segment of the recruitment industry, it has created itself, which has an increasing number of competitors that have adopted YoungCRM's qualities.

This also sparks the discussion of an overall structured approach versus the more impulsive 'learning by doing' approach. YoungCRM, at the moment, is applying the 'learning by doing'

approach towards figuring out which parameters are working and which are not. As a newly established company, it is sensible, as there is a big difference between theory and the factual or the practical. What YoungCRM might have believed to work on paper, does not necessarily apply to the real world, and the same goes regarding an international expansion and the other way around. Without any real experience, an attempt at something new will always be a 'learning by doing' process to some extent. However, in this thesis we have provided our suggestion towards a more structured process regarding a foreign expansion. Since it would be YoungCRM's first international expansion, it would still be 'learning by doing', but it would be a more structured solution. Either way, YoungCRM will potentially have to reevaluate, and possibly reconsider, the outlined parameters for success, since what the company thought would work on paper, might not be the case in reality. The parameters of quality and functionality that we found in 'Part 1' in our 'generic strategy' analysis are examples of what YoungCRM might have to reconsider in the future. However, for the time being, the company will be able to obtain crucial information regarding the effects of these parameters on the target groups. This information could prove vital in the future, as YoungCRM will have some measurements towards the effectiveness of the company's activities prior to an international expansion. These will be, as they are in our thesis, the foundation of which the entire strategy is based on combined with the findings from the respective countries, such as their culture and their market environments. If the fundamental parameters have the intended success on the domestic market, it suggests that they could also be the key to success abroad. This, however, must be reconsidered before the expansion strategy is put in motion and reevaluated again throughout the entire operation.

Taking all our conducted analyses and findings into consideration, we believe that YoungCRM is ready to execute a foreign expansion from one point of view. Based on our 'forcefield' analysis in 'Part 1', we deduced that YoungCRM has the capacity to expand abroad, but we recommended that the company should not move forward with the international expansion plans, before having established a substantial position on the Danish recruitment market. However, as previously discussed, the simplicity of the YoungCRM and Talenthub software can eventually prove to be an issue, as they cannot be patented. This will ultimately result in an increased number of direct competitors, if the success of YoungCRM becomes evident. YoungCRM will, therefore, have to

consider how much time the company is willing to invest in building its position on the domestic market and thereby risk losing the window of opportunity to succeed internationally.

Our findings in 'Part 2' have only added to the complexity of this paradox. The results of our conducted country analyses have shown, that one international expansion presents a series of extremely complex variables, which have to be taken into consideration. Differences between Denmark and another country, in particular distant markets such as the US, can prove to be a massive challenge for a company without any international experience. Substantial amounts of resources, such as research of culture and market environment, entry strategy considerations, marketing approaches, and organizational structure need to be invested in order to give the company the best possible basis. These amounts of resources suggest, that a strong domestic position would be favorable for YoungCRM to have, before attempting to invest in an international expansion. As previously mentioned, this adds to the complexity of the paradox YoungCRM is currently facing, as there has been an increase in needed resources, but the duration of the window of opportunity for international success has not been prolonged. YoungCRM must, therefore, decide which direction the company wants and needs to go, in order to fulfill its desire to grow through an international expansion.

Conclusion

After having applied Kotler and Keller's framework 'Competing on a Global Basis' on our empirical data and having revisited Step 1, *Deciding Whether to go Abroad*, we are now able to conclude that this approach can be viewed as a potential guideline towards understanding what requirements are needed of YoungCRM to expand abroad, and what experiences it can draw on in the future. Thereby, it enables us to answer our problem statement:

"What is required of YoungCRM to expand to the United Kingdom or the United States of America, and how can the company draw on experiences from the domestic market environment to make the internationalization a reality?"

We have come to the conclusion, that for YoungCRM to expand abroad, it is vital that the company has obtained self-awareness, regarding its competitive position, the market environment and the organization itself. Furthermore, YoungCRM will have to seriously consider the choice of country, which entails a cultural study and an understanding of the foreign country's market environment. Additionally, we can conclude that YoungCRM must choose an entry strategy, along with shaping a clear marketing approach. Lastly, YoungCRM will have to decide how this new international organization should be structured, and how the company should communicate internally.

After having revisited Step 1, we can, furthermore, conclude that YoungCRM has obtained experiences restricted to specific areas from its domestic market, which it can draw on when expanding abroad. Firstly, we can conclude that the challenge of a stagnating unemployment rate is an aspect, which YoungCRM is accustomed to from its domestic market, and thereby this factor is somewhat recognizable for the company to manage. Secondly, YoungCRM has established contact with universities in Denmark, and this approach can potentially be a general suggestion of targeting new candidates for the Talenthub software, based on experiences from the domestic market. Another way of targeting new clientele is through YoungCRM's external communication. We have been able to conclude that YoungCRM can draw on its experience from working with its two communication channels, Facebook and its website, to successfully get the right marketing messages across to its target groups on foreign recruitment markets. Fourthly, we can conclude

that YoungCRM can benefit from streamlining its organization through weekly and monthly meetings with all entities, which it currently does on its domestic market, to clearly communicate visions and goals throughout the organization. Lastly, we conclude that YoungCRM can in the future, through its current 'generic strategy', gain vital information of how the target groups react to the functionality and quality of the software. YoungCRM will, thusly, know whether it has to change its 'generic strategy', in order to maintain its competitiveness.

From our interview with YoungCRM, we learned that the company has a desire of going abroad in the near future. This was the reason for choosing this exact angle on our thesis. This angle led us to the framework 'Competing on a Global Basis' by Kotler and Keller, which constitutes an entire process for companies to follow in successfully expanding abroad. This process will therefore also be our main focus in partly answering our problem statement. In order for us to comply with the extent of Kotler and Keller's framework, we decided to divide the framework into a bipartite framework, and therefore our thesis contains a 'Part 1' and a 'Part 2'.

The first aspect that was important for us to understand, in order for us to answer our problem statement, was the foundation of which YoungCRM is built on. This foundation was essential for us to investigate, in order to decide whether YoungCRM has the capacity to go abroad, which is Step 1 in Kotler and Keller's 'Competing on a Global Basis' framework.

This foundation contains knowledge of how the company can compete and remain relevant on its respective market, which is the determination of YoungCRM's competitive position. This entailed a definition of YoungCRM's 'generic strategy' and 'growth strategy'. Here, we found that YoungCRM's 'generic strategy' is 'differentiation', which means that the company is able to compete on its software's functionality and quality, along with aiming its software at a broad target group. We found YoungCRM's 'growth strategy' to be in cohesion with its 'generic strategy', as our findings proved it to be 'product development'. As an addition, we found that YoungCRM desires to expand abroad, which means that a second 'growth strategy' of 'market development' will eventually emerge. This supported the notion of our angle of this thesis of YoungCRM looking to expand abroad.

From our analysis of YoungCRM's market environment, we found the recruitment industry to be very attractive for the company, as there are currently no direct competitors present. Additionally,

there is no pressing threat of new entrants and substitute products within the recruitment industry, as we found in our analysis of 'Porter's Five Forces'. However, from the 'PEST(EL)' analysis, we found the Danish unemployment rate to be stagnating at a relatively low rate, which we found to a 'driving force' for YoungCRM to seek out alternative recruitment markets. YoungCRM must, thusly, take both the 'dependent –' and 'independent environment' into consideration, as it is vital for a company to understand its current market situation and the dynamics of the recruitment industry to avoid unexpected and unwelcoming surprises.

Collectively, these findings indicated that YoungCRM possesses what is required to expand abroad, which is what the first step in Kotler and Keller's framework dictates a company must consider. Furthermore, these analyses enabled us to answer two of our working questions, which are respectively:

- How does YoungCRM position itself on the Danish recruitment market, and how does the market environment look?
- Is YoungCRM ready to engage in foreign affairs?

The second requirement for YoungCRM to be able to expand abroad concerns *Deciding Which Markets to Enter*, which is Step 2 in Kotler and Keller's framework. In the process of deciding which markets to enter, we settled on both the British and American recruitment markets, as we found it relevant to investigate a near - and distant market. In order to gain an understanding of these new potential markets, we conducted an analysis of the 'independent environment', along with a cultural analysis of both countries. From these analyses, we found that 'Brexit' presents too many uncertainties, and that YoungCRM should hold off a potential expansion to the British recruitment market, until the aftershocks of 'Brexit' have settled. However, we found the American recruitment market to be intriguing, because of the socially constructed discourse of the 'American dream'. Our findings proved that a full investigation of a country's culture and 'independent environment' is required from YoungCRM in order to determine whether a foreign market is profitable. If these factors are not taken into consideration, the choice of market selection could prove damageable, as evident from our findings of the British and the American recruitment market.

The third requirement towards an international expansion for YoungCRM is *Deciding How to Enter the Market*, which is Step 3 in Kotler and Keller's framework. Here, we discussed the use of various entry strategies, and how YoungCRM could apply these. We found it a necessity for YoungCRM to determine an 'entry strategy', as we do not believe the current approach of 'learning by doing' to be sufficient, when expanding to a foreign market.

We found the best suited 'entry strategy' to be a mixture between a 'wholly owned subsidiary' and 'branch offices'. The choice of this specific 'entry strategy' was based on the uncertainties surrounding the two discourses 'Brexit' and 'America first'.

Step 4 in Kotler and Keller's framework, *Deciding on the Marketing Program*, is also a requirement for YoungCRM to address before being able to expand abroad. In this step, we discussed how YoungCRM could design its potential global and local marketing messages. This was based on our foundation from 'Part 1', regarding YoungCRM's external communication. We found the local approach to be the best suited for YoungCRM, due to the cultural disjuncture between home and host country, meaning that YoungCRM must differentiate its marketing messages to the respective markets. By this, YoungCRM will be able address its target groups on a more specified level.

Finally, Step 5 in Kotler and Keller's framework, *Deciding on the Marketing Organization*, is a requirement for YoungCRM before expanding to foreign markets. Through our analysis of the organizational structure in 'Part 1', we were able to deduce how YoungCRM's structure appears, and the fact that the company must determine which elements it wishes to maintain and which should be altered in a potential internationalization. The same thing goes for the internal communication. Here, in particular, the barrier of language is a concern for YoungCRM and we, in connection to this, discussed the possibility of a common corporate language to help streamline the organization.

Through Step 2 to 5 we have investigated the British and the American recruitment markets and how YoungCRM could potentially approach each of them, as they form further four requirements for expanding abroad. All four steps have been centered around the following working questions:

- How can YoungCRM, if possible, approach foreign markets, such as the United Kingdom and the United States of America?
 - Which difficulties and/or possibilities do the two countries respectively present?

The findings accounted for throughout this thesis have not only enabled us to conclude on our problem statement, but they have also presented us with a new dilemma that YoungCRM must deal with in the near future. In this regard, we present a paradox, which is based on our findings from this thesis. The paradox is:

On one hand, YoungCRM going abroad with the risk of losing its competitive advantage to competitors, due to non-patented software, and not having the needed experience and resources to compete. On the other hand, needing time to establish a strong base position on the Danish recruitment market, and thereby missing the window of opportunity.

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