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School of Sustainable Development of Society and Technology

EFO705 Master Thesis

Decision Making of Thai Entrepreneur
to Internationalize Thai Orchid to Swedish Market

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June 4, 2010
### Abstract

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**Title**  
Decision Making of Thai Entrepreneur to Internationalize Thai Orchid To Swedish Market

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**Background**  
International trade could be seen as the phenomenon beating the resources imbalance among countries in the global market. Therefore, our seeking the competitive advantage of Thailand is to the orchid which is viewed industrial drop of country to increase expansion of export and generate income for Thailand. Moreover, Thailand is one of the leaders which have exported the orchids to foreign countries. For this reason, we would like to study factors which affect to make a decision of Thai entrepreneurs to export the orchid to Swedish market.

**Problems**  
How market knowledge and entrepreneur characteristics influence on Thai entrepreneurs in order to make a decision on internationalization by exporting Thai orchid to Swedish market?

**Purposes**  
The main purpose of this research is to explore how external and internal factors as market knowledge and entrepreneur characteristics influence on the decision making of Thai entrepreneurs to internationalize by exporting Thai orchid to Swedish market.

**Methodology**  
This master’s thesis is based on a qualitative approach which is used by semi-structured interview to conduct Thai entrepreneur’s perspectives on export the orchid to Swedish market while the secondary data is collected from website, article, and journal to utilize material for this thesis.

**Conclusion**  
We found that the market knowledge as external factors influence to the entrepreneur decision making as the encouragement in term of sufficient knowledge while the lack of market knowledge also lead to the discouragement of internationalization decision making. Moreover, several entrepreneur characteristics could encourage and help entrepreneur in order to make the decision to internationalize while some characteristics are not influence to the decision making of entrepreneur.

**Keywords**  
Market Knowledge, Entrepreneur Characteristics, Entrepreneurial Process, Decision making, Thai Orchid, and Export
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June 2010

Thitipong Sumanonta
Sompoch Kulasabjira
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CHAPTER 1: INTRODUCTION

In this chapter we introduce a background of our research about Thai orchid business from evolution of global trade until export potentiality of Thai orchid in global market regarding to internationalization. Moreover, we also describe about problem statement, purpose of study, contributions, limitations, and structure of research to capture the idea of our thesis.

1.1 Background
1.1.1 Global trade and global market
The evolution of international trade plays an important role in every country to drive the country’s economic growth and respond demands of resources imbalance in global market (Smith, 1776). Such an evolution is based on classical theories of trade. For example, the theory of absolute advantage mentions about the increasing of trade opportunity which results from the production of goods and services in a country which has an absolute advantage and a country which has an absolute disadvantage of a difference of production of goods and services needed (Smith, 1776). Moreover, Ricardo’s (1817) theory of comparative advantage states about the comparison of relative advantage in production of goods and services between two countries. A country that has a relative advantage should produce and export while a country that has a relative disadvantage should import the product. The Heckscher-Ohlin factor proportion theory (1933) as a refinement of comparative advantage theory also states that the country which has plentiful resources should produce and export goods and services from those resources, on the other side the country which has limited resource should import goods and services that require resources in short supply. Therefore, the countries should limit the goods and services which restrict to their own production boundary (Heckscher and Ohlin, 1933).

1.1.2 The orchid global market
Having such view that the international trade could be seen as the phenomenon beating the resources imbalance among countries in the global market, we focus in this thesis on the global market of orchid trade, and Thailand competitive advantages and export potentiality of orchid in the global market.

In general, an orchid is a cut flower plant which has been interesting in several countries because it has various kinds, especially colors, odors and shapes. Moreover, its characteristics are unique comparing to other flowers because some kinds of orchids can grow in soil and some types can plant without soil as well. As a result, the orchid market is likely to expand extremely in compliance with the need which has continually increased in the global market (Thai orchid exports to world markets, 2008).
1.1.3 Thailand competitive advantages of orchid
Referring to Smith (1776) about principle of absolute advantage, Thailand seems to have competitive advantages and potential to produce the orchids as well. Because of the weather conditions in Thailand are suitable for cultivation all year and there are also many species of orchids which respond to market need. In addition, Thailand has an expertise in orchid cultivation and treatment which enhances the competitive advantage as orchid exporter in global market (Kew, 1999).

Although, the export of the orchids at the present is high competition and there are many competitors, for example, Singapore, Taiwan, Malaysia and New Zealand (Thai orchid exports to world markets, 2008), Thailand is still one of the leaders who has exported the orchids to foreign countries, as mentioned in The World Conservation Monitoring Centre (WCMC) that could be seen as comparative advantage of Thailand. Comparing to those countries, Thailand seems to gain the relative advantages over the competitors because most of areas in Thailand are suitable for orchid’s cultivation in various kinds together with the expertise in plant tissue culture technology in order to assist in the propagation of orchids (Thailand’s Most Comprehensive Export Articles, 2008). Besides, there are many local orchids’ species which have outstanding characteristics, such as, color, odor and durability. In addition, standard quality of product, as another competitive advantage, is important issue for export the orchids to the global market (Kew, 1999) especially to the European countries since it has to be accepted by both importers and exporters in term of plants sanitation. As a leader of orchid exporter, Thailand has developed standards of agricultural products in order to meet the European countries market requirements. From these statements, it seems that Thailand also gains the competitive advantages from its own orchid resources according to the factor proportion theory of Heckscher-Ohlin (1933).

1.1.4 Export potentiality of Thai orchid in global market
Thailand is able to produce the orchid 44,000-45,000 tons per year. The production tends to increase 1-2% annually. The countries importing the orchids from Thailand are Japan as the 1st rank, followed by The United State (USA) as the 2nd rank, and The European countries (Italy, France, Germany, England, Netherlands, Austria, Belgium, Greece, Portugal, Spain, Sweden, Finland, Denmark, and Switzerland) as the 3rd rank. In addition, Thailand is number one as exporter the orchids to The European countries of approximately 87% of the total European market followed by Singapore as number two, South Africa as number three, and New Zealand as number four (Thai’s department of foreign trade, 2008).

The following table shows the orchid’s import activity in Sweden with its partners. It could be observed that total demand of the orchids in Sweden has been increasing between 2008 and 2007.
Table 1: The orchid’s import trade value of Swedish market

<table>
<thead>
<tr>
<th>Rank</th>
<th>Partner</th>
<th>Trade Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Netherlands</td>
<td>1,364,752</td>
</tr>
<tr>
<td>2</td>
<td>Denmark</td>
<td>628,879</td>
</tr>
<tr>
<td>3</td>
<td>Thailand</td>
<td>18,474</td>
</tr>
<tr>
<td>4</td>
<td>Germany</td>
<td>1,847</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>924</td>
</tr>
<tr>
<td>6</td>
<td>Malta</td>
<td>308</td>
</tr>
<tr>
<td>Total (2008)</td>
<td>2,015,184</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rank</th>
<th>Partner</th>
<th>Trade Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Netherlands</td>
<td>738,258</td>
</tr>
<tr>
<td>2</td>
<td>Denmark</td>
<td>565,376</td>
</tr>
<tr>
<td>3</td>
<td>Thailand</td>
<td>27,898</td>
</tr>
<tr>
<td>4</td>
<td>Italy</td>
<td>1,187</td>
</tr>
<tr>
<td>5</td>
<td>Other Asia</td>
<td>148</td>
</tr>
<tr>
<td>Total (2007)</td>
<td>1,332,867</td>
<td></td>
</tr>
</tbody>
</table>

Source: (United Nation Statistics Division - Commodity Trade Statistics Database)

1.2 Problem Statement

The international trade of orchid between Sweden and its partners shows the resources imbalance in term of orchid production within Sweden. Therefore, to beat this orchid imbalance, Sweden is likely to import orchids from other countries. From Table 1, top three nations which exported orchids to Sweden are Netherlands as the 1st rank, Denmark as the 2nd rank, and Thailand as the 3rd rank. Thailand was the only one nation from Asia supplying orchids to Sweden in the top 3 rank. The reason why the trade value of orchid from Thailand was ranked in the top three suppliers could be seen by the export potential from the competitive advantage as mentioned in section 1.1.3.

In 2006, the Thai orchid industry significantly generated income return to Thailand (Thai’s department of foreign trade 2008). This has been the driving force to Thai entrepreneurs, such as orchid grower and flowers exporter in agricultural economic sector, who are doing the entrepreneurship relating to orchid export process in Thailand. Therefore, Thai entrepreneurs intend to expand orchid export into the global market and also into the European countries, such as Sweden.

Moreover, Thai entrepreneur’s opportunity to export the orchids to Sweden has more a possibility since there has been the large gap of trade value between Thailand and the top two nations. This research is aim to explore the procedure which can reduce the gap of trade value and compete with competitors in the global market.

As above statement, the trade value of Thai orchid in Swedish market is small volume comparing to total export trade value. It could be implied that there is also market opportunity for Thai entrepreneurs to expand the market to Sweden. Shane and Venkataraman (2000) (as cited in Sarason et al, 2006 p. 287) viewed that opportunities are created by individuals depending on entrepreneur perception during the entrepreneurial process, which is stated that “The domain of entrepreneurship has been defined as the study of sources of opportunities, the processes of discovery, evaluation and exploitation of opportunities and the set of individuals who discover, evaluate and exploit them”. Consequently, we have to consider the reason why there
is still less amount of orchid required by Swedish consumers even if Thailand is the
world leader of orchid exporter. Moreover, the trade value that had been decreased in
2008 could be viewed as another interesting issue whether there are some barriers
obstructing in export process or not. The lack of market knowledge, which is the
important part in the internationalization process (Hedlund and Kverneland, 1985)
including psychic distance, for example, language and culture, could be viewed as the
obstacle to prevent the flow of information between firm and market. Therefore, firm
tends to internationalize the market to be easy to understand and low uncertainty
(Johanson and Vahlne, 1977). Moreover, the entrepreneur characteristics with
different background might lead, motivate or even discourage to the individual
distinction of decision making in doing the business.

Consequently, the market knowledge, as an external factor and entrepreneur
characteristics as the internal factor, could influence the decision making of Thai
entrepreneurs to export orchids from Thailand to Sweden and how Thai entrepreneurs
who perceive the situation to make the decision to export to Swedish market are
necessary aspects to be determined.

This leads us to create the research problem as “How market knowledge and
entrepreneur characteristics influence on Thai entrepreneurs in order to make a
decision on internationalization by exporting Thai orchid to Swedish market?”

1.3 Purpose
The main purpose of this research is to explore how external and internal factors as
market knowledge and entrepreneur characteristics influence on the decision making
of Thai entrepreneurs to internationalize by exporting Thai orchid to Swedish market.

1.4 Contributions to Audience
Our perspective in the thesis is that we intend to study the attitude of Thai
entrepreneurs in order to make the decision to internationalize in the entrepreneurial
process based on the condition of the global market. Moreover, we focus on export
which is a part of internationalization process and center to the basis of learning in
field of international business. We conduct this research that aims to explore why and
how Thai entrepreneurs exploit the opportunities about their business as Thai orchid
exporter. We hope this research can contribute and give useful information to Thai
entrepreneurs, students and people who are interested in this field.

1.5 Limitations
This research has some limitations on access of some information about Thai
entrepreneur which cannot reveal to public such as financial status or customer’s data.
Because of the information may affect to the firm in term of market share and
competitors in the market. Moreover, qualitative approaches of our thesis are limited
by six Thai entrepreneur’s perspective to analysis. It only shows the view of six Thai
entrepreneurs who cannot cover the whole view of Thai orchid exporters. That mean
our finding cannot be extended to wider population with the same degree of certainty
that quantitative analyses can.
1.6 Thesis Structure

**Introduction**
- Background of orchid business
- Problem Statement
- Purpose of research
- Contributions to Audience
- Limitations

**Theoretical Framework**
- Uppsala model
- Knowledge-Based Resource
- Entrepreneur
- Entrepreneurship & Entrepreneurial Process

**Methodology**
- Research Approaches
- Data Collection
- Process of primary data Collection
- Reliability and Validity
- Ethical consideration

**Empirical Finding**
- Perspective of six Thai entrepreneur
  - Sawasdee Flora Co., Ltd.
  - Siam Flower 1958 Co., Ltd.
  - Lee Orchid Co., Ltd.
  - Bangkok Flower Centre Co., Ltd.
  - Excel Orchid Co., Ltd.
  - Blue Orchid Co., Ltd.

**Analysis**
- Market Knowledge
- Entrepreneurial characteristics
- Entrepreneurial process of Decision making

**Conclusion**
- Conclusion
- Further Recommendation

*Figure 1: Thesis Structure*
Source: The researcher
CHAPTER 2 THEORETICAL FRAMEWORK

In this part, there are two main sections which consist of theoretical perspectives and conceptual framework. The correlative theories are described about the Uppsala model regarding to market knowledge that is one of the elements of internationalization, entrepreneur characteristics and entrepreneurship, entrepreneurial process and the decision of entrepreneur. These concepts of theories are involved in accordance with the thesis purpose shown by the conceptual framework.

2.1 Uppsala model

According to Anderson (2000), there are two basic approaches which are classification of international business namely the economic and the process views. These two views bring about expansion of business from domestic firm to international firm focusing specifically on the aspect of international business development. The establishment chain is applied to these views and referred to the Uppsala-model (U-model) which concerns with incremental internationalization theory.

The Uppsala model is viewed as the internationalization process of the firm which is derived from the behavioral theory of the firm (Cyert and March, 1963; Aharoni, 1966). The process indicates the growth of the firm which gradually increases in its international involvement. The incremental theory of internationalization was first developed by Johanson and Wiedersheim-Paul (1975) by studying four Swedish firms. They observed that the more firm takes place in that foreign market the better firm moves to a series of incremental steps in which they termed an “establishment chain”. There are four steps to internationalization including no regular export activities, export via independent agents, establishment of a foreign sales subsidiary, and establishment of a foreign manufacturing plant. Each step seems to take action step by step which indicates an increasing commitment of resources to the market. It shows current business activities which gains from the market experience. However, Johanson and Wiedersheim-Paul (1975) mention that it is possible that some step of incremental decision may be skipped by market entry. It was expected to begin with physically and geographically closed-markets and then “fanning out” (Vernon, 1966)

Figure 2: A Model of Knowledge Development and Increasing Foreign Market Commitments

Source: Johanson and Vahlne, 1977
Moreover, the firm that wants to enter new market regards to factors preventing the flow of information between the firm and the market as psychic distance for example language, culture, legal, political system, educational system, etc., (Vahlne and wiedersheim-Paul, 1973). For this reason, the firm is likely to start to internationalize in other markets they need to understand and perceive these factors before. Then, they will see opportunities in going to the market and reduce the uncertainty in running a business. It shows the psychic distance as an indicator of possibility. However, Nordstrom (1990) argued that the world has become much more homogeneous and the outcome of psychic distance has decreased. The concept of this theory depends on the relationship between the context of the market commitment, market knowledge, current business activities, and commitment decisions which identify elements shared in common by the successive decision situation.

The Uppsala model is used to explain all steps which are useful in the internationalization as dynamic model. As seen from Figure 2, there are two aspects including state aspects and change aspects which indicate the distinction of internationalization variables. State aspects are resources of commitment to foreign markets which consist of market commitment and market knowledge while change aspects are a result affecting to the stage aspects comprise of current business activities and commitment decision (Johanson and Vahlne, 1977).

Market commitment is composed of two factors namely the amount of resources commitment defined by number of investment in a given market and the degree of commitment defined as the difficulty of finding an alternative use for resources and transferring them to a new location. The context of market knowledge consists of general knowledge and the market-specific knowledge. General knowledge concerns with marketing method and common characteristic of certain types of customers while the market-specific knowledge is knowledge about characteristics of the specific national market which perceive business climate, cultural patterns, structure of the market system, and characteristics of the individual customer firms. Moreover, there are two types of knowledge which are based on the way in which knowledge is acquired (Penrose, 1959). Objective knowledge can be taught and transferred to others. Experiential knowledge cannot be taught and transmitted by individuals but can be learned through personal experience which is gained during the operations. Therefore, the more firms gain knowledge and experience, the better firms make a decision to invest in foreign country. It shows that the accumulation of experiential market knowledge enhances a firm’s commitment to internationalization and the result
of state aspect affects to change aspect in term of current business activities and commitment decision (Johanson and Vahlne, 1977).

Current business activities are important for three reasons. Firstly, activities of the firm get its main source of experience. The firm can perceive opportunities that may lead to market commitment. However, the firm can get experience through the hiring persons with experience, through advice from outside the firm or through taking over another firm that has experience. As a result, the firm has to acquire the experience through a long learning process in connection with the current business activities. This is one of the reasons why the internationalization is a slow process. Secondly, there is a lagging between the activities and the consequences. Thirdly, if the activities are highly production-oriented or if there is less need for interaction between the activities and market environment, firm will be to start new operations which are not incremental additions to the current activities. Commitment Decision is the decision that is made in response to perceived problems and opportunities on the market. The decisions rely on the existing market risk and existing market uncertainty. The existing market risk is composed of existing market commitment and existing market uncertainty. The firm will make incremental commitment to the market unit its maximum due to the market uncertainty (Johanson and Vahlne, 1977).

2.2 Knowledge-based Resources
The success of company depends largely on its ability to use knowledge for development its products, services, and processes in domestic and international markets. Knowledge-based resources are looked as a competitive advantage of the firm which indicates capability to collect, accumulate, integrate, and use knowledge (Kogut and Zander, 1992; Nickerson and Zenger, 2004; Szulanski, 1996). They are important for the firm to gain and sustain competitive advantage (Grant, 1996; Kogut and Zander, 1992). There are two main types of knowledge that influence a performance of company consisting of knowledge about markets and technology. Market knowledge results from the discovery and exploitation of opportunities during the firm interacts with customers. In case of foreign markets, knowledge gives the firm to understand foreign competitors, develop effective business models, select modes of entry, and choose the appropriate time for foreign market entry. Knowledge about technology also facilitates the discovery of opportunities and the exploitation of technological principles on a worldwide scale. This means technological knowledge can help the firm to identify the opportunities for international expansion (Zahra et al., 2007).

2.3 Entrepreneur
Entrepreneur and entrepreneurship were discussed and studied in many views and approach. There are several authors that argued in the views of what an entrepreneur and entrepreneurship are as discussed in the following heading.

2.3.1 Entrepreneur Characteristics
Schumpeter, an Austrian economist, viewed that entrepreneur is a person who becomes both an innovator and an establisher of a new firm which not only sticks with the old routines but also try to seek the new routines activities. Moreover, to become successful, the new activities that entrepreneur acts on are involved with risk and uncertainty (Brouwer, 2002). Besides, Schumpeter suggested some entrepreneurial behavior considering these following conceptions which are the
introduction of a new good, the introduction of new method of production, the opening of a new market, the conquest of a new source of supply of raw material and the creation of a new organizational industry (Swedberg, 2000).

Entrepreneurs as innovator are need to keep in mind that they could see the opportunities and try to serve people’s values from their expectation and need (Drucker, 1985). Moreover, the innovator must be responsive to explore, listen, question and notice from others. The innovation also needs knowledge to generate the new and easy ways. However the innovation should also be specific enough to create the new things and the innovators should stress on the focus area where they have capabilities.

Additionally, Max Weber (cited in Brouwer, 2002) defined entrepreneurs as charismatic leaders and entrepreneurship is a creation of organization. The similarities of Weber’s and Schumpeter’s view are that entrepreneur is forward-looking and not stick to live only day by day as economic man.

Another view that similar to Schumpeter on the point of entrepreneur as the investor was mentioned by Knight. However, Knight argued with Schumpeter on the point of entrepreneurial motivation that entrepreneur motivation is the desire to win while Schumpeter viewed that the entrepreneur motivation is the enjoyment (cited in Brouwer, 2002). Moreover, there are many other authors suggesting to the entrepreneur characteristics who doing the entrepreneurship mentioned by Gartner (2008). For example, entrepreneurs are the persons who have a high need for achievement (McCelland, 1961; McClelland and Winter, 1969), persons who have parents and family of entrepreneurs (Collins and Moore, 1964), persons who are independent minded (Hornday and Abound 1971) and persons who are dissatisfied with jobs in large organization (Brockhaus, 1976).

Since, there are many different definitions of the entrepreneur and entrepreneur characteristics. It is still difficult to determine the correct definition. From Gartner’s view, the study of entrepreneurship should be focused on behavioral approaches that look as the activities series regarding to the organization creation rather than the study of entrepreneur characteristics, traits and personality of entrepreneurs (Gartner, 1980).

2.4 International Entrepreneurship & Entrepreneurial Process
2.4.1 International Entrepreneurship
The definition of international entrepreneurship is jointly influenced by the two distinct traditions from the context of entrepreneurship and international business—and both continue to evolve (McDougall & Oviatt, 2005). They also emphasized in two parts, (1) opportunities and (2) individuals that strive to take the advantage of them who defined the international entrepreneurship as “the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services” (McDougall & Oviatt, 2005). Moreover, Jones & Coviello (2005) expressed more extent according to the combination of innovation, risk and the organization creation of international entrepreneur as “a combination of innovative, proactive, and risk-seeking behavior that cross national borders and is intended to create value in organizations” (Jones & Coviello, 2005).
2.4.2 Entrepreneurial Process
There are various views of entrepreneurship discussed in the scholar articles. One of entrepreneurships was defined as the involve phenomena and processes related to discovering, evaluating, and exploiting opportunities to create future goods and services (Shane & Venkataraman, 2000). In addition, entrepreneurship was also defined as the study of sources of opportunities, the process of discovery, evaluation and exploitation of opportunities and the set of individuals who discover, evaluate and exploit them (cited in Sarason et al., 2006, p.287).

Lachmann’s approach (Chiles et al., 2007) mentioned about the relationship between entrepreneurial behavior and economic progress. Entrepreneurs use the creative imagination that can be occurred all the times through subjectivism based on the past experience of entrepreneur individual’s interpretation to estimate the potential of future. As a result, the economic progress would be driven by entrepreneur actions and change in the entrepreneurial process. Moreover, Kirzner’s discovery defined by Gloria-Palermo (Chiles et al., 2007) was also explained about the way to perceive an opportunity from the existing circumstances that could not found by others. The combination of creation and discovery would fulfill in the practical of entrepreneurial process.

According to the structuration theory of Giddens (Sarasson et al., 2006), the entrepreneur and structure as the opportunity could not be divided from each other and were viewed as a duality of entrepreneur and opportunity which interdependent to each other (Sarasson, et al., 2006). Entrepreneurship is a recursive process between entrepreneurs and social system while the opportunity is created by entrepreneurs. The relationship of entrepreneur and opportunity could be viewed as the recursive of process between the entrepreneur and the structure as mentioned above.

As above point of views, we believe that the entrepreneurs’ opportunity perception throughout the entrepreneurial process based on the discovery of opportunity which is the existing things and the creation of opportunity which the new things could be created by entrepreneur. Afterwards, entrepreneurs could evaluate and exploit the opportunity which is the interdependent process between entrepreneur and opportunity.

2.4.3 Entrepreneur Decision Making on Internationalization
The study of entrepreneur decision making regarding to the exploit of the opportunities, risk and strategic decision making, and the decision to internationalize of entrepreneur were discussed below as the part of entrepreneurial process.

The opportunity exploitation, a part in the entrepreneurial process after opportunity discover, creation and evaluation, is a necessary step in creating a successful business in the entrepreneurial process (Choi & Shepherd, 2004). In order to make the decision to exploit the opportunities, entrepreneurs would make sure on the perception of more knowledge of customer demand for the new product which could be seen as the part of opportunity discovery and creation. In addition, from the view of Schoonhoven, Eisenhardt and Lyman (1990), the decision of the “right” time to exploit opportunities is an important one in creating a successful business (Choi & Shepherd, 2004), the right time of opportunities exploitation could be found after the evaluation of opportunity by entrepreneurs. The entrepreneurs who decide to begin exploitation
must commit to a number of key factors that will lead to success within the competitive environment or face the uncertainty over the value of the new product according to Slater’s view (1993).

Concerning to the entrepreneurial risk and strategic decision making, Busenitz (1999) mentioned how entrepreneurs deal with the amount of risk associated with starting new ventures. The biases and heuristics are used in order to make the decision more extensively than managers in large organizations. However, the benefit can be made from the use of biases and heuristics of entrepreneur. On the one hand, it may lead to the errors of the risk assessment of key strategic decisions as well (Busenitz, 1999). Additionally, the directions of strategic that entrepreneurs choose or shape their organization are highly subjective in nature of entrepreneur’s set of life issues (Kisfalvi, 2002).

Regarding to the decision making of entrepreneur in internationalization, there are many factors motivating the market entry decision making of entrepreneurial in mid-sized firms (Perks & Hughes, 2008) as shown in figure 4.

- The degree of *product-service complexity* is influenced to decision making on internationalization. The more complexity, with high cost and product-service specialization, will increase the difficulty of internationalization while the less complexity allows the product-service to fit more broadly in the market.

- *Strong customer relationships* also has the effect to decision to internationalize since the entrepreneurial manager would be inspired to develop the customers relationship until the linkage with customer is enough built in the firm before commit to act in international market. It also show that the internationalized decision cannot be made freely without current and potential customers.

- The *tacit knowledge and vision* of entrepreneurial manager, as the human capital of the firm, are much influenced to the decision to internationalize based on their determination on the situation and tacit knowledge. The strong skill and more tacit knowledge including with experienced learning are the driving force to make a decision on internationalization.

- The *perception of ‘psychic’ distance*, it is depend on the entrepreneurial manager’s ability or inability in order to deal with the different of languages regard to the individual perceptions of the psychic distance.

Moreover, there are two factors namely; resource-base risk tolerance and business case that moderate the motivating conditions on the decision to internationalize of entrepreneur (Perks & Hughes, 2008).

- *Resource-base risk tolerance*, the entrepreneurial managers in the firm that face the scarce and uncertainty resources are likely to take risk in internationalization since they believe that they could gain profit back. For instance, the strong relationship and knowledge of customers lead to the decision of internationalization without resources concern. As a result, the
factors that effecting to the decision to internationalize is moderated by the degree of risk tolerance.

- **Business case**, the entrepreneurial managers might make the decision based on their business case experienced reflecting to their thought. Therefore, the strength of the business case could be implied to moderate the condition of internationalization decision making.

![Diagram of factors influencing entrepreneurial managers’ decision to internationalize in mid-sized firms](image)

**Figure 4**: Factors influencing entrepreneurial managers’ decision to internationalize in mid-sized firms

*Source: Perks & Hughes, 2008*
2.5 Conceptual Framework
In this research there are two factors which are used in evaluation of entrepreneurial process in order to make the decision of entrepreneurs to internationalization. Firstly, market knowledge as an external factor which entrepreneurs cannot control but can learn from it. Secondly, entrepreneur characteristics which seem to be internal factors that indicate individual pattern of each entrepreneur as shown in figure 5.

The internationalization process is defined by concept of interaction between two aspects. State aspects comprise of market commitment and market knowledge. Change aspects compose of commitment decision and current business activities. Both aspect would be effected by transaction of company as a dynamic model (Johanson and Vahlne, 1977). This process is often explained conceptual view as a stage model (Andersson, 2000). For this reason, it is implied that firms focus on gradual increase their operations in foreign markets by gaining more market knowledge, which could be specified as objective knowledge and experienced knowledge based on company knowledge based-resource. In order to reduce the risk, the firms have to gain more market knowledge that could lead to the development of the firm step by step. Therefore, the international entrepreneurs, who doing the international entrepreneurship, could gain the market knowledge in order to make the decision through the entrepreneurial process. Moreover, entrepreneur characteristics, for example as risk taker, forward-looking and innovators, are specified to indicate the similarity and distinction in each perspective which depends on objective of business in the entrepreneurial process. These two factors, namely market knowledge as external factors and entrepreneur characteristics as internal factors, interact individually in the entrepreneurial process of the opportunity discovery, creation, evaluation and exploitation. As a result, it could lead to generate the decision making which depends on entrepreneur subjective knowledge and distinctiveness. Therefore, these factors could be conceptualized in order to explain how market knowledge and entrepreneur characteristics have the interaction during the decision making process of entrepreneurs to internationalize by exporting orchid from Thailand to Sweden.

![Conceptual framework concerning entrepreneurial process of decision making](image)

**Figure 5**: Conceptual framework concerning entrepreneurial process of decision making  
Source: The researcher
CHAPTER 3 METHOD

In this part, we demonstrate the method of research approaches and present the alternative way. Our objective is to get information about factors of market knowledge and entrepreneur characteristics affecting to the decision making of Thai entrepreneur who exports orchid to Swedish market by using internationalization process. After that we use information obtained to analyze and modify relevant theories.

3.1 Research Approaches
The way which explains about social science researches consists of two research approaches depending on research objective namely qualitative and quantitative approaches. Fisher (2007) mentioned the explanation of qualitative method and quantitative method. Qualitative approach is the method which is used to gather a lot of information for an in-depth understanding of human characteristics. For example, it aims to investigate not only what, where, when but also why and how questions (Wright, 1995) to make a decision of entrepreneur by interpretation of answer in specific questions. While quantitative approach is method which is used to develop and employ mathematical models on the process of measurement because it provides the basic relevance between empirical observation and mathematical expression or quantitative relationships (Mujis, 2004). In addition, Wright (1995) also mentioned that the qualitative approaches have the significant value in the area of theory generation while the quantitative approaches are beneficial to the testing of particular factors.

Regarding to our research purpose which is focused on the decision making of Thai entrepreneur to export the orchid to Sweden. The qualitative approach seems to be appropriated to our research because it could describe and explain how and why the entrepreneurs can make the decision. There are various materials of qualitative research that involves the studied use and collection, such as case study, experience, life story, interview, observational, and historical which describe routine and meanings in individual’s lives (Denzin & Lincoln, 2000 p.3). Moreover, the qualitative data take readers into the time and place of the observation so that readers know what it is like to have been there (Patton, 2002). Therefore, in this research, Thai entrepreneurs’ experience in aspects of entrepreneurial process could be communicated and transferred by his or her own words as well as tell us the story of entrepreneurs. This expresses how the qualitative approaches gain the favorable data as subjective views from informative insider with the closeness of the data in order to obtain more understanding in Thai entrepreneur behavior on the entrepreneurial process of decision making to export orchid to Swedish market (Ghauri et al., 1995).
3.2 Data Collection
For our research, we gathered information which is reliable and suitable for our thesis form both primary data and secondary data to complete our thesis. However, we realized both primary data and secondary data have both advantages and disadvantages, therefore, we considered selecting the data which appropriate for our thesis.

3.2.1 Primary Data
In the finding information, there are two collections which include primary data and secondary data. Ghauri & Gronhang (2002, p. 81) suggested that “when secondary data are not available or are unable to help answer our research questions, collecting other data which are relevant to particular study and research problem are necessary” which is called primary data. There are several ways to approach the primary data which consist of interviews (ibid), observations, surveys (questionnaires), and experiments, as illustrated in Figure 6. The advantage of the primary data is that researchers gain information directly for the particular project. However, it is difficult to get access because researchers need to find target groups that are willing to cooperate and answer the question and talking a lot of time to collect data question (Ghauri & Gronhang 2002, p. 82).

![Figure 6: Sources of primary data](Source: Ghauri & Gronhaug (2002, p. 81))

There are many methods to access the primary data such as experiment, observations, and communications. Referring to figure 6, we have chosen to gain primary data from the communication method with respondents since it takes short time that others and makes a convenience both respondents and researcher for interview. Moreover, it is able to reduce the cost of communication during the period of doing the thesis also. With communication method, we have used the interview method as a tool to collect data because it provides the real interaction between interviewer and respondent and receives the different view point of interviewee independently.

The phone interview is the appropriated way to gain information from Thailand since it is the suitable in term of cost rather than personal or face to face interview. Moreover, the phone interview is more flexible than e-mail and mail interview in term
of the interaction between respondents and researcher. Therefore, we have selected the phone interview in order to gain primary data from our respondents.

The interview is the main approach to get information as primary data for our thesis to answer our research question because the purpose of our thesis is to study on personal traits of entrepreneur. According to Fisher (2007), interviews are one of the qualitative methods which were used by researchers in order to acquire data collection.

<table>
<thead>
<tr>
<th>Exploratory research</th>
<th>Survey research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstructured</td>
<td>Structured</td>
</tr>
<tr>
<td>Interviews</td>
<td>Critical incidents</td>
</tr>
<tr>
<td>In-depth and open</td>
<td>Interviewer keeps to a script and there are answer options</td>
</tr>
</tbody>
</table>

**Figure 7 : Unstructured and structures approaches to the main research**  
*Source: Fisher (2007 p.159)*

The way of interviews which is used to get information for finding part can be divided. The three main types consisting of open interviews, pre-coded interviews, and semi-structured interviews. The idea of an open interview is the way which respondent leads the direction of the interview while interviewer is less involved in the conversation. Pre-coded interviews are controlled by the interviewer who plays an important role in leading to asking the question as a series of option from a script which is well prepared. Semi-structured interviews are in between these two modes that interviewers need to set a schedule and the main issue of topics to be covered by the respondent while the respondent also has freedom to answer the questions.

For our research, the semi-structured interviews are the suitable mode to gather information since we require Thai entrepreneur to think and answer independently on their ways while the questions are scoped in the area of their decision making to export orchids to Swedish market.

As a result we can gain the data about entrepreneur perspectives in order to apply on our thesis. Moreover, this way takes less time than other methods as mentioned above because of time limitation and the distance between Thailand and Sweden.

3.2.2 Secondary Data
According to Ghauri & Gronhau (2002, p.78) “The saving in time and money is the first and foremost advantage of using secondary data”. It indicates advantage of secondary data in term of suggestion in suitable method or data to handle a particular research problem and it is easy to access for finding information. There are two types of secondary data namely internal sources which comprise of information of customers, suppliers, employees, and marketing plan and external sources include journal articles and published books, as shown in Figure 7 (Ghauri & Gronhang 2002, p. 80).
In this thesis, we use the secondary data from both internal and external sources. Internal sources of secondary data were collected by researchers from the company’s website which links to the context of our thesis and is the main internal secondary data for our analysis. While external sources gained from articles, literatures and textbooks which is gathered in Mälardalen University Library’s online database. We use the Internet as a tool for searching relevant documents through the database (Emerald and Google Scholar) that is a main source of many articles and journals.

3.3 Process of Primary Data Collection
Our analysis part in this research would be drawn mostly from primary data. At the beginning we seek Thai orchid exporter’s data from the Internet to contact with Thai entrepreneurs by searching their information through Thai Orchid Exporters Association’ website where is gathered a list of Thai orchid exports. We choose target group who can go along with our thesis by calling to ask their interview permission from them. Receiving different attitudes of Thai entrepreneur we selected six Thai entrepreneurs who permit to be interviewed and can answer in term of our thesis purpose as shown in table 2. For the reason, we want to know a variety of orchid business to realize aspect in each Thai orchid entrepreneur such as aspect of founder, aspect of second generation, or aspect of International Department’s employee. Besides, there is still a difference in term of the size of business or finance statement of the firm which is able to indicate a potential of each business in a decision making to internationalize. All of these lead to multiple aspects which can help to answer research problem clearly. Then, we send the interview questions via e-mail to the Thai respondents before the interview arrangement so that they can prepare to ask the question and understand concept of the interview. According to Fisher (2007) the interview questions have to be concise, simple and not required complex answer (Fisher, 2007, p169). We create the questions to cover the content of our thesis by separating two parts 1) question about the company background, entrepreneur, and entrepreneurship 2) questions about Thai entrepreneurs’ perspective to Swedish market. By these questions, we could gain the information from each case of entrepreneurs related to their entrepreneurial story and their perspectives with Swedish market that could be interpreted and analyzed in order to answer our research question about the decision making to internationalize orchid to Swedish market.
Table 2: The information of data collection

<table>
<thead>
<tr>
<th>No</th>
<th>Company name</th>
<th>Position</th>
<th>Method of interview</th>
<th>Interview date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sawasdee Flora Company Limited</td>
<td>Founder</td>
<td>Telephone</td>
<td>3-May-10</td>
</tr>
<tr>
<td>2</td>
<td>Siam Flower 1985 Company Limited</td>
<td>Managing director</td>
<td>Telephone</td>
<td>30-Apr-10</td>
</tr>
<tr>
<td>3</td>
<td>Lee Orchid Company Limited</td>
<td>Second generation</td>
<td>Telephone</td>
<td>4-May-10</td>
</tr>
<tr>
<td>4</td>
<td>Bangkok Flower Centre Company Limited</td>
<td>International Department's employee</td>
<td>Telephone</td>
<td>5-May-10</td>
</tr>
<tr>
<td>5</td>
<td>Excel Orchid Company Limited</td>
<td>Founder</td>
<td>Telephone</td>
<td>4-May-10</td>
</tr>
<tr>
<td>6</td>
<td>Blue Orchid Company Limited</td>
<td>Founder</td>
<td>Telephone</td>
<td>6-May-10</td>
</tr>
</tbody>
</table>

Regarding to the primary data which are mainly obtained from the interview, we conduct the interview by using the semi-structured interview to collect the valuable data from Thai entrepreneurs as exporters the Thai orchids to the global market. We conducted the interview by using telephone interview since it is more reasonable cost to this research rather than face to face interview. However, there is the disadvantage of telephone interview that interviewee might not aware of respondent’s body language that could imply to his or her emotion during the interview (Fisher, 2007, p.170). Therefore, we have to set our questions precisely to touch the point of our thesis purpose in order to use in our analysis part.

Researcher’s value is one factor that influence to qualitative research (Bryman & Bell, 2007). The value shows the different views of research according to the subjective knowledge, emotion and opinion of researcher that could lead to the different result of data interpretation. In our research, we will interpret the data gained from respondents’ interview by the recorder based on our thesis purpose parallel with theoretical perspectives of entrepreneur and entrepreneurial process which could be minimize the individual attitude while interpreting the data.

3.4 Validity
According to Johnson (1997), there are three types of validity in qualitative research. The first type is descriptive validity which refers to the factual accuracy of account as reported by the researcher, in other words, it refers to the accuracy in reporting descriptive information, for example, events, objects, behavior, people, time and place. The second type is interpretive validity that the researchers need to get inside the feeling and thought and to understand respondents’ perspectives. The strategy to obtain the interpretive validation is member checking that means the sharing of interpretation between researcher and respondents (Lincoln & Guba, 1985). The theoretical validity is the last type mentioned about the degree that a theoretical explanation is developed from the research study which fits the credible and defensible data. From three types of validity, we use interpretive validity to conduct our thesis by submitting the research report to our respondents one week later after the interview by e-mail in order to make sure that our descriptions are correct in their opinions. Moreover, we reviewed various theories from many sources of literature regarding to our entrepreneur perspective and international business framework in
In order to develop our explanation which is the *theory triangulation* strategy to examine how the phenomenon being studied would be explained by different theories (Denzin, 1989). Moreover, *peer review* strategy is another way to promote the theoretical validity that means we spent time discussing with our colleagues during the seminar.

In addition, external validity or transferability according to Lincoln and Guba (1985) refer to the degree of qualitative research result that could be generalized or applied to other populations. The researcher could improve the degree of transferability by describing the research assumptions in that research context. However, it is the responsibility of reader, who intends to transfer the result to other contexts, for making the judgment of how sensible of the transfer. In our research, we conducted various 6 phone interviews of Thai entrepreneurs who export the orchid to global market as our cases for analysis. So that we could know about the decision making of Thai entrepreneurs in order to internationalize Thai orchid to Swedish market. To generalize or transfer the result of this study also depends on the judgment of readers about transferability.

3.5 Ethical Consideration
The practical and ethical issues are concerned with the data collecting topic. Since the research is conducted to the target group by interviewing, using especially the exploratory or the semi-structured, we have asked the respondents for the permission to use voice recorder. We also followed the ethical consideration proposed by Fisher (2007, p.69). That is we clear with respondents about the term of confidentiality that it does not mean that the material will not be used but means not disclose to the source of data. The reveal of source must be got the permission from respondents first.
CHAPTER 4 EMPIRICAL FINDINGS

In this section, we will present the materials which gather from various perspectives on the orchid business of six Thai entrepreneurs who are running the orchid business comprising of 1) Sawasdee Flora Company Limited 2) Siam Flower 1985 Company Limited 3) Lee Orchid Company Limited 4) Bangkok Flower Centre Company Limited 5) Excel Orchid Company Limited 6) Blue Orchid Company Limited. We describe about both company profile and entrepreneur background. Moreover, we collect the information from both primary and secondary data to support our research and continue to analysis in the next chapter.

4.1 Sawasdee Flora Company Limited
From the interview with the founder of the company, we could gain information that Sawasdee Flora Company Limited as the orchid exporter, was found in 1994 to serve more than 20 customers over around the world with the guarantee of quality and service. The company sales is approximately 25 million stems annually or 50,000-70,000 stems daily sales. There are 130 employees working over 300 production lines in the orchid farms and 70 employees working in packing house. Almost of business portions mainly focus on international market, only estimated 1-2% as domestic market. The export markets are, for example USD, Australia, China, Japan, Korea and European countries, such as, the Netherlands, Italy, Poland, France, Spain and Portugal. The main market shares are Japan, the Netherlands and Italy.

Mr. Nakagawa, as company founder, is one of Japanese businessmen who had conducted the orchid business in Thailand. He came from Japan in order to work in Thailand in 1988. With working experiences in Thailand, he could build up the business network and relationship with Thai people and finally got married with Thai woman who could make more relationship with Thai people. The orchid business started from the discussion with his friend who had already exported orchid from Thailand to global market. At that time, he decided to resign from current career and took the opportunity to do this business since he believed in the potential of Thai orchid business that could be succeeded and grown in the global market. Moreover, he always looks for doing the business by himself as the motivation in his life. During the first 3-5 years of export business to Japan, the market was focused only on auction market due to the familiarity to his experiences and ease of way to get access and contact to customers in Japan. Unfortunately, at that time, not only he could not gain any profit because his product was not well-known in the Japanese market, but also the high investment he had to pay in order to establish this business. However, he still believed that it would be success if he could increase more customers’ perception on his product. The change was occurred after the Italian businessman, who has a small import business in Thailand, came and approached him about the possibility to export orchid to Italy according to the recommendation from Thai partner. Mr. Nakagawa did not hesitate and he realized to the good chance to develop and expand the export business to the Italian market even some of his friends told him to be careful in doing the business in Italian market. At the present, the Italian company is one of the biggest companies who import Thai orchid and distribute to the whole seller and florist over Italian markets.
Mr. Nakagawa also mentioned that most of customers would approach the company since they found the company label on the orchid product which is distributed to markets in each country. The word of mouth of whole sellers and florists also lead new customers to contact to the company since they found the company label on package and were interested in orchid import from the company as well. By this connection between customer and company, he could gain market information of each country from customers who had contacted to the company in order to develop their business step by step. Furthermore, the company also gained market information from the internet, for example, the total consumption of orchid in the Scandinavian market was studied and kept in company database. Business partner such as the members of Thai orchid exporter association is also one of market information sources in which the company could access.

The high competition and the operation problem also were mentioned by Mr. Nakagawa that, “Nowadays, there are over 240 Thai orchid exporters in Thailand lead to the tough of business competition. The most important of doing in orchid business are to keep high quality and service level together with maintain the relationship with all business partners”. He mentioned that sometimes the company had to lost money in order to keep the good service and keep relationship with customer, for example in low season of orchid production with high demand from customer, the company had to buy some orchids from other suppliers in Thailand with high price and sell to customer in order to keep the supply ability to customer and maintain the high level of company service. His philosophies to do the business are faithful, honest; keep good communication together with relationship built up and compromising in problem solving.

According to the sophistication of orchid business, Mr. Nakagawa said that “It is too difficult to hire the manager in order to take responsibility and make the decision on complicated issue in orchid business; I and my wife always make all decisions according to expand or select new market”. That means all decision makings on the market expansion to new area would be considered and made by himself and his wife who has long time experienced in orchid business as well.

To conduct new business in any country, Mr. Nakagawa mentioned that he always open to discuss to customers no matter where they come from as he said that “Any customers who contact to the company, I always treat them equally, it does not the matter whether it is large or small company or where they come from”. One of the factors that influences to his consideration is the export operation. For example, the flight frequency between Thailand and customers country since the orchid is the perishable product, therefore the delivery process must be assured that could maintain the quality of product. It concerns with his way of doing business both quality and service must be the first priority.

About Swedish market, he also mentioned that “It is possible that I will expand market to Sweden in the future but as I said quality must be first priority how can I deliver the good quality orchid including good service are what I have to think about. My partner may help me to develop this market”.

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4.2 Siam Flower 1985 Company Limited

Siam Flower 1985 Company Limited is one of the biggest and the most reliable orchid exporters in Thailand. The firm was established in 1976 by Mr. Suwan Yukpan as the founder and the president. The firm determination is to develop the species of Thai orchid and expand the market of the orchid to international market. Moreover, the firm wants to show up the beauty of Thai orchid to the people in every part of the world. The firm has approximately 70 employees. There are various types of orchid which are cultivated in its farm namely Dendrobium, Aranda, Mokara, Oncidium, Aranthera, Vanda, Phalaenopsis, etc. Moreover, the fumigation is required by most of the importing countries. The firm builds fumigation room that is approved by the department of agriculture. With high reputation in practice, Siam Flower 1985 has been granted the best exporter awards for the most outstanding exporting company for many consecutive years and certified for the GAP & GMP (Good Agricultural Practice and Good Manufactural Practice). (Siam Flower 1985 Company website, 2005) At the present, Siam Flower 1985 Company Limited is being managed by Mr. Wittaya Yukpan as managing director who is the second generation and is Mr. Suwan Yukpan’s son.

Mr. Wittaya Yukpan stated that “at the beginning I was only an orchid grower that planted as the amount of orders from exporter. At that time, there were a few exporters in Thailand to export the orchid while the demand of orchid consumer around the world was continually increasing. Besides, the number of orchids which was produced by my farm was enough to sell within the country. My father (Mr. Suwan Yukpan) needed to distribute the products which had a lot in stock to international market. He solved this problem by contacting with Department of Export Promotion to help him to find the data for export. Then, he decided to contact with customers directly”. For this reason, he can export the orchid and expand his business. Now he is not only an orchid grower but also an exporter. In order to create business stability, he persuaded other orchid growers to form as a group for exporting the orchid as well.

In term of the competitive advantage of the firm Mr. Wittaya Yukpan mentioned that “quality of the orchid is the most important thing showing the strength of my business. Orchid’s quality is also a strategy of my company in promoting my brand. Although in some case the price of his orchid is higher than competitors, it indicates quality which is superior to competitors too”.

Quality of the orchids Mr. Wittaya Yukpan said that “I am an orchid professional who knows how to treat and keep the orchids in the best condition until they are sent to the customers because the orchids are very sensitive after cutting therefore I need to regard to the temperature control during the transportation process. The orchids which are being transported are suitable temperature by using the refrigerated truck from farm to the packinghouse. The orchids are graded by experienced staffs to screen a type of orchid’s quality. Then, they are treated in the modern pre-cool room with the appropriate level of humidity and right temperature. The flowers are neatly packed into the strong box for export”. Before his firm became one of the orchid exporters, he had to study information about orchid market by exploring competitors, price, condition of market, and behavior of both domestic and international customers. In term of export, there are many countries that the firm has exported the orchid such as the United State, Middle East, Italy-the biggest market in Europe, and Germany-the
second biggest market in Europe. (Siam Flower 1985 Company website, 2005) The most important part of his business is the quality of product and guarantee in its product which is accepted from various countries especially the United State.

In case of the consideration to do the business with other countries, he stated that “I need to study the economy of each country by evaluating possibility in export and learn behavior of importer by seeking to customer’s satisfaction. I believed that two issues can reduce the risk of the business and respond to customer’s need”. Moreover, the cost of transportation is important because each shipment of export the firm has to calculate expense in order to match product price as well. For example, Scandinavian market the firm used to send the orchid to there in order to test the market. Nevertheless, a volume of order gradual decreased because Scandinavian market did not respond to his orchid and the cost of transportation is too high. Therefore, the firm needed to cancel this target group.

In term of European market’s information, he described that “most of Thai exporters send the orchid to the Netherlands in order to distribute the product to other countries in Europe because the Netherlands seems to be the centre of European orchid market and it is easy for Thai exporter to do the business also. However, in some case if country which has enough values of importing orders, my firm would export to that country directly”. He added that “I used to export the orchid to Swedish market which received a good response in the first period. Then, there are many competitors starting to go into Swedish market, which resulted in high competition. Moreover, the cost of transportation is high also. I needed to close commercial temporary but if there is the volume of orchid order enough to export. I also want to do the business with Swedish market”.

4.3 Lee Orchid Company Limited
The interviewee provided us the information about company that was established over the past 20 years. The business target is to enhance the direct sales of orchids of the parent company which has experienced in the field of vegetable and fruit business serving to airline industry. At the same time, some of flowers were parallel imported and sold which could be recognized as the beginning of orchid business. Since the establisher found that there was high sales volume of flowers especially in orchids, therefore she initiated to diversify business to orchid business by using current network and relationship from partners.

At present, the company provides broad range of orchid cut flower, orchid plant including Dendrobium, Mokara, Aranthera, Oncidium, Vanda, all kinds of exotic flowers, foliage and flora accessories worldwide (Lee Orchid company website, 2010). Customers are able to get through e-commerce readily to ensure the quick response to customer’s enquiry. The market export mainly to Japan, Europe, China and Middle East countries with production capacity 45,000 stems daily from own farm and more than 100 contracted orchid growers supplying with high quality orchid (Lee Orchid company website, 2010). Moreover, to ensure the standard quality, the packing plant which is equipped with cooling room, packing room and fumigation room has been approved from the Department of Agricultural of Thailand. Additionally, company was certified the high quality exporter from the Ministry of Commerce of Thailand as well (Lee Orchid company website, 2010).
As per interview, the interviewee, the second generation of company founder, told us the story of orchid business that “It was originally to supply fruits and vegetables to airlines and was later diversified to the orchid business”. At that time, the company also imported some flowers as minor business. The change was occurred when one of business partners recommended orchid customers to the founder. After that the founder considered the orchid business based on the reason of high competitive advantages of Thai orchid, for example Thailand production based as a world leader of orchids export business and the variety of orchids species. In addition, the booming potential of orchid business at that time is also another factor that could be recognized. Finally, the interviewee decided to study seriously and invest in the orchid business and discontinued the previous business of vegetable and fruit.

Since due to the small scale of company, the business way, therefore, is always conducted carefully in financial issue. The interviewee said that “most of customers came from the business partners of the founder, for example, old business partners as customer and supplier from previous business, relatives living in other countries such as France” which mainly start the business with close relation partners.

“The foreign market information is mainly gained from customers who find the advertisement on company website then contact to us so that the customers are able to contact and discuss how to develop the business with the company”, the interviewee mentioned about the channel to communicate with customers and how they gain foreign market information.

Moreover, the interviewee also mentioned about how company open new customer account that would be strong financial statement which could be examine from external source such as Thai orchid exporter association because the company ever faced the commercial fraud and lost money from foreign customers in the internet. “To commit with cash or advanced payment is the way to prevent this problem” she said. Meanwhile the opportunity to expand market is quite limited to the financial issue. Moreover, doing the business with customers in some European countries are quite difficult in the interviewee’s opinion as mentioned that “some documents are issued in the local language, which can lead to conflict in doing of business”. In some cases, the company needs to send the document to embassy in order to prove and assure the understanding between company and customers.

4.4 Bangkok Flower Centre Company Limited
Bangkok Flower Centre Company Limited was established in 1969 by a group of experts who has experience in planting and developing orchid species of Thailand. At the beginning, the firm had also been supported by Professor Rapee Sagarik who is a firm consultant and an expert pioneer in research of Thai orchid Industry.

Mr. Watchara Supsomboon, as the employee of International Department of Bangkok Flower Centre Company Limited described that “the founders worked the same field with Professor Rapee Sagarik so they invited him as consultant of the firm. He suggested the firm to manage its orchid farm systemically and the method in order to take care of the orchid appropriately. For example, the methods of propagation which make two ways 1) plant from orchid seed 2) plant from tissue culture of orchid. As a result, the firm can increase products to respond the customers. Especially, he assisted the firm to find the opportunity in business expansion for export to foreign
countries by contacting the Thai embassy in each country so as to promote company’s products”.

At present, the company is one of the biggest orchid exporters which has 250 employees and is the most reputation and reliability in Thailand. Moreover, there is the most modern laboratory in Thailand for planting tissue to breed hybrid species of the orchid.

Mr. Watchara Supsomboon mentioned that “the vision of founders want to show Thai flowers which are outstanding and attractive flowers. Moreover, they have a capability and experience to breed flower species by editing clinic species to provide the new species. At first the determination of Bangkok Flower Centre Company Limited was merely to export flowers such as Orchid, Anthurium, and Heliconia to foreign market. The founders noticed that most of the flower orders are the orchid. Therefore, they focused on the orchids by adding investment in order to expand their business since they believed that the orchids are more popular and favorable for customers. For this reason, they have attempted to study the orchid market which tends to increase continually as Thai orchid export. They decided to expand their business by building up the laboratory for development orchid species and other flowers. All production processes start from culture of orchid tissue or germination until harvest of the orchid to export to worldwide in standard quality”.

Nowadays, the firm is able to export the product to several countries around the world such as Germany, Poland, Holland, Lebanon, Jordan, Saudi Arabia, Japan, and Korea. Most of the orchids exported by the firm are orchid cut flower having various species such as Dendrobium, Oncidium, Aranda, Mokara, and Vanda. Moreover, Mr. Watchara Supsomboon added that “the firm has regarded the quality of the orchid because a current situation is likely to enhance competition in the orchid market. The firm needs to improve and develop the process of operation to respond to a current situation of market which is interchangeable all the time. Besides, the firm has to determine strategy evidently in order to maintain financial stability”.

In term of expansion market of the company Mr. Watchara Supsomboon mentioned that “the firm has corporation with Department of Export Promotion and Thai embassy in each country to get information about customer foreign market which makes the company to contact with customer easily”. Moreover, he added that “branding of the company is advantage because the firm was established for a long time as a result it is well-known in perspective of customers both quality and service”.

The authority in making a decision to export the products to international market Mr. Watchara Supsomboon stated that “it depends on international department manager. He is a decision maker to export or not relying on data of customer. If the customer is no problem about finance, the firm will permit to export. Because he has detail about customer’s information such as customer’s profile or customer’s financial statement while managing director would set the whole work and evaluate result of work in order to define direction in doing the business”. Making a relationship with customer of the firm Mr. Watchara Supsomboon mentioned that “the firm used strategy by visiting the customers to survey customer’s market and inquire with customer about satisfaction on goods and service”.
In case of Swedish market Mr. Watchara Supsomboon stated that “the firm used to export the orchid to Sweden but it did not success because the cost of transportation is high when compared with European exporters and there are many competitors especially European competitors who have more competitive advantage in term of the site. Moreover, transportation within European country is more comfortable and less time. Therefore, the firm needed to stop the trade with this market. However, if there is order which the firm is able to accept the condition, the firm want to export to Swedish market”.

4.5 Excel Orchid Company Limited
Excel Orchid Company Limited has started the business over 30 years and began with the packing and exporting of fresh –cut orchids. After that, the business was expanded to the plantation establishment which led the company to be one of the most orchid growers in Thailand (Excel Orchid Company website). Excel orchid Company Limited is the most complete integrated of orchid producers in Thailand exporting to international market in North America, Europe and Asia. With superior quality of products and services, the company ensure to every stage of production from the selection of seedlings and young plants to post-harvest processing. Moreover, the specialized laboratory as tissue culture techniques is continuously developing in new varieties of exclusive orchid of the company (Excel Orchid Company website).

From the interview, Excel Orchid Company Limited was established by the founder who had been interested in orchid attraction. He had worked and experienced in orchid business as an employee for several years. After that he decided to do the business by himself because he desired to be the orchid business owner. With long time in orchid business, he put the orchid knowledge as the central role of company strategy in order to conduct this business since company could grow varieties of orchid with mass supply capacity to global market from technique of tissue culture. Furthermore, the relationship during his work life with orchid has led him to get some contact with customers to start in his own business.

The concentration in specific quality with varieties of orchid set the company policy to be mid-premium of products supply to market. “The good quality of product, mostly, customers will try to contact the company in order to build up the orchid business with the company. At the same time, company is able to gain market information from the customers during feasibility study” he said. In addition, other partners also are the valuable sources of market information that company could gain from as he mentioned about “partners for example, freight forwarder and members of Thai orchid exporter association are also the sources of information of our company”. Moreover, there are other sources that company gets market information such as internet based and international trade fair.

Consequently, the way that company finds customers is to match the company policy with customer requirements as the premium orchid exporter, for instance, company always rejects to compete with low price market even there is the big demand. The factors that the marketing department, which is the department that make the decision to expand market, considers the customers’ reputation, how long in doing orchid business of customer, customers’ orchids knowledge, firm size and financial statement. The reason to consider customers’ knowledge in orchid business is to assure that the business process would be easy and appropriate in developing both
firm and customers sides. The financial issue is also one important factor to company’s concern. This is because orchid business has many cases of business deception. Therefore, to verify customer financial statement from external source such as Thai orchid exporter association is the way to prevent this problem. Not only large company customer but also small customers’ firm, case by case, also had been developed to cooperate with the company.

Moreover, the strictness of plant import regulation in European countries on insect control is one of concerned issue in orchid quality which is considered in exporting to European market. Company needs to follow all requirements in order to export to European countries. This sometimes causes high cost of production and therefore affects to European countries economic in aspect of financial crisis. The company should pay more attention to expand market in this region in order to secure company profit. For example, “in Swedish market, Excel orchid had ever been in doing business with some florists. However, we could not collect money and lost that business in the end, therefore to conduct new business in European countries we need to consider the economic situation as well” he said.

4.6 Blue Orchid Company Limited

Blue Orchid Company Limited was established in 1994 by Mr. Phaitoon Taweesut as managing director. The company is well-known as big and reliable orchid exporter. (Blue Orchid Company website, 2005) Before the firm would start a business Mr. Phaitoon Taweesut stated that “I was orchid grower who sold the orchid via agent in Thailand then, I was persuaded from my friend in exporting the orchid to abroad especially to Canada because my friend has Canada’s market information and he could find the channel to distribute the orchid to Canada also. I believed that this was a good chance to expand my business. I decided to risk by export the orchid into Canada. Moreover, my friend noted that I have a proper farm which is accepted by orchid growers in term of quality and my farm can cultivate the well orchid. This is the start point for my business”.

For more than 10 years the firm has been accepted by both exporter and importer in term of standard orchid cultivation with quality of orchid species which are appropriately selected by specialist in planting the orchid who could investigate and screen which orchids are perfect or imperfect. At the present time, the firm has about 100 employees and there are gardens for planting the orchid around 800 acres which are enough to plant the orchids which are further exported to foreign market and the firm has commerce with several countries such as Canada, the United State, Taiwan, and Romania. (Blue Orchid Company website, 2005)

Mr. Phaitoon Taweesut said that “in the past I was an orchid grower and sold the orchid via agent within a country only. Thereafter, orchid market in Thailand has been accepted numerously both domestic and international markets. I noticed orchid’s order enhanced continually at the same time my friend recommended I exported the orchid to Canada. I decided to try exporting”. He added that “information about customer is main issue to be used to consider in going abroad. Especially, the way of customer’s finding information I started to contact with importers directly by receiving from Department of Export Promotion. Then, I presented myself by sending the letter of recommendation on the orchid importers to
offer the products moreover he sent product’s example to show the product of the firm”.

In term of business expansion Mr. Phaitoon Taweesut told that “the method making me to get customers is to send sample of products to importers in order to indicate quality of the product and make a confidence to customers. At the same time, when other importers saw my products in the flower shop, they are interested to contact and they needed to take order the orchid from me”. Moreover, he added that “duration of transport is important point for me to make reliability with customers. Every case has to be able to send the product on time as customer’s need. If I cannot send my product on time, I will not receive order with customer because I concern about trustworthiness which is the most important thing in order to make satisfaction with the customer”.

In term of Swedish market he stated that “I never send the orchid to there before because he no has market information about Swedish market. Most targets are Canada and the United State which I have more market information and have the customers who contact for several years. So I want to focus on Canada and the United State market more than Swedish market”.
CHAPTER 5 ANALYSIS

In this part, we will start to analyze our materials about market knowledge as external factor and Thai entrepreneur characteristics, which affect to attitude of six Thai entrepreneurs through entrepreneurial process to make a decision to export the orchid in line of our conceptual framework. The reader will find an analysis of our data that is viewed in chapter 3 (Methodology) and chapter 4 (Empirical Findings) to correspond with the flow of the model described in chapter 3.

5.1 Market Knowledge of Thai entrepreneurs

Johanson and Vahlne (1977) mentioned that there is pattern which indicates the internationalization process is to establishment chain that shows accumulation of market knowledge and market commitment by development level of interaction of the business through step by step consisting of the four steps. First, the firm no have market information the best process is no regular export activities in a market. Second, after the firm gets some information from the market it begins export via independent representatives. Third when the firm gets more demand a sales subsidiary is usually established and last eventually manufacturing or production may be initiated in the foreign market. It shows a series of stages and a gradually increasing commitment of the resources to the market.

There are several aspects of Thai entrepreneur on the orchid business that need to regard to background of market information as market knowledge. For instant, Siam Flower 1985 Company Limited Mr. Wittaya Yukpan (Personal communication, 30-04-2010) He is an orchid professional who has expert in treatment and keep the orchids in the best condition. This identifies that he has to take a lot of time to accumulate knowledge in order to understand type of business about the orchid. Moreover, the first thing that he regards before he will export the orchid to international market is to market information such as competitors, price, condition, weather, and customer behavior. All of these indicate importance of market knowledge which contributes to the discovery and exploitation of opportunities on Thai entrepreneur to export. They could be viewed as market-specific knowledge in order to indicate structure of the market system and characteristics of the individual customer.

Bangkok Flower Centre Company Limited, Mr. Watchara Supsomboon (Personal communication, 05-05-2010) quality of the orchid is viewed competitive advantage of the firm because the quality of the orchid can help the company to make a confidence with customers to buy its goods and choose to use a service of the company. It shows that the firm understands market conditions which is looked one of the market knowledge. As a result, the firm needs to improve and develop the process of operation to respond to a current situation of market. That mean the firm recognizes market knowledge about business climate plays an important role in acknowledgement of the firm to prepare with situation which is unpredictable in the future. Moreover, branding of the company is another advantage which shows an image because the firm was established for a long time therefore the firm is well-known in perspective of customers both quality and service since the firm has recognized market knowledge which can affect to a stability of the firm. It shows that the firm perceives market knowledge by observing characteristic of customer which
impacts on company’s branding. Therefore, the firm knows that most customers usually take order a quality product or a good service.

In case Lee Orchid Company Limited, interviewee (Personal communication, 04-05-2010) changed its business from exporting vegetables and fruits to exporting orchid because the firm noticed the growth of orchid business, which increased rapidly. The firm decided to study and try doing this business. That means the firm received market knowledge in term of structure of the market system about orchid business before it would take action into another way. In accordance with Excel Orchid Company Limited, the owner (Personal communication, 04-05-2010) used to work in orchid business as an employee before in during that period he got market knowledge about orchid business also. Then, he decided to resign and set the own business. It implied that the owner had market knowledge sufficiently he dared to take action in orchid business.

In case of Blue Orchid Company Limited, Mr.Phaitoon Taweesut (Personal communication, 06-05-2010) information about customer is main issue to be considered in going abroad. It implies that the firm needs to have market knowledge adequately to evaluate and decide to export. Especially, it is able to help the company more confidence on customers to define the strategy of the firm accurately. However, there is a perspective to use own sense in doing the business. For example, Mr.Nakagawa (Personal communication, 03-05-2010) as the founder of Sawasdee Company Limited who is a businessman from Japan worked in Thailand. He no has information about Thai orchid but he is self-possession and believes in the potential of Thai orchid business that could be succeeded and grown in the global market. As a result, during the first 3-5 years of business he could not gain any profit because he did not get information market sufficiently from the beginning. Thereafter, he understood that market knowledge is important for him leading to achievement. He started to accumulate data about market knowledge by studying from both his partners and data about business such as customer behavior or trend of orchid market. Finally, he could handle his firm stably. This shows clearly that market knowledge is necessary on operations.

5.1.1 Objective knowledge
According to Penrose (1966), objective knowledge is looked as knowledge which can be taught or be transferred from people to people or from textbooks to people. Therefore, we arrange various views of Thai entrepreneurs to indicate objective knowledge.

The successful factor of Siam Flower 1985 Company Limited in running business results from learning and preparing on owner since Mr. Wittay Yukpan (Personal communication, 30-04-2010) he is the second generation in family business about orchid. For this reason, he has a chance to study and learn in the orchid business from his father who is the first owner. Therefore, he gained objective knowledge from his father who has the knowledge and experience in the business about orchid. In the same way Mr. Watchara Supsomboon (Personal communication, 05-05-2010) the firm is advised by Professor Rapee sagarik in finding foreign market and the procedure about export. In case of Mr. Phaitoon Taweesut (Personal communication, 06-05-2010) who is the owner of Blue Orchid Company Limited received objective knowledge from his friend in suggestion market information. The same case the
owner of Lee Orchid Company Limited (Personal communication, 04-05-2010), the way acquired objective knowledge is to perseverance and hard working which are taught by the previous generation because she is the second generation of the business owner. Moreover, Mr. Nakagawa (Personal communication, 03-05-2010) who is a founder of Sawasdee Orchid Company Limited gained objective knowledge by learning market information from his partners. While the founder of Excel Orchid Company Limited (Personal communication, 04-05-2010) he uses the Internet to help him to search data of customer for consideration to make a connection. That means he can gain objective knowledge by himself through the Internet. All of these indicate that objective knowledge is not only get from people but also gain from other sources such as the Internet.

5.1.2 Experience Knowledge
According to Penrose (1966), experience knowledge can be gained from experience which one confronts with situation while it cannot be taught or be transferred between people. Therefore, knowledge which gains from experience is implied more valuable than knowledge which can be taught or got from people or textbooks. We classify various perspectives of Thai entrepreneurs to indicate experience knowledge.

The characteristic of experience knowledge is unique knowledge that cannot imitate or teach from person to person. It occurs when people encounter with event or situation learning by themselves. For example, the founder of Excel Orchid Company (Personal communication, 04-05-2010) ensures that every stage of production comes from the selection of seedlings and young plants to post-harvest processing. This sentence shows each stage of production of the firm requiring a long time to accumulate experience which is a part of experience knowledge to create the best product.

Similarly, the production of Blue Orchid Company Mr. Phaitoon Taweesut (Personal communication, 06-05-2010) highlights on the standard orchid cultivation with quality of orchid species which are appropriately selected by specialist who have experience as well.

In case of Bangkok Flower Centre Company, Professor Rapee Sagarik as consultant of the firm, he was invited to be an advisor because he has expertise in research the orchid which is well-known in the orchid field of Thailand. The firm invited him so that he helps the firm to improve the company by using experience knowledge from him. It implies that experience knowledge cannot imitate. It depends on experience knowledge in each person.

In case of Siam Flower 1985 Company Mr. Wittaya Yukpan (Personal communication, 30-04-2010) he knows that the strength of the company is the quality of the orchid which is looked as a tool to help promote the branding. It shows that he understood the importance of orchid quality affecting his business. Therefore, he emphasized on learning during doing the business which learning is considered to be part of experience knowledge also.
Moreover, in case of the owner of Lee Orchid Company Limited (Personal communication, 04-05-2010), she used to export vegetables and fruits as a previous business. So she could apply stage of export from previous experience to use with the orchid business, that shows experience knowledge.

In accordance with Mr. Nakagawa (Personal communication, 03-05-2010) as founder of Sawasdee Flora Company Limited, he has used experience to make a connection with Japanese market easily. Although he has a business and lives in Thailand but he has understood culture and behavior because he also is Japanese.

According to the overall of market knowledge, we have summarized both objective and experienced knowledge in each company as table 3.

Table 3: The market knowledge of Thai Orchid exporter

<table>
<thead>
<tr>
<th>No</th>
<th>Company name</th>
<th>Market Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Objective Knowledge</strong></td>
</tr>
<tr>
<td>1</td>
<td>Sawasdee Flora Company Limited</td>
<td>Gain from Italian partner (market condition)</td>
</tr>
<tr>
<td>2</td>
<td>Siam Flower 1985 Company Limited</td>
<td>Gain from father (development the species of Thai orchid)</td>
</tr>
<tr>
<td>3</td>
<td>Lee Orchid Company Limited</td>
<td>Gain from previous generation (knowledge about import and export)</td>
</tr>
<tr>
<td>4</td>
<td>Bangkok Flower Centre Company Limited</td>
<td>Gain from professional (process of propagation), (knowledge about editing hybrid species)</td>
</tr>
<tr>
<td>5</td>
<td>Excel Orchid Company Limited</td>
<td>Gain the data from the Internet (data about customer)</td>
</tr>
<tr>
<td>6</td>
<td>Blue Orchid Company Limited</td>
<td>Gain from his friend who know Canadian market (market condition)</td>
</tr>
</tbody>
</table>

5.1.3 Knowledge-based Resources of Thai entrepreneurs

Knowledge-based resources play an important role in performance implications for the company consisting of market knowledge and technological knowledge that help increase a firm’s ability to discover and exploit opportunities (Zahra et al., 2007). The firm acquires market knowledge during the firm takes action with partners such as opening new account of customer. In contrast, technological knowledge focuses on principles of technology to exploit knowledge that help improve for international expansion of the firm such as using program computer.

The founder of Lee orchid company (Personal communication, 04-05-2010) viewed the exploitation of opportunity is important for improvement of the business. At past she did not export the orchid before. She supplied vegetables and fruits to airlines and imported some of flowers as minor business. She noticed that the number of orchids
which were sent to international market increases continuously when compared with her products in that time. Moreover, her partners recommended orchid customer to her. Accordingly she wants to study the orchid business. Then, she decided to change her business from exporting vegetables and fruits to exporting the orchid instead. That means she acquires market knowledge during doing activities and taking a commitment with her partners. In term of technological knowledge she understands an importance of technology which helps her promote the new business. She hired a programmer to decide website of company. As a result, it makes a convenience for customer to contact or take order with the company easily.

Mr. Watchara Supsomboon (Personal communication, 05-05-2010), as an employee of International Department of Bangkok Flower Centre Company viewed the firm exploits market knowledge by commitment not only its customers but also its partners. Such as visiting the customer after selling to ask a satisfaction in its product both advantage and disadvantage to develop the products and services. In case of technological knowledge the firm develops its business by using technology in process of production starting from editing genetic of orchid, culture of orchid tissue, and germination until harvest of the orchid to export to worldwide. The production process can increase competitive advantage because at the present there are many methods in cultivations therefore the firm has to develop by setting up a modern laboratory to enhance ability of the firm in competition and respond to demand of market that involved in using technological knowledge as well.

In case of Sawasdee Flora Company Limited, Mr. Nakagawa (Personal communication, 03-05-2010) knows that each market has a difference therefore the best way to save time and money is to using technology as a tool in finding market information each area. As a result, he can define strategy to correspond with each market. It implies that technology is one of the factors to develop the business.

The founder of Excel Orchid Company Limited (Personal communication, 04-05-2010), he used to word as employee at another company in orchid field for several years before he became the owner. This shows that he had to learn experience before he decided to run the business by himself. It implies that knowledge-based resource of him is to experience.

Moreover, there are many views of Thai entrepreneur which perceived market knowledge in the same direction from observation situation of orchid business. Such as Mr. Phaitoon Taweesut (Personal communication, 06-05-2010) and Mr. Suwan Yukpan as Mr. Wittaya Yukpan’ father (Personal communication, 30-04-2010). Before they would be orchid exporters, they used to be orchid growers. After they noticed that Thai orchids are largely accepted by international market, they decided to try exporting orchid to foreign market. It shows that they have knowledge-based resources in term of preparedness about place, material, or experience.

5.2 Entrepreneur Characteristics of Thai entrepreneurs

According to Knight’s view that mentioned entrepreneur as the risk taker with the motivation to win, it could be seen that Thai orchid exporter entrepreneurs are the risk taker since the beginning of business establishment. For example, Mr. Nakagawa from Sawasdee Flora Company Limited (Personal communication, 03-05-2010), the
Japanese business owner who decided to resign from his career in order to establish his firm to export orchid to Japan is could be seen as the risk taker. Since, he even did not know that the business would be success or not but he still decided to invest in this business because he believed in the potential of Thai orchid in global market. Moreover, the founder of Excel Orchid Company Limited (Personal communication, 04-05-2010) is another one who desires to be the orchid business owner after he experienced for several years in the orchid business and decided to leave his work which also expresses how he is the risk taker. In addition, with the decision to change all original business of vegetable and fruit supplier of Lee Orchid Company Limited founder to the completely orchid business is also presented as the risk taker (Personal communication, 04-05-2010). Moreover, regarding to the more focus on orchid business which lead to the more investment could be seen as the risk taker of Bangkok Flower Centre Company Limited case as Mr. Watchara Supsomboon mentioned since he shifted the major target of company to orchids business (Personal communication, 05-05-2010). As the communication (Personal communication, 06-05-2010) with Mr. Phaitoon Taweesut, Blue Orchid Company Limited founder, we could find that he is another one who has personality as the risk taker from the way of business to support customers at the first of business by sending free sample to customers.

As Innovator, from Schumpeter’s view that entrepreneur is the person who not strict to the old routines but try to seek and introduce new good, new method of production, new market and new source of supply. We could see that Mr.Phaitoon (Personal communication, 06-05-2010), the founder of Blue Orchid Company Limited, is the person who not relies on the routines activities. Since he realizes to the possibility of growth in orchid business and turns his company role from an orchid grower and orchid seller to exporter agent. Therefore, he has adapted his business to be the orchid exporter with the global scale of supply ability. Moreover, as innovator, since the beginning of being orchid exporter, he tried to send product samples to the importer in order to promote his products to the international market. It could be described the new creation of promoting orchid because, normally, as the orchid exporter it would be caused the high cost and also wasted the time for company to send samples to customers without the business connection at the beginning. Moreover, the capability and experience to create new species of Bangkok Flower Centre Company Limited, as mentioned by Mr. Watchara Supsomboon (Personal communication, 05-05-2010), in order to support global scales demand by using firm’s knowledge and resources (plant tissue culture and own orchid species). This could be seen as innovating way to improve firm’s performance to expand sales volume in global market.

Additionally, another view as an innovator from Drucker’s view that indicates the innovator could see the opportunities and try to serve people’s values to generate the new focus area that they have capability and also the innovation needs knowledge to generate the new and easy ways but specific things. Excel Orchid Company Limited could be one example of this case since it concentrate to the knowledge in every stage of production with the specialized laboratory in tissue culture technique. With this specific knowledge, it could lead the company products to be premium products following to the several of customers requirements and also improve company capability to supply in low production season of orchid (Personal communication, 04-05-2010).
Regarding to the decision of Bangkok Flower Centre Company Limited to invest in modern laboratory planting tissue to breed hybrid species of the orchid in order to support the increasing of customers’ demand is could be shown the forward-looking and not stick to day by day activities as Mr. Watchara Supsomboon mentioned (Personal communication, 05-05-2010). Since the company realize to the potential of orchid and would like to increase the competitive advantage in order to be the completely production of orchid exporter. Similarly, the realize to the opportunity of sales growth of orchid market, Mr. Wittaya Yukpan (Personal communication, 30-04-2010) mentioned that the founder of Siam Flower 1985 Company Limited and Mr. Phaitoon Taweesut (Personal communication, 06-05-2010), the founder of Blue Orchid Company Limited decided to change the company role from orchid grower to be an orchid exporter. Additionally, Lee Orchid Company Limited case (Personal communication, 04-05-2010) that could be noticed by the shift of business from vegetable and food airline supplier to orchid export since she realized to the sales growth of orchid in the future business also state the forward-looking of the founder as well. In addition, Mr.Nakagawa from Sawasdee Flora Company Limited (Personal communication, 03-05-2010), is also perform as forward-looking person since he realized to the important role of business partnership. Therefore, he decided, sometimes, to take burden cost or money lost in order to keep the relationship between company and customers that would be helpful in the future for his company.

Entrepreneur as the charismatic leader in Weber’s view could be observed from, Mr.Nakagawa since he takes all judgmental decision in the company (Personal communication, 03-05-2010). He always discusses with customers by himself in order to enhance the customers confident doing the business with the company. This also shows the leadership of entrepreneur which making the decision since the beginning of business until the present in all important issues of the company. Moreover, as a leader of the Blue Orchid Company Limited, Mr. Phaitoon Taweesut leads the company to the reliable company especially on product delivery to assure that the products would be delivered to customers on time which effect to the perception of customer’s trustworthiness (Personal communication, 06-05-2010).

Furthermore, the entrepreneur in the meaning of establisher as Schumpeter’s view could be found in the case of Sawasdee Flora Company Limited and Blue Orchid Company Limited. Both of founders are the establisher who initiated to start and operate the orchid business are motivated by the high need achievement in their life. In addition, some of Thai entrepreneurs are categorized as the entrepreneur who came from the family of entrepreneur and also could learn from their parents’ way of business, for example, Mr. Wittaya Yukpan from Siam Flower 1985 Company Limited and the interviewee from Lee Orchid Company Limited as the second generation of the firm management.
From above analysis of Thai orchid exporter, we could summarize the entrepreneur characteristics as shown in table 4.

Table 4: The entrepreneur characteristics of Thai Orchid exporter

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Innovator</th>
<th>Charismatic Leaders</th>
<th>Forward-Looking</th>
<th>Risk Taker</th>
<th>Establisher</th>
<th>Family Entrepreneur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sawasdee Flora Co., Ltd.</td>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>Siam Flower 1985 Co., Ltd.</td>
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<td>O</td>
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<td>O</td>
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<tr>
<td>Lee orchid Co., Ltd.</td>
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<tr>
<td>Bangkok Flower Centre Co., Ltd.</td>
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<td>O</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excel Orchid Co., Ltd.</td>
<td>O</td>
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<td></td>
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<tr>
<td>Blue Orchid Co., Ltd.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td></td>
</tr>
</tbody>
</table>

Source: The researcher

5.3 Entrepreneur Decision Making on Internationalization
This section, the entrepreneurial process would be examined how Thai entrepreneurs do the entrepreneurship that was defined as the involve phenomena and processes related to *discovering, evaluating, and exploiting opportunities to create* future goods and services (Shane & Venkataraman, 2000). Moreover, the market knowledge as external factor and entrepreneur characteristic as internal factor are also interdependent during the entrepreneurial process in order lead entrepreneur make decision on internationalization according to conceptual framework in figure 5.

5.3.1 Sawasdee Flora Company Limited
Regarding to Sawasdee Flora Company Limited, we could find the process of decision to internationalize showing the possibility to export orchid to Swedish market. Mr. Nakagawa (Personal communication, 03-05-2010), seems to expand his business to Swedish market since his firm has sufficient resources in term of market knowledge that he experienced in Italy where is the one of European countries in current business that could help him to adapt and develop marketing plan and choose the appropriate time to enter new market as experienced knowledge while the objective knowledge is gained by his partners. In addition, with products that the firm has technology knowledge for long time of doing orchid business could facilitate the firm to create opportunity of the firm to expand business to Swedish market as well. The knowledge-based resources of the firm as the integration of market knowledge and technology knowledge could lead him certainly to invest and expand the new market in Sweden.

Moreover, his entrepreneur characteristics as the risk taker also support his decision to expand to Swedish market, although there is a lack of some market information in
Sweden. However, he still perceives the possibility to expand to Sweden by using his relationship and network that he has with European countries in the current business. Moreover, as the charismatic leader show that it influence to the decision since he could make the decision based on his subjective knowledge and belief.

These show how he creates the opportunity by using his experienced knowledge which could be seen as tacit knowledge in order to motivate his decision to expand Swedish market. Moreover, the strong relationship with customer in Italy could support his decision to expand in order to evaluate and exploit the opportunity by using his network as well. Another factor is the strong financial of the firm that could be seen as the resource-based tolerance to moderate the level of risk taking and allow his decision to take risk even some market information in Swedish market need to be find out.

5.3.2 Siam Flower 1985 Company Limited
This case, we could see the factors that influence to the decision of the entrepreneur to internationalize as follows. As the external factors, market knowledge such as competitors, price, condition, weather, and customer behavior that could be gained for a long time of doing business also could be transferred within the firm. The experienced knowledge of the firm that ever sent the orchid to Sweden could be noticed as knowledge-based resource. At that time, the firm found that it was too difficult to compete with local (mean Netherlands) supplier in term of operating cost because of the disadvantage of location and small volume of market demand. In addition, the technology knowledge as the important factor since the firm emphasize on the technology aiming to ensure the quality of orchid such as good agricultural practice and good manufactural practice.

Regarding to internal factor of entrepreneur characteristic, as the forward-looking, Mr. Wittaya Yukpan (Personal communication, 30-04-2010) who also gain objective knowledge of orchid business from his father since he is in the family of entrepreneur could lead him to internationalize to expand market to Sweden again in case of the continuous growth of orchid sales volume annually.

In this case, we could see that the entrepreneur could discovery the opportunity since he recognizes and expects the possibility of sales growth in Swedish market that show the entrepreneur vision influencing to enhance the decision of internationalization. However, after the evaluation of opportunity by using market knowledge and experienced knowledge in Swedish market as the firm ever encountered in the past. It could be implied that entrepreneur will prolong the investment until reaching the appropriated time that mean the sufficient sales order in order to compensate with the high operating cost. This also show how the business case experience (experienced with Swedish market) shown the business case has the impact to decision making of entrepreneur as well.

5.3.3 Lee Orchid Company Limited
Regarding to the knowledge-based resource of Lee Orchid Company Limited, market knowledge as objective knowledge could be transferred from the founder to the interviewee as second generation in term of market knowledge of orchid business. In addition, the relationship with partners since the previous business as vegetable and
food airline supplier could lead the firm to gain experienced knowledge in international market. For instance, the interviewee’s relatives in France could help the firm to gain market knowledge from European countries. Moreover, the entrepreneur also increased the competitive advantage by improving firm quality standard as technology knowledge of orchid in the firm as well.

The entrepreneur characteristics as forward-looking person of interviewee (Personal communication, 04-05-2010) since the firm used the technology of internet in order to promote and support the business transaction and being the channel to communicate with customers could be seen as creation of opportunity. While, as family business entrepreneur the way of doing business are mostly transferred to the interviewee as she always expand business to the close partners first.

As a result, the combination of firm and entrepreneur knowledge including with the personality of entrepreneur could lead to the decision to internationalize as follows. With experienced knowledge that firm gained from international market by internet communication that could be seen as the creation of opportunity of the firm, the interviewee mentioned the experienced cases of commercial deception that effect to the consideration of market expansion. Additionally, the different in language in doing the business seems to hinder the decision of entrepreneur to internationalize to Swedish market. Moreover, as the small firm with the financial limitation, therefore, the interviewee will be careful on the decision to expand new market such as Swedish market. That mean after the evaluation of opportunity to expand market to Swedish market would not be preceded according to the business case of commercial deception, low financial resources-base tolerance in order to take risk in new market and also the way of doing business from family of entrepreneur has pay attention to the close relationship partners for financial security reason are influenced to the decision that not to export to Swedish market.

5.3.4 Bangkok Flower Centre Company Limited
The founders of Bangkok Flower Centre Company Limited realize that the quality of product is important subject which affect to a status of company because they have experience for several years in the orchid business. Therefore, they pay attention to the process of production from selecting grain of orchid until keeping orchid in the best condition. Knowledge would be gained during this process for example, they contact with so knowledge will be transfer in the period which is looked as objective knowledge. Moreover, when they have a competitive advantage in term of product’s quality, it makes branding of company is accepted by customer also. They can perceive market knowledge during interacting with customer while technology about market they use as tool to help increase potential on expansion of the firm by using technology in editing gene of orchid to find new species for responding to the need of customer. (Personal communication, 05-05-2010). Therefore, we could see the above knowledge-based resource of the firm in order to internationalize.

In this case, with the sufficient resources including knowledge of the firm, we could find that the entrepreneur can use the knowledge in order to help the firm discover the opportunity. However, the experienced case in Sweden also has impact to the entrepreneur decision making to internationalize since the firm faced the disadvantage of operating cost of transportation comparing with competitors which gain more advantage on specific location. Therefore, the entrepreneur would prolong the
decision to internationalize to Swedish market after improving their competitive advantage. Moreover, we could not find how the entrepreneur characteristic as forward-looking and the family entrepreneur influencing to the internationalization decision in this case.

5.3.5 Excel Orchid Company Limited
Excel Orchid Company Limited is a strong technology knowledge firm regarding to the tissue culture that could enhance firm specific advantage in global supply capability because of varieties of premium orchid species (Personal communication, 04-05-2010). Moreover, with the customers relationship in doing business for long time could lead the firm gaining market knowledge from its network. The integration of objective and experienced knowledge of international market and the knowledge accumulation from the network for instance, European countries, could be seen as knowledge-base resources that support the firm and the entrepreneur in order to make decision to new market expansion.

As the risk taker, the entrepreneur seems to be prompt to take risk in new market based on his belief on the return of reward. In this case, we could see the more impact of experienced case (as knowledge) over the risk taker characteristic of entrepreneur since he decided not to enter Swedish market after the evaluation of opportunity even there is the possibility to expand the sales volume of the firm (opportunity discovery) to this market. The reason to skip the expansion to Swedish market is based on his experienced knowledge that the firm could not collect money after delivery orchid to Sweden. Moreover with his vision of the financial crisis based on his subjective knowledge could lead him to make the decision to prolong the market expansion then wait and see the situation even the firm has strong relationship with customer in European countries that he could gain more market information. This is another case that we could find that the resources-based tolerance especially in financial issue play the important role to hinder the internationalization decision of entrepreneur.

5.3.6 Blue Orchid Company Limited
Blue Orchid Company Limited by Mr.Phaitoon Taweesut (Personal communication, 06-05-2010) always focuses on market information as the first priority before taking action in the business. Because he realizes that if he has information sufficiently, he has a confidence to set strategies and dare to go international. Regarding to European market, firm still lack of market knowledge especially in Swedish market and also less experienced in this area.

According to the lack of market knowledge in Swedish market including with the financial crisis in European countries, since the entrepreneur more focus on the market knowledge in order to consider in expanding market to new area. It is difficult to export orchid to the market where the firm and entrepreneur have less market knowledge even being the risk taker of entrepreneur characteristic. The entrepreneur could not discover any opportunity during financial crisis to expand market to Sweden. This case we could see the more important role of market knowledge influencing to the decision of entrepreneur over the entrepreneur characteristics in order to internationalize.
As above analysis, we have summarized the decision making to internationalize Thai orchid to Swedish market in entrepreneurial process in table 5

**Table 5: Decision to internationalize of Thai entrepreneur in entrepreneurial process**

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Entrepreneurial Process</th>
<th>Decision to Internationalize</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sawassdee Flora</strong></td>
<td>Discovery/Creation: Experienced knowledge in Italy</td>
<td>Expand to Swedish with more market information from partner</td>
</tr>
<tr>
<td></td>
<td>Evaluation: The possibility of growth and firm resources</td>
<td>Exploitation: Strong financial and network</td>
</tr>
<tr>
<td></td>
<td>Exploitation: Expand to Swedish with more market information from partner</td>
<td></td>
</tr>
<tr>
<td><strong>Siam Flower 1985</strong></td>
<td>Discovery/Creation: Orchid sales growth in Swedish market</td>
<td>Exploitation: -</td>
</tr>
<tr>
<td></td>
<td>Evaluation: Sales volume is not cover high operating cost</td>
<td>Decision to Internationalize: Prolong and wait for crisis situation</td>
</tr>
<tr>
<td><strong>Lee Orchid</strong></td>
<td>Discovery/Creation: Create the e-commerce to expand market</td>
<td>Exploitation: -</td>
</tr>
<tr>
<td></td>
<td>Evaluation: Commercial deception, Financial limitation, Different language, Consider to expand to close relationship partner</td>
<td>Decision to Internationalize: Not to expand to Swedish market</td>
</tr>
<tr>
<td><strong>Bangkok Flower Centre</strong></td>
<td>Discovery/Creation: Opportunity identify by knowledge</td>
<td>Exploitation: -</td>
</tr>
<tr>
<td></td>
<td>Evaluation: Disadvantage of location and transportation comparing to competitor</td>
<td>Decision to Internationalize: Prolong and improve cost competitive advantage of firm</td>
</tr>
<tr>
<td><strong>Excel Orchid</strong></td>
<td>Discovery/Creation: Possibility to expand market and sales growth</td>
<td>Exploitation: -</td>
</tr>
<tr>
<td></td>
<td>Evaluation: More impact from experienced knowledge on money collection and financial issue</td>
<td>Decision to Internationalize: Prolong the expansion to Swedish market wait and see the situation of financial crisis</td>
</tr>
<tr>
<td><strong>Blue Orchid</strong></td>
<td>Discovery/Creation: -</td>
<td>Exploitation: -</td>
</tr>
<tr>
<td></td>
<td>Evaluation: -</td>
<td>Decision to Internationalize: No market knowledge and not expand to Swedish market</td>
</tr>
</tbody>
</table>
CHAPTER 6: CONCLUSION

In this chapter we will conclude the purpose of our study about the factors that influence to the decision making of Thai entrepreneur to internationalize the orchid to Swedish Market. Our research question will be answered by Thai entrepreneur’s perspectives as following the conceptual framework. Moreover, we will recommend some point to researcher about more contribution and further research toward process of decision making to internationalize the orchid.

6.1 Conclusion and Reflection

Regarding to the purpose of this research which aim to explore how market knowledge and entrepreneur characteristics influence on Thai entrepreneurs in order to make a decision on internationalization by exporting Thai orchid to Swedish market. We would summarize both external factors and internal factors as shown in conceptual framework based on our empirical findings and analysis part.

The external factor, in this study meaning to the market knowledge which categorized as objective knowledge and experienced knowledge are play important role during the entrepreneurial process to make decision of entrepreneurs. Both of them could help the firm and entrepreneur to understand market condition regarding to customers and competitors including to develop marketing plan, strategy in order to choose the mode of entry and the appropriated time to enter market. For example, in the cases of Siam Flower 1985 Company Limited and Excel Orchid Company Limited that intend to prolong the market expansion to Sweden based on the evaluation of opportunity together with market knowledge. Moreover, with market knowledge, it could help entrepreneur to discover/create the opportunity toward the entrepreneurial process as well. In addition, there are the evident from our empirical findings and analysis show the business case of entrepreneur as the experienced knowledge in Swedish market influencing to discourage the decision to internationalize such as in the case of Excel Orchid Company Limited that they could not collect the money since the first of market entry and effect to the decision to enter this time.

In term of knowledge-based resources, we could find in all cases that technological knowledge enhances the company in order to identify the opportunity and support the decision making of entrepreneur.

The internal factor, there are several entrepreneur characteristics according to our analysis which effect to the decision of Thai entrepreneur as the motivation in order to internationalize such as charismatic leader in case of Sawasdee Flora Company Limited, the entrepreneur as risk taker also being the motivation to internationalize that we could seen in Excel Orchid Company Limited and Sawasdee Flora Company Limited cases. Forward-looking entrepreneur also could be found that help entrepreneur in order to create and discover the opportunity in entrepreneurial process. However, we could not find the effect of some entrepreneur characteristics such as establisher, innovator that encourage or discourage the decision making of entrepreneur to internationalize.

Moreover, in most case of analysis part, we could find other factors that influence to the decision making of Thai entrepreneurs especially the entrepreneurial network that
could lead to the internationalization enhancement during the entrepreneurial process of evaluation and exploitation of opportunity. In addition, the resources-based also one of the factors that influence the entrepreneur decision especially, financial issue that sometimes being the firm limitation for example, in case of Excel Orchid Company Limited and Lee Orchid Company Limited, but sometime could be seen as the support factor such as Sawasdee Flora Company Limited to make the decision to internationalize. Besides, the different of language as psychic distance also influence to the decision of entrepreneur as we could see in Lee Orchid Company Limited case.

In addition, our research that aim to study how the external factor as market knowledge and internal factor as entrepreneur characteristics influence to the decision making to internationalize Thai orchid to Swedish market. From our research it could be examined how Thai entrepreneurs make decision to internationalize the orchid to Swedish market. Therefore, the readers, who are interested in this field such as Thai orchid exporters, orchid growers could get use of this thesis result. While there are some perspectives that need to be considered in order to generalize this result to other contexts which depends on the judgment of readers about transferability.

6.2 Further Recommendation
This research is studied the decision making’s process of Thai entrepreneurs to internationalize the orchid which regards to two factors. Market knowledge is factors which Thai entrepreneurs cannot control as external factors and entrepreneur characteristics is factors which depend on each individual as internal factors. Both factors are analyzed by entrepreneurial process in order to show the outcome of decision making to export. After completing the research, we found out that there is some factor which should be brought to do in further research such as entrepreneurial network since we noticed the pattern in making a decision of Thai entrepreneur is related to relationship. We believe that network will indicate the result in different way in decision to export the orchid of Thai entrepreneur. Moreover, as this study has focused only entrepreneur characteristics as the trait approach, in order to understand more on entrepreneurship, to study more on entrepreneur on the behavioral approach could be conducted in further study.
Reference Lists


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APPENDIX 1: Interview questions for Thai entrepreneurs

MIMA-International Business and Entrepreneurship
School of Sustainable Development of Society and Technology

Master Thesis

Decision Making of Thai Entrepreneur to Internationalize Thai orchid to Swedish market

Objectives of research:

This study is conducted by Thitipong Sumanonta and Sompoch Kulasabjira.

The main purpose of this research is to explore the factors which affect the decision making of Thai entrepreneur to internationalize by exporting Thai orchid to Swedish market by studying from market information, Thai entrepreneurial characteristics as orchid exports, possibility to export Thai orchid from Thai entrepreneur perspectives.

Confidentiality:
All collected data will be kept strictly confidential and it will be only released by respondents

Student contact information:
If you have any inquiry about interview, please contact to below information

Thitipon Sumanonta: oat_9967@hotmail.com, +46 765836888
Sompoch Kulasabjira: sompoch.k25@hotmail.com, +46 760668044
The questions for Thai entrepreneur

Questions about company, entrepreneur, and entrepreneurship

• Could you give us a brief story about your business?
• When is the founding year of your company?
• Why and how did you start to do your business?
• How many employees in your company?
• Would you tell us about the market share of your company (domestic/export)?
• How did the export process/business start, what is your market entry mode?
• Who has the authority for managing your export business, how many staff is involved in exporting?
• What are factors which you consider to decide in export to global market?
  • Relationship; How did you build the relationship?
  • Network; How did you link to your partner?
  • Regulation
  • Culture
  • Orchid technical issue
  • Market information
  • Company resource
  • Etc.,
• What is obstacle for your company in export to foreign market?
• How did you solve the problems in export market?
• What is competitive advantage in your company?

Questions about Thai entrepreneur perspective to Swedish market

• Do you have current business in Europe? (what country and how did occur)
• How deep information do you know about European market, why and how do you get the information?
• How do you know about Swedish market, what do you think?
• If you can gain more market information, how do you think to develop your business in export to Swedish market? (how could you gain)
APPENDIX 2: Name list of Thai Orchid Entrepreneurs

<table>
<thead>
<tr>
<th>No</th>
<th>Company name</th>
<th>Respondent</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sawasdee Flora Company Limited</td>
<td>Mr. Nakagawa</td>
<td>Founder</td>
</tr>
<tr>
<td>2</td>
<td>Siam Flower 1985 Company Limited</td>
<td>Mr. Wittaya Yukpan</td>
<td>Managing director</td>
</tr>
<tr>
<td>3</td>
<td>Lee Orchid Company Limited</td>
<td>Respondent</td>
<td>Second generation</td>
</tr>
<tr>
<td>4</td>
<td>Bangkok Flower Centre Company Limited</td>
<td>Mr. Watchara Supsomboon</td>
<td>International Department's employee</td>
</tr>
<tr>
<td>5</td>
<td>Excel Orchid Company Limited</td>
<td>Respondent</td>
<td>Founder</td>
</tr>
<tr>
<td>6</td>
<td>Blue Orchid Company Limited</td>
<td>Mr. Phaitoon Taweesut</td>
<td>Founder</td>
</tr>
</tbody>
</table>

APPENDIX 3: Type of Orchids

- **Dendrobium** [www.buyorchidplants.com/dendrobium-nobile.jpg](http://www.buyorchidplants.com/dendrobium-nobile.jpg)


- **Mokara** [sites.google.com/site/eeyore4771/flowers](http://sites.google.com/site/eeyore4771/flowers)
• **Oncidium** [www.pprune.org/jet-blast/232972-last-two-lett...]

• **Aranthera** [users.silcon.com/~orwell/05082002.html]

• **Vanda** [www.lowesorchids.com/images/Vanda%20Roberts%2.]

• **Phalaenopsis** [aggie-horticulture.tamu.edu/.../phalaen.html]