

**E-COMMERCE PLATFORMS AS A FORM OF FOREIGN
MARKET ENTRY FOR FINNISH SMES: A DYNAMIC
CAPABILITY PERSPECTIVE**

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ABSTRACT

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<i>Title</i> E-Commerce platforms as a form of foreign market entry for Finnish SMEs: A dynamic capability perspective	
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<i>Abstract</i> <p>Cross-border e-commerce is an increasingly popular way of internationalization and global growth for companies worldwide. The recent advent of e-commerce platforms introduces new ways of conducting cross-border e-commerce, lowering entry barriers specifically for small-to-medium enterprises (SMEs). This thesis explores the internationalization of Finnish SMEs through e-commerce platforms, particularly Amazon. Drawing on the dynamic capabilities' framework, this study investigates the capabilities required for successful foreign market entry and long-term competitiveness on Amazon's highly competed international platform ecosystem. Using qualitative data from two distinct interview groups – Finnish SME managers and Amazon experts – this research uncovers key capabilities, including sensing market opportunities, seizing resources, managing operational challenges and strategic brand positioning. The findings also highlight the transformative potential of e-commerce platforms for SME internationalization, while also uncovering challenges such as platform dependency, operational inefficiencies and increasing competition. This study contributes to the academic discourse by exploring the constantly evolving key capabilities for international firm growth in digital ecosystems and offers practical insights for SMEs navigating cross-border e-commerce. This research emphasizes the strategic importance of adaptability, data, and innovation for SMEs to thrive in the increasingly competitive landscape of global e-commerce.</p>	
Keywords: e-commerce, platform ecosystems, cross-border e-commerce, internationalization, foreign market entry, dynamic capabilities	
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TIIVISTELMÄ

<i>Tekijä</i> Tommi Sassi	
<i>Työn nimi</i> Verkkokauppa-alustat ulkomaiden markkinoille pääsyn välineenä suomalaisille pk-yrityksille: dynaamisten kyvykkyyksien näkökulma.	
<i>Oppiaine</i> Kansainvälinen liiketoiminta	<i>Työn laji</i> Pro gradu -tutkielma
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<i>Tiivistelmä</i> Kansainvälinen verkkokauppa on yrityksille yhä suositumpi tapa kansainvälistyä ja saavuttaa globaalia kasvua. Verkkokauppa-alustojen viimeaikainen kehitys tarjoaa uusia mahdollisuuksia harjoittaa kansainvälistä verkkokauppaa, madaltaen markkinoille pääsyn esteitä etenkin pienille ja keskisuurille yrityksille. Tämä pro gradu -tutkielma tarkastelee suomalaisten pk-yritysten kansainvälistymistä Amazonin verkkokauppa-alustan kautta. Hyödyntäen dynaamisten kyvykkyyksien viitekehystä tutkimus pyrkii selvittämään, mitä kyvykkyksiä tarvitaan onnistuneeseen markkinoille pääsyyn ja pitkäaikaiseen kansainväliseen kilpailukykyyn Amazonin kilpailussa globaalissa alustaekosysteemeissä. Laadullinen tutkimus perustuu kahteen erilliseen haastatteluryhmään – suomalaisiin pk-yritysten johtajiin sekä Amazon-asiantuntijoihin ja konsultteihin – ja tuo esiin yrityksille keskeisiä kyvykkyksiä, kuten markkinamahdollisuuksien tunnistamisen, resurssihyötyjen maksimoimisen, operatiivisten haasteiden hallinnan ja strategisen brändinrakennuksen. Tulokset korostavat verkkokauppa-alustojen merkittävää muutosvoimaa pk-yritysten kansainvälistymisessä, mutta tuovat esiin myös haasteita, kuten alustariippuvuutta, operatiivisia haasteita ja kasvavaa kilpailua. Tämä tutkimus edistää akateemista keskustelua tarkastelemalla jatkuvasti kehittyviä keskeisiä kyvykkyksiä yritysten kansainväliselle kasvulle digitaalisissa ekosysteemeissä ja tarjoaa käytännön näkemyksiä pk-yrityksille kansainvälisen verkkokaupan navigointiin. Tutkimus painottaa sopeutumiskyvyn, datan hyödyntämisen ja innovoinnin strategista merkitystä pk-yritysten menestykselle yhä kilpaillummassa globaalissa verkkokaupan ympäristössä.	
Avainsanat: verkkokauppa, verkkokauppa-alustat, kansainvälinen verkkokauppa, kansainvälistyminen, ulkomaiden markkinoille pääsy, dynaamiset kyvykkyudet	
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CONTENTS

1	<i>Introduction</i>	7
1.1	Motivation and Background	8
1.2	Academic contribution	8
2	<i>Theoretical background</i>	10
2.1	SME Internationalization	10
2.2	Cross-border e-commerce	12
2.3	Platform Ecosystems	14
2.4	E-Commerce Platforms	16
2.4.1	E-Commerce Platforms in Internationalization.....	17
2.5	Dynamic Capabilities Framework	19
2.5.1	Definition and key concepts	19
2.5.2	Relevance to SME Internationalization.....	20
2.5.3	Application in E-commerce Context	21
2.5.4	Criticisms and Limitations.....	22
3	<i>Data and methodology</i>	23
3.1	Amazon	23
3.1.1	Selling on Amazon.....	23
3.1.2	Opportunities for sellers	24
3.1.3	Challenges for Sellers	25
3.2	Qualitative research approach	27
3.2.1	Semi-structured interview method	28
3.2.2	Gioia Method	29
3.3	Data	31
3.3.1	Interview Group A.....	31
3.3.2	Interview Group B	34
3.3.3	Remarks on Data Validity and Reliability	34
4	<i>Results and Findings</i>	36
4.1	Interview Group A	36
4.1.1	Sensing Market Opportunities	38
4.1.1.1	Strategic Market Entry Decisions	41
4.1.1.2	Recognition of Market Potential	44
4.1.1.2.1	The One-Stop-Shop (OSS) Scheme in Amazon EU.....	47
4.1.1.2.2	Amazon as a Gateway to retailers and physical stores	48
4.1.1.3	Leveraging previous Experiences.....	49
4.1.2	Seizing Resources and Capabilities	51
4.1.2.1	Customer Engagement Strategies.....	56
4.1.2.2	Dependency and Utilization of External Expertise.....	58
4.1.2.3	Effective Data Utilization and Digital Strategies.....	60

4.1.3	Managing Operational Challenges.....	62
4.1.3.1	Navigating Platform Complexities.....	67
4.1.3.2	Balancing Time and Effort.....	69
4.1.3.3	Ensuring Profitability and Competitive Positioning.....	71
4.1.4	Transforming and Adapting for Long-Term Sustainability.....	72
4.1.4.1	Building Long-Term Brand and Market Positioning.....	75
4.1.4.2	Safeguarding and Intellectual Protection.....	77
4.1.4.3	Evaluating Platform Strategies and Alternatives.....	79
4.2	Interview Group B.....	80
4.2.1	Strategic Market Insight and Guidance.....	82
4.2.1.1	Comprehensive Amazon Expertise.....	85
4.2.1.2	Understanding Market Dynamics.....	86
4.2.2	Operational Excellence and Competitive Positioning.....	87
4.2.2.1	Strategic Positioning and Brand Development.....	92
4.2.2.2	Expertise of Algorithms, SEO, and Ranking.....	94
4.2.2.3	Overcoming Competitive Barriers.....	95
4.2.3	Leveraging Resources and Managing Complexities.....	98
4.2.3.1	Dependence on External Expertise and Resources.....	101
4.2.3.2	Effective Use of Data and Market Research.....	102
4.2.4	Sustaining Long-Term Viability and Overcoming Platform Limitations.....	104
4.2.4.1	Resource Requirements for Sustained Operations.....	108
4.2.4.2	Operational Challenges and Adaptation.....	109
4.2.4.3	Criticism and Limitations in Amazon’s Support.....	110
4.2.4.4	Strategic Expansion through Amazon.....	112
5	Discussion.....	115
5.1	Leveraging Dynamic capabilities.....	115
5.1.1	Sensing Market Opportunities vs. Strategic Insight and Guidance.....	117
5.1.2	Seizing Resources and Capabilities vs. Leveraging Resources and Managing Complexities.....	118
5.1.3	Managing Operational Challenges vs. Operational Excellence and Competitive Positioning.....	120
5.1.4	Transforming and Adapting for Long-Term Sustainability vs. Sustaining Long-Term Viability and Overcoming Platform Limitations.....	122
6	Conclusion.....	124
6.1	Managerial Implications.....	125
6.2	Limitations and Future Research.....	128
	References.....	131
	APPENDICES.....	144

Tables and Figures

TABLES

Table 1: Interview Group A Background Information.....	32
Table 2: Interview Group A Amazon Information.....	33
Table 3: Interview Group B	34
Table 4: Sensing Market Opportunities.....	38
Table 5: Seizing Resources and Capabilities.....	51
Table 6: Managing Operational Challenges.....	62
Table 7: Transforming and Adapting for Long-Term Sustainability.....	73
Table 8: Strategic Market Insight and Guidance.....	82
Table 9: Operational Excellence and Competitive Positioning.....	88
Table 10: Leveraging Resources and Managing Complexities	98
Table 11: Sustaining Long-Term Viability and Overcoming Platform Limitations	104

FIGURES

Figure 1: E-commerce sales, domestic and abroad, 2021(direct quotation from original source: UNCTAD, 2023)	13
Figure 2: Triangular structure of interdependencies in platform ecosystems. (direct quotation from original source: Cenamor, 2021).....	15
Figure 3: A Typical Supply Chain of Traditional Exporting Mode (direct quotation from original source: Wang et al. 2015)	18
Figure 4: A Supply Chain of CBEC (B2B2C) (direct quotation from original source: Wang et al. 2015)	19
Figure 5: Interview Group A Data Structure	37
Figure 6: Interview Group B Data Structure	81
Figure 7: Aggregate Dimensions	116
Figure 8: Amazon Flywheel effect	127

1 INTRODUCTION

Cross-border e-commerce has emerged as a transformative avenue for internationalization, enabling companies of all sizes to expand their market reach with ease and efficiency. As digital technologies reshape the global trade landscape, platforms such as Amazon, Walmart and Alibaba have become pivotal facilitators for this trend. These platforms provide small and medium-sized enterprises (SMEs) with access to international markets, streamlining complex processes like logistics, marketing, and customer engagement. The proliferation of these platforms not only democratize access to foreign markets but also disrupt traditional export models, introducing new ever growing dynamics in international trade (IPC, 2022; UNCTAD, 2020; UNCTAD, 2023).

For SMEs who often face barriers such as limited resources, lack of foreign market knowledge, and liabilities of smallness, e-commerce platforms offer unique opportunities to mitigate these challenges (Cassia & Magno, 2022; Child et al., 2022; H. Lee et al., 2012). By leveraging platform-based ecosystems, SMEs can bypass traditional intermediaries, reduce transaction costs, and focus on building direct relationships with global consumers (Cassia & Magno, 2022; Qi et al., 2020; L. Wang et al., 2015). However, the reliance on these platforms also necessitates the development of new capabilities. From managing platform complexities and competition to utilizing digital and internet-based tools for data-driven decision making, SMEs must adapt to a fast-evolving landscape where success depends on agility and innovation (Glavas et al., 2017; Zhu, 2019; Zhu & Liu, 2018).

This thesis explores the intersection of cross-border e-commerce and SME internationalization, focusing on the role of e-commerce platforms as a mode of foreign market entry. By examining the experiences of Finnish SMEs engaging with Amazon, the study investigates the dynamic capabilities that underpin successful market entry and growth in platform-mediated environments. Finland, with its strong digital readiness and lack of a domestic Amazon marketplace, provides an ideal context for this research, making the experiences of Finnish SMEs a valuable lens through which to study the broader implications of e-

commerce platforms on SME internationalization. By bridging the gap between theory and practice, this thesis sheds light on a critical yet relatively understudied aspect of international business, providing a deep and nuanced understanding of how SMEs navigate the opportunities and challenges of cross-border e-commerce in the digital age.

1.1 Motivation and Background

The idea and motivation for this study stem from multiple practical examples and real-life conversations had between the research author and Finnish entrepreneurs. Many Finnish SMEs have already entered new markets in Europe and North America through Amazon with mixed results. While some firms have achieved international growth and recognition, others have faced significant challenges that hindered their success. These varying outcomes highlight the role of firm-specific capabilities and resources as differentiating determinants of success. This study seeks to explain these factors in depth to understand what makes SMEs succeed.

In addition to academic curiosity, the author's practical background as a consultant to Finnish SMEs in their Amazon ventures provides a unique foundation for this research. Through firsthand experiences in assisting sellers, the author can better point the interviews towards already recognized patterns and challenges faced by sellers. This professional experience not only underscores the importance of this study, but also enriches it with practical insights to bridge the gap between theoretical and practical application.

1.2 Academic contribution

This study addresses a critical research gap in understanding the dynamic capabilities that SMEs require to succeed in cross-border e-commerce through third-party marketplaces like Amazon. While such platforms have revolutionized international trade by reducing entry barriers and providing access to global consumers, academic research has largely focused on their role as enablers of market access, with limited attention to the specific competencies needed to thrive in these environments (Cassia & Magno, 2022; Qi et al., 2020). Existing studies often analyze e-commerce platforms from a consumer or technology perspective, neglecting the strategic and operational challenges SMEs face when competing in highly competitive platform ecosystems (Ferreira et al., 2021; Zhu, 2019; Zhu & Liu, 2018). Scholars have also pointed out the limited understanding of what and how firms deploy resources and capabilities in internet-based environments (Glavas et al., 2017)

The dynamic capabilities framework offers a valuable lens to explore how SMEs sense, seize, and adapt to opportunities in digital marketplaces, yet its application in this context remains relatively underdeveloped. Previous research has extensively applied this framework to examine technological adaptation and innovation but has not specifically addressed its relevance to SME internationalization through e-commerce platforms (Schilke et al., 2018; Teece, 2014, 2018; Teece et al., 1997; Wilden et al., 2013). By addressing the research question below, this study bridges this gap in current literature while offering practical insights for SMEs. It extends existing theories of internationalization to account for the role of digital platforms, providing a nuanced understanding of the strategic and operational transformations required to succeed in cross-border e-commerce. Through this contribution, this research enhances academic discourse on the role of digital platforms in global trade and offers actionable strategies for SMEs navigating the complexities of platform-based internationalization.

RQ: “How and what dynamic capabilities contribute to a foreign market entry through an e-commerce marketplace?”

2 THEORETICAL BACKGROUND

2.1 SME Internationalization

The internationalization of small and medium-sized enterprises (SMEs) has been an extensively studied subject in academic literature, highlighting the ways in which SMEs identify and exploit opportunities in international markets (Lu & Beamish, 2001). Internationalization, as defined by Calof and Beamish (1995), involves the adaptation of a company's strategy, structure, and resources to operate on a global scale (Calof & Beamish, 1995). For SMEs, entering international markets offers numerous opportunities, such as access to larger customer bases, technological innovations, and financial resources (Bradley et al., 2006; Saunila, 2020). However, despite these potential benefits, the internationalization journey for SMEs remains fraught with challenges due to limited resources and a lack of legitimacy abroad (Child et al., 2022; H. Lee et al., 2012; Sapienza et al., 2006).

The internationalization of SMEs is a key area of interest within both academic literature and business practice, as they are increasingly driving economic growth and innovation on the global arena (Dabić et al., 2020). Internationalization may even increase the chances of survival for SMEs, as the unfamiliarity of entering foreign markets may reduce the margin of advantage otherwise enjoyed by more established rivals (H. Lee et al., 2012). At the theoretical level, more traditional theories consider internationalization as a gradually proceeding process throughout which a SME gains experience, accumulates resources, and develops required capabilities (Dabić et al., 2020). However, recent research suggests a shift from this traditional view, as more and more born-global firms emerge, internationalizing rapidly by leveraging entrepreneurial orientation as well as emerging digital and information technologies (Dabić et al., 2020; Ferreira et al., 2021; Kuivalainen et al., 2007). These firms are able to bypass incremental stages of internationalization by

capitalizing on the opportunities offered by global platform ecosystems from the outset.

Regarding internationalization, SMEs often face specific barriers of entry, such as the liabilities of newness and smallness (Child et al., 2022; H. Lee et al., 2012). These liabilities include factors such as limited resources, lack of foreign market knowledge, as well as difficulties establishing credibility in competitive international environments (Child et al., 2022; H. Lee et al., 2012). This makes any supportive services such as technology, partnerships or R&D alliances ever more crucial success factors for internationalization of SMEs (Cassia & Magno, 2022; H. Lee et al., 2012). Lee et al. (2012) emphasize that building external partnerships and alliances provides SMEs with critical resources such as technology and partnerships, strengthening their position in foreign markets (H. Lee et al., 2012). Moreover, Reim, Sjödin, and Parida (2019) highlight the importance of collaborative activities, such as governance mechanisms and knowledge spillovers, as key mediating factors that enable SMEs to successfully navigate international markets (Reim et al., 2019). For Finnish SMEs entering foreign markets through platforms like Amazon, these barriers may include difficulty differentiating themselves from larger, well-established brands and the challenge of scaling their operations to meet international demand. Understanding these barriers is essential for developing strategies that allow SMEs to compete effectively in global markets.

Digitalization has become a pivotal enabler for SMEs seeking to internationalize, providing tools that significantly reduce the barriers to foreign market entry, such as geographic distance and limited resources. Gabrielsson and Gabrielsson (2011) emphasize that internet-based channels are particularly crucial for rapidly internationalizing SMEs, facilitating entry into foreign markets (Gabrielsson & Gabrielsson, 2011). Similarly, digital-born global firms use the internet to enhance their international marketing activities, highlighting the indispensable role of IT in modern export operations (Sinkovics et al., 2013). Digital tools, including e-commerce platforms, streamline global supply chains, strengthening customer-supplier relationships, which are vital for international operations (Jean et al., 2010). Additionally, the internet reduces psychic distance, making it easier for SMEs to adapt to foreign market conditions (Mathews et al., 2016). Reim et al. (2022) also note that digitalization not only helps SMEs overcome operational challenges but also offers strategic tools that enable them to compete in international markets (Reim et al., 2022).

Finland provides an ideal context for this study due to its leading position in digital readiness among EU countries. According to the Digital Economy and Society Index (DESI) 2020, Finland ranks first out of 28 EU Member States with a score of 72.3, well above the EU average of 52.6. This is due to Finland's excellence in digital public services and the integration of digital technologies, supported by strong public-private cooperation and an active start-up scene. Additionally, 76% of the Finnish population have basic or above-basic digital skills, compared to the EU average of 58%, highlighting the nation's strong

digital competency. Finland's government promotes digitalization through initiatives like the 'Productive and Innovative Finland – Digital Agenda for 2011–2020,' which sets goals for advancing the information society and sustainable development via new technologies (Digital Economy and Society Index (DESI) 2020: Finland, 2020). As noted by Glavas et al. (2017), the internet capabilities and readiness highly impacts the ability of perceiving international market opportunities and succeeding in internet-based environments (Glavas et al., 2017). This high level of digital readiness ensures a supportive environment for studying the impacts of e-commerce platforms on Finnish SMEs' international market entry.

2.2 Cross-border e-commerce

Cross-border e-commerce is an increasingly popular way of internationalization and growth for companies worldwide (IPC, 2022; UNCTAD, 2020; UNCTAD, 2023). The recent introduction of well-established e-commerce platforms, such as Amazon and Alibaba, has given companies a new way of conducting cross-border e-commerce and entering international markets. The use of these platforms and their supportive services has impacted the exporting capabilities of companies, especially within SMEs (Cassia & Magno, 2022). However, the introduction of these platforms drastically changes the capabilities and resources needed for a successful foreign market entry, the nature of which is still relatively unexplored in academic literature (Cassia & Magno, 2022; Qi et al., 2020; Zhu, 2019; Zhu & Liu, 2018).

In recent years, the landscape of international trade has undergone a transformational shift, catalyzed by the rapid advancement of information technologies (Ferreira et al., 2021). This evolution has significantly influenced the export activities of companies, marking a pivotal moment in enhancing their efficiency and performance within foreign markets (Ferreira et al., 2021). The effect of digitalization has specifically impacted the exporting capabilities of small and medium-sized enterprises (SMEs), who have otherwise fewer resources available to establish international exporting operations (Mathews et al., 2016; Morais & Ferreira, 2020; Sinkovics et al., 2013). Several studies have analyzed how the Internet overall can elevate the international activities of exporters by reducing psychic distance, enriching internationalization capabilities, and facilitating foreign market analysis (Mathews et al., 2016; Sinkovics et al., 2013). However, majority of research on the internet's effect on exporting has primarily regarded it as a complementary tool, rather than a direct sales channel (Mathews et al., 2016).

Notwithstanding this scholarly perspective, empirical data and official records underscore the pivotal role of the Internet as a direct sales channel in Business-to-Consumer (B2C) export operations. A report by the United Nations Conference on Trade and Development (UNCTAD) estimated that cross-border

B2C e-commerce reached a staggering \$404 billion USD in 2018, with continued growth projected thereafter (UNCTAD, 2020). A more recent report by UNCTAD gave further insight into the significance of cross-border e-commerce for European nations, with cross-border e-commerce being 18% of all exports in the UK, and 12% in Spain (UNCTAD, 2023). Similarly, survey research conducted by the International Post Corporation (IPC) found cross-border e-commerce to be on a steady increase in Europe. Specifically, EU-to-EU purchases had increased by 12% from 2019 to 2021, with 42% of European respondents having purchased from another EU country within the year, and 54% stating they wish to purchase more from other EU countries in the future (IPC, 2022).

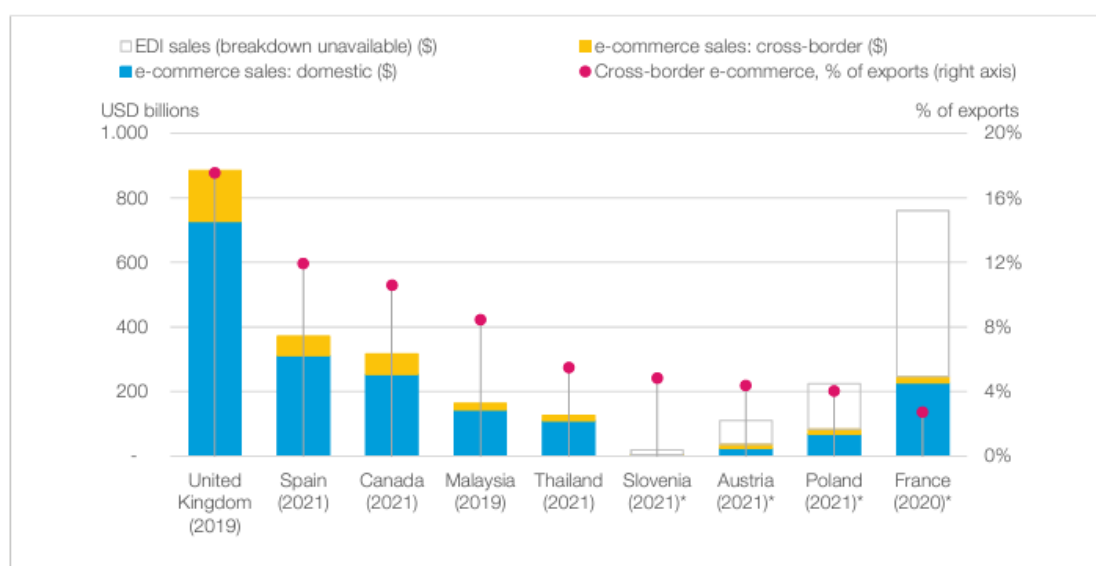


Figure 1: E-commerce sales, domestic and abroad, 2021 (direct quotation from original source: UNCTAD, 2023)

A remarkable phenomenon that has emerged within the realm of cross-border e-commerce is the introduction of expansive third-party e-commerce platforms, exemplified by industry giants such as Amazon and Alibaba. These platforms present a novel opportunity for SMEs aiming to venture into cross-border e-commerce without the necessity of developing their dedicated websites. Furthermore, these platforms offer a suite of ancillary services to exporters, effectively streamlining their entry into international markets (Cassia & Magno, 2022; Y. Wang et al., 2020). Leveraging these third-party e-commerce platforms can significantly accelerate the adoption and performance of cross-border e-commerce, notably for SMEs, mitigating the traditional arduous efforts required for developing relevant capabilities and establishing independent e-commerce websites (Cassia & Magno, 2022; Y. Wang et al., 2020).

The internet and IT capabilities significantly impact the nature of internationalization and cross-border e-commerce. Gabrielsson and Gabrielsson (2011) emphasize the role of internet-based sales channels in the rapid internationalization of SMEs, aligning with the increasing trend of cross-border e-commerce (Gabrielsson & Gabrielsson, 2011). Furthermore, digitally enabled born-global firms leverage the internet to enhance their international marketing activities, underlining the critical role of the internet in modern export operations (Sinkovics et al., 2013). Empirical evidence by Jean et al. (2010) shows that IT resources enhance international customer-supplier relationships, which are crucial for managing global supply chains through e-commerce platforms (Jean et al., 2010). The adoption of internet also reduces psychic distance and enriches internationalization capabilities, making it pivotal especially for SMEs engaging in cross-border e-commerce (Mathews et al., 2016).

2.3 Platform Ecosystems

E-commerce platforms have become increasingly integral to the global economy, providing a centralized marketplace that attracts both sellers and buyers. An e-commerce platform, or platform owner, refers to a digital marketplace provider where transactions between third-party buyers and sellers occur, with the platform often offering tools for marketing, logistics, and customer engagement (Zhu, 2019; Zhu & Liu, 2018). Complementors are referred to as third-party sellers or service providers that add value to the platform by offering products or services that enhance the overall user experience (Zhu, 2019; Zhu & Liu, 2018). Additionally, the end users or end customers in the e-commerce context, form the third interest group, interacting with both the platform owner and the complementors (Cenamor, 2021). In the context of this study, Amazon acts as the platform owner and the SMEs selling on the platform as its complementors. The relationship between platform owners and complementors is crucial for the success of these marketplaces, as it determines the dynamics of competition and collaboration within the ecosystem.

The relationship between the platform owner and complementors in platform ecosystems is a complex relationship of interdependency, competition and cooperation. The platform ecosystem consists of the three aforementioned actors of platform-owners, different heterogeneous complementors, and the end users, as depicted in figure 1 below (Cenamor, 2021). The platform owner acts as the ecosystem architect and innovation orchestrator, facilitating the interactions between complementors and end users through the provided access to the platform (Boudreau, 2017; Parker et al., 2016). The modular nature of this approach allows for distributed innovation, where complementors contribute to the platform's overall value by enhancing its product offerings for end users (Cenamor, 2021). However, while complementors have the freedom to innovate, they remain dependent on platform owners who govern the ecosystem and set strategic

direction (Wen & Zhu, 2019). This interdependency creates both cooperation, where complementors benefit from access to the platform's user base, and competition, as complementors must continually adapt to the platform owner's changing strategies and direction (Cenamor, 2021; De Reuver et al., 2018; Wen & Zhu, 2019). It should also be noted that platform owners not only provide complementors with access to its user base, but also support them in several different ways, such as protection against external attacks, offering resources for value creation, and information exchange (Cenamor, 2021; Wen & Zhu, 2019).

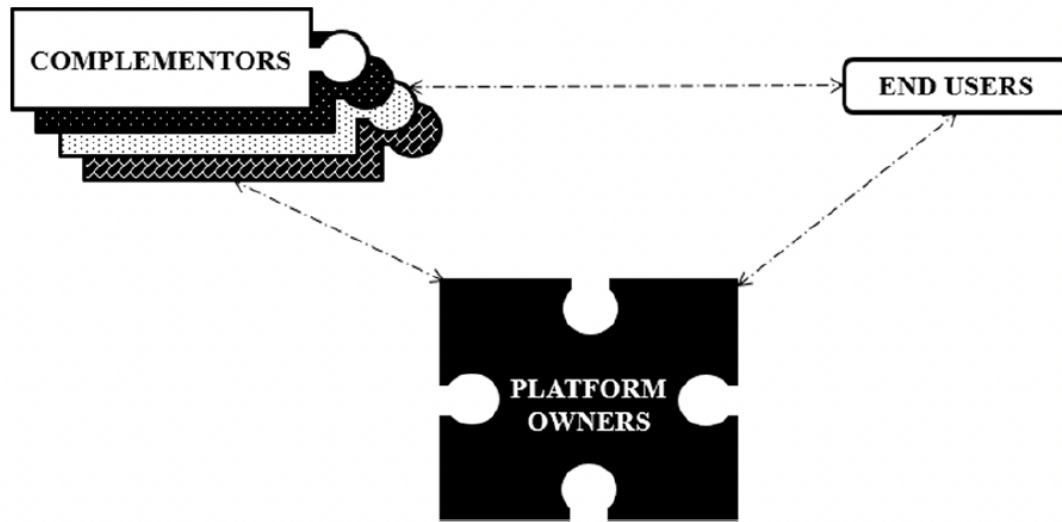


Figure 2: Triangular structure of interdependencies in platform ecosystems. (direct quotation from original source: Cenamor, 2021)

Complementors operating on e-commerce platforms perform essential functions that enhance the overall ecosystem and vice versa. The functions performed by complementors' include providing more and diverse product offerings, contributing to the platform's revenue through fees, and driving traffic through marketing efforts. In the case of Amazon, net service sales, comprising mainly of services provided to complementors, made up over \$318 billion (55,5%) of the company's total net sales of \$574 billion in 2023 (Amazon Annual Report, 2023). The ability of SMEs to leverage the platform and the tools provides also significantly contribute to the ecosystem and impact their success. For instance, online referral marketing and price promotions have been shown to influence customer acquisition and retention positively (Rong et al., 2022). Recently, platform-developed AI technologies also enable complementors' to analyze user data and develop personalized marketing strategies, driving customer engagement and sales performance (Deng et al., 2024). Therefore, understanding and utilizing the complementing relationship between platforms and complementors is a crucial element of understanding the growth, popularity, and attractiveness for SMEs.

However, the relationship between platform owners and complementors can also result in increased competition for complementors. Zhu and Liu (2018) and Zhu (2019) explored how platform owners, like Amazon, sometimes compete with their complementors by entering successful product categories identified through their marketplace data, creating competition for complementors affected (Zhu, 2019; Zhu & Liu, 2018). This dynamic creates both opportunities and challenges for SMEs. While access to a vast market and essential tools is beneficial, the risk of direct competition from the platform owner requires SMEs to continuously innovate and adapt their strategies to maintain a competitive edge.

2.4 E-Commerce Platforms

The rapid evolution of digital marketplaces has reshaped the landscape of global trade, positioning e-commerce platforms as central hubs for commercial activity. These platforms, defined as digital infrastructures that facilitate interactions and transactions between buyers and sellers, have provided SMEs with unprecedented opportunities for market expansion and operational efficiency (Parker et al., 2016; Zhu, 2019). As these platforms integrate services such as payment solutions, logistics, and marketing tools, they simplify complex processes for sellers, enabling even smaller enterprises to engage in cross-border commerce with greater ease (Cassia & Magno, 2022; Jungle Scout, 2024). Understanding the role of e-commerce platforms like Amazon and their dynamic interactions with complementors is essential for analyzing how SMEs leverage these structures to navigate challenges and capitalize on growth in international markets. This section delves into the multifaceted ecosystem of e-commerce platforms, their significance in facilitating international market entry, and the opportunities and potential challenges they present for SMEs.

The steady growth of e-commerce platforms points towards a larger shift in consumer trends from individual stores towards centralized marketplaces. The global cross-border e-commerce market is already dominated by large platforms, which keeps increasing every year (IPC, 2022). According to the IPC survey, 26% of respondents had purchased from Amazon, making it the most used e-commerce marketplace, followed by AliExpress (19%) and eBay (10%) (IPC, 2022). The survey also highlighted a larger shift in user trends, where European buyers are increasingly preferring European goods over Chinese and Asian options, further contributing to the significance of Amazon, which holds the largest share in Europe and the US (IPC, 2022). Furthermore, according to the Italian Trade Agency, over 90% of Italian B2C e-commerce is generated via different e-commerce platforms, highlighting the significance of these platforms to the Italian food and beverage industry (Cassia & Magno, 2022). These metrics highlight the importance to understand the core functionalities of e-commerce platform owner and complementor relationships.

E-commerce platforms, particularly Amazon, have grown exponentially, providing substantial benefits to SMEs in terms of market access and operational efficiency. According to the Jungle Scout "State of the Amazon Seller 2024" report, 46% of Amazon sellers operate in at least one other international marketplace, indicating the platform's pivotal role in facilitating international expansion (Jungle Scout, 2024). Moreover, the report highlights that Amazon's complex logistics system and global order fulfillment infrastructure make it a compelling platform for e-commerce businesses (Jungle Scout, 2024). Fulfillment by Amazon (FBA), which handles storage, shipping, and customer service, is the most popular fulfillment method for Amazon sellers and brands, further showcasing the platform's ability to support SMEs' international market entry and expansion efforts (Jungle Scout, 2024).

2.4.1 E-Commerce Platforms in Internationalization

E-commerce platforms play an integral role in facilitating SMEs' entry into foreign markets, serving as gateways that simplify complex processes and reduce traditional barriers associated with internationalization. According to Pan et al. (2023), SMEs leverage cross-border e-commerce not only as a platform for expanding market reach but as a strategic entry mode that often drives innovation within their operations (Pan et al., 2023). Participation in cross-border e-commerce platforms can also lead to significant empowerment for SMEs, particularly when these platforms offer resources such as marketing tools, data analytics tools, as well as logistics services, elements critical for smaller enterprises lacking internal capabilities (Chen et al., 2023). These findings underscore the transformative potential of e-commerce marketplaces, wherein SMEs can harness built-in tools and resources that aid in adapting their business strategies for a diverse, global consumer base.

Further contributing to the importance and interestingness of cross-border e-commerce through an e-commerce marketplace, is their strategic motivation and potential to spearhead swift entries into foreign markets. Focusing on the Chinese e-commerce market, Qi et al. (2020) found that choosing cross-border e-commerce through an e-commerce marketplace posed lower transaction costs for SMEs entering new markets. More specifically, SMEs opting for e-commerce marketplaces as their market entry mode enjoyed lower transaction frequency, lower asset specificity, and a higher level of trust with customers and partners in the host country (Qi et al., 2020). The ability of platforms to foster trust and provide scalable solutions aligns with SMEs' need for adaptable and resource-efficient internationalization methods.

Cross-border e-commerce and traditional cross-border trade are distinct not only in their structures but also in their associated transaction costs and operational efficiencies. Traditional cross-border trade typically involves lengthy supply chains with multiple intermediaries, such as exporters, importers, and distributors, as illustrated in Figure 1. These intermediaries contribute to elevated

middleman costs and prolonged logistical processes (L. Wang et al., 2015). In contrast, e-commerce platforms streamline this process by acting as central hubs that connect sellers and buyers directly or with fewer intermediaries, as depicted in Figure 2. This simplification reduces transaction costs related to information search, negotiation, and middleman fees, making market access more efficient for SMEs (Pan et al., 2023; L. Wang et al., 2015). Furthermore, while traditional models rely heavily on established business networks and formal contract negotiations, e-commerce platforms leverage digital tools that shorten or even eliminate these stages, enhancing transaction speed and efficiency (Chen et al., 2023). This insight was further expressed by Deng et al. (2024), stating how establishing e-commerce platforms as crucial intermediaries to empower SMEs across various market players. Especially in foreign markets, establishing functional relationships with interest groups such as logistics providers, government agencies and financial insurance firms can be often cumbersome for SMEs, where the intermediating factor of e-commerce platforms alleviates this burden (Deng et al., 2024). These differences underscore the strategic advantage e-commerce platforms hold in facilitating more agile and cost-effective international market entry for SMEs.

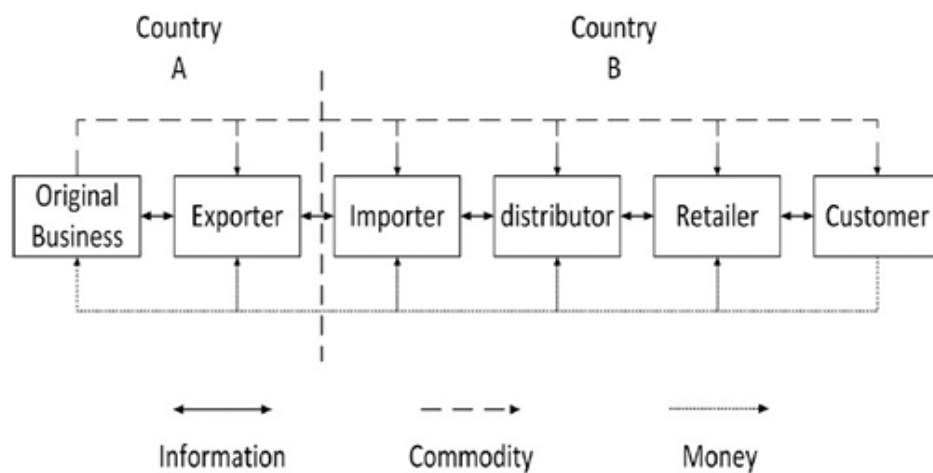


Figure 3: A Typical Supply Chain of Traditional Exporting Mode (direct quotation from original source: Wang et al. 2015)

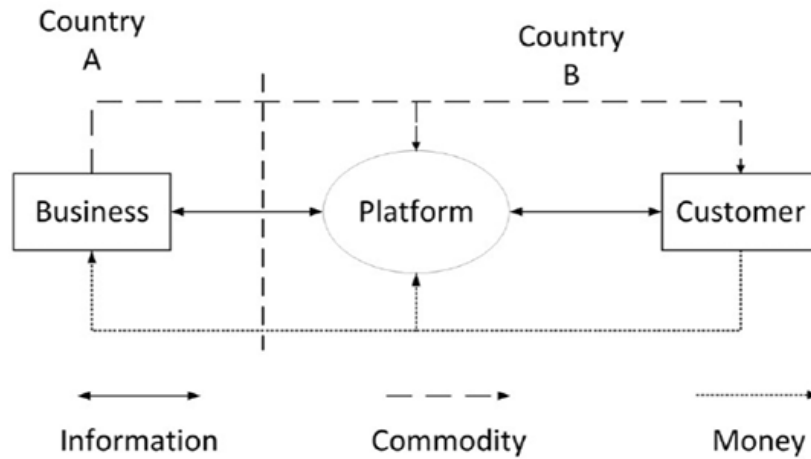


Figure 4: A Supply Chain of CBEC (B2B2C) (direct quotation from original source: Wang et al. 2015)

In addition to serving as an entry point for SMEs into the global market, established e-commerce platforms also provide an array of supportive services encompassing payment gateways, logistical support, and technological tools for customer analytics (Amazon Annual Report, 2023; Cassia & Magno, 2022; Jungle Scout, 2024; Y. Wang et al., 2020). For example, Deng et al. (2024) found that AI technologies enable platforms to analyze user data and behavior, leading to the development of personalized marketing strategies that can improve customer engagement and sales performance. This capability is particularly advantageous for SMEs that might otherwise lack the resources to develop such sophisticated analytics on their own (Deng et al., 2024).

The introduction of these comprehensive services is poised to significantly alleviate the influence of traditionally impactful capabilities related to cross-border e-commerce and exporting operations, potentially exerting a moderating effect, as suggested by Cassia & Magno (2022). However, owing to the nascent stage of research in this domain (Cassia & Magno, 2022; Qi et al., 2020; Zhu & Liu, 2018) the precise nature, and implications of these impacts on relevant capabilities remain elusive and warrant further research.

2.5 Dynamic Capabilities Framework

2.5.1 Definition and key concepts

This study utilizes the dynamic capabilities framework to analyze the factors at the firm level that influence an Amazon entry into a foreign market. The dynamic

capabilities framework analyzes the sources and methods of wealth creation and capture by firms operating in environments of rapid environmental change (Barreto, 2010; Teece et al., 1997). It aims to explain firm-level success and failure in regimes of rapid change innovation-based competition (Schilke et al., 2018; Teece, 2007). The framework helps organizations understand how to develop and leverage their capabilities to respond to changes in the external environment, identify and develop specific capabilities necessary for success in dynamic and uncertain environments, and continuously learn, innovate, and adapt to stay competitive (Barreto, 2010; Schilke et al., 2018).

A dynamic capability is the capacity of a firm to renew and adapt its competencies to achieve congruence with the changing business environment (Teece et al., 1997). It involves the ability to respond to rapid technological change, uncertain future competition and markets, and the need for timely responsiveness (Cenamor, 2021; Teece, 2007). Dynamic capabilities also emphasize the role of strategic management in integrating and reconfiguring internal and external organizational skills, resources, and functional competencies to match the requirements of a changing environment (Barreto, 2010; Schilke et al., 2018; Wilden et al., 2013). Dynamic capabilities are difficult to replicate and are often built over time through learning and experience (Teece et al., 1997). Schilke et al. (2018) also differentiate dynamic capabilities from other firm-level capabilities by dividing them into operational and dynamic capabilities, where operational (or ordinary) capabilities are utilized in maintaining the status quo of the business and product lines and dynamic capabilities are directed solely towards strategic change (Schilke et al., 2018). In the context of this study, the nature of firm-level capabilities required to thrive in an e-commerce platform are inherently dynamic due to the transformational shift in competitive and industry dynamics it presents to SMEs with no prior experience of such environment.

2.5.2 Relevance to SME Internationalization

The connection between dynamic capabilities and a firms' performance is complex and multifaceted (Barreto, 2010; Teece et al., 1997; Wilden et al., 2013). This measure is highly dependent on how we conceptualize both dynamic capabilities and measure performance in each given context. For example, Wilden et al. (2013) found dynamic capabilities to have no significant direct effect on financial solvency and even found a negative direct effect on sales growth (Wilden et al., 2013). The specific nature and effectiveness of dynamic capabilities in driving firm performance depends on various internal and contextual factors. The internal factors include the firm's strategic orientation, organizational structure, leadership, and resource allocation (Barreto, 2010). Contextual factors include industry characteristics such as industry dynamics, external competitive intensity, and market conditions (Schilke et al., 2018; Wilden et al., 2013).

The dynamic capabilities framework can also explain the market entries of firms, thus further contributing to its relevance to this research. As the framework suggests, new market entry decisions must be concerning the firm-level competencies and capabilities of the new entrant, relative to the competition of the target market (Teece et al., 1997). It helps identify likely new entrants, where other approaches give minimal contribution (Teece et al., 1997). In the context of emerging market enterprises, dynamic capabilities such as international experience, international diversification, total factor productivity, and institutional quality can highly impact the chosen entry modes of firms (Liu & Kang, 2020).

2.5.3 Application in E-commerce Context

Utilizing the dynamic capabilities approach, we can also gain an understanding of the timing of entry. Teece et al. (1997) suggest that the relationship between specialized firm-specific capabilities and market competition has the greatest influence on the entry timing of any individual firm. The theory suggests that an organization's propensity to enter new markets is increased when its existing capabilities significantly overlap with the demands of a new market (Teece et al., 1997). Lee (2008) introduces the factor of capability relevance, which he argues to have a strong influence on a firm's timing of new market entry. Capability relevance refers to a firm's ability to deploy knowledge about technologies and customers that underpin the development of a product (G. K. Lee, 2008). Firms that improve their capability relevance over time can achieve early entry, even if they were initially in an unfavorable market position (G. K. Lee, 2008).

The dynamic capabilities framework offers a robust theoretical foundation for understanding the complexities of SME internationalization through e-commerce platforms like Amazon. It emphasizes the importance of firms' abilities to adapt, integrate, and reconfigure internal and external competences in response to rapidly changing environments (Teece et al., 1997). For SMEs using Amazon, developing dynamic capabilities is crucial for leveraging the platform's tools and services, such as Fulfillment by Amazon (FBA) and global order fulfillment infrastructure, to gain a competitive edge in international markets.

Amazon's extensive suite of tools provides SMEs with operational support needed to scale their businesses across borders. However, to fully capitalize on these opportunities, SMEs must continuously adapt their strategies to manage rising costs, competitive dynamics, and evolving consumer preferences (Jungle Scout, 2024). The dynamic capabilities framework helps identify specific capabilities that SMEs need to thrive, such as logistics management, data analytics, and digital marketing. These capabilities are critical for navigating Amazon's competitive landscape and optimizing performance.

2.5.4 Criticisms and Limitations

The dynamic capabilities perspective is not without limitations and criticism. Firstly, the framework has faced recurring criticism due to its proliferation of definitions and lack of consensus over key conceptualizations (Barreto, 2010; Teece et al., 1997). The second order of criticism for the framework is its complex and somewhat disconnected body of research as a result of the rapid growth and diversity of dynamic capability literature (Barreto, 2010). For example, research varies in the application of dynamic capabilities, with some studies focusing on firm performance outcomes, while others examine processes or organizational impacts. Additionally, there's a division between viewing dynamic capabilities as unique to each firm or as shared traits across different firms (Barreto, 2010). Researchers have also criticized the framework due to its lack of empirical support (Barreto, 2010; Kraatz & Zajac, 2001; Newbert, 2007). Both Kraatz & Zajac (2001) and Newbert (2007) have found the dynamic capabilities approach to have low levels of empirical support and resistance empirical observations and measurement (Kraatz & Zajac, 2001; Newbert, 2007).

3 DATA AND METHODOLOGY

This section outlines the context, research design, methods, and data collection strategies chosen for this study. In particular, the rationale for selecting qualitative research methods is explored in relation to the topic of SME internationalization through e-commerce platforms. Additionally, this section explains how the Gioia Method will be used for data analysis and justifies the selection of semi-structured interviews as the primary data collection tool.

3.1 Amazon

Amazon, founded in 1994 as an online bookstore, has significantly expanded its scope to become a multifaceted global entity in retail and technology. Headquartered in Seattle, it began by revolutionizing the sale of books through the internet, quickly expanding to offer a diverse array of products and services. Today, Amazon is not just a retail giant but also a leader in cloud computing with Amazon Web Services (AWS), a provider of streaming services through Amazon Prime, and an innovator in the realms of artificial intelligence and logistics (Amazon Annual Report, 2023). This extensive growth and diversification have made Amazon a crucial platform for small and medium-sized enterprises (SMEs) aiming to expand their reach into international markets. The platform's comprehensive suite of tools and services facilitates global expansion, helping SMEs overcome traditional barriers to international trade.

3.1.1 Selling on Amazon

Selling on Amazon revolves around product listings, which serve as the foundation of how products are displayed and sold on the platform. A listing includes essential product details such as the title, images, descriptions, pricing, and reviews, all of which contribute to visibility and appeal to customers

(Amazon, 2024). Unlike in traditional e-commerce, sellers do not fully own their listings. Instead, listings belong to the marketplace itself, allowing multiple sellers to sell the same product under a shared listing. This shared ownership model ensures consistency for customers but can introduce challenges for sellers in maintaining control over their brand. Sellers with brand registry have greater authority over their listings and can make key edits, such as updating descriptions and images (Amazon, 2024, 2024a). For listings with multiple sellers and no brand ownership, sellers are left to battle to become the “featured offer” (formerly, “buy-box”) to become the primary seller on the listing (Amazon, 2023).

Amazon offers two main business models for selling: the vendor model and the seller model. The vendor model allows businesses to sell their inventory directly to Amazon, which then sells the products to customers as a retailer. While this model simplifies operations, it limits sellers’ control over pricing, branding and customer interaction. Sellers can also enter the vendor model only through invitation, after showing good growth metrics in Amazon as a seller (Amazon, 2024). The seller model, in contrast, lets businesses sell directly to customers through Amazon’s marketplace, without ever taking ownership of the products between the seller and end-customer. The seller model provides greater autonomy but demands more effort in managing content optimization, pricing and advertising (Amazon, 2024). While the vendor model may suit larger businesses and manufacturers prioritizing volume sales, the seller model is often more widely used and appealing for SMEs, given the offered flexibility to control their operations and customer engagement.

3.1.2 Opportunities for sellers

Amazon's impact on small and medium-sized enterprises (SMEs) is particularly noteworthy (Amazon, 2024). The platform provides SMEs with unprecedented access to international markets, offering an array of tools and services that facilitate global expansion. This includes streamlined logistics solutions, access to a vast customer base, and various marketing and sales support systems (Amazon Annual Report, 2023). Through Amazon, SMEs can overcome traditional barriers to international trade, such as distribution challenges and market penetration complexities. However, this access also introduces new dynamics in competition, with SMEs needing to navigate a vast and highly competitive marketplace.

In the context of SMEs engaging in international markets, Amazon's platform and services present a multifaceted and influential landscape. Amazon's Fulfillment by Amazon (FBA) program exemplifies a significant service impacting SMEs' international market access, where Amazon provides sellers of all sizes access to its vast international warehouse and logistics network (Amazon Annual Report, 2023). FBA alleviates logistical burdens by handling storage, shipping, and customer service. This advantage is particularly relevant for SMEs seeking global outreach without the infrastructure for extensive logistics networks (Amazon Annual Report, 2023; Cassia & Magno, 2022). However, reliance on FBA entails navigating Amazon's fee structure and policy constraints, which

requires platform-related capabilities and can impact profitability and operational autonomy.

The global reach of Amazon's marketplace is another key factor. It offers SMEs exposure to a diverse, international customer base, which is a substantial advantage for businesses aiming to transcend local markets. Amazon's vast services for international selling, such as the European Fulfillment Network (EFN), empower SMEs by allowing them to enter multiple markets through the Amazon platform, which greatly increases their capability to scale their e-commerce business across borders (Amazon Annual Report, 2023). Nevertheless, entering this global marketplace means facing intense competition, which consequently pressures SMEs to adopt certain capabilities and strategies in order to stand out on the platform.

Amazon's vast advertising and marketing tools provide SMEs with means to stand out from competition, a critically important component for success in a crowded e-commerce space. Over time a wide range of different advertising methods and tools have been developed by Amazon, highlighting the importance of specific platform-related advertising knowledge to successfully utilize all available means to rise above competition. These tools include features such as Amazon Brand Registry, Sponsored ads, Sponsored display ads, Sponsored Brands ads, Amazon Vine, and many others (Amazon Annual Report, 2023). Adding the complex landscape, the cost-effectiveness, outcome, and impact of these tools can vary, meaning SMEs must balance the potential benefits against the costs and the risk of over-reliance on a single platform's marketing ecosystem.

Furthermore, Amazon's scale and international presence offer unique insights into global consumer trends and behaviors, invaluable for SMEs entering new markets. Amazon's vast dataset on customer preferences and market trends allows SMEs to tailor their offerings and strategies effectively (Amazon Annual Report, 2023). By leveraging this data, SMEs can enhance their competitive edge, optimize product assortments, and devise targeted marketing campaigns. However, the depth of customer insights available directly to SMEs is often limited, as Amazon primarily controls the customer relationship and data. Collectively, these insights reinforce the pivotal role of digital platforms like Amazon in facilitating SME internationalization and cross-border e-commerce.

3.1.3 Challenges for Sellers

Despite the numerous benefits Amazon provides to SMEs, the platform is not without its challenges. SMEs often face significant competition from larger, more established sellers, which can make it difficult to stand out and gain market share. This intense competition can drive prices down, squeezing the profit margins of smaller enterprises (Jungle Scout, 2024). Additionally, Amazon's fee structure, which includes various selling fees, storage fees, and fulfillment fees, can

significantly impact the profitability of SMEs, making it crucial for them to carefully manage their costs and pricing strategies (Amazon Annual Report, 2023; Jungle Scout, 2024). Moreover, Amazon's strict policies and guidelines can be cumbersome, requiring SMEs to constantly adapt to changes, which can strain resources and operational flexibility. Compliance with these policies often demands additional administrative effort and investment in specific compliance capabilities, which might not be readily available to all SMEs.

Another critical concern is the dependency on Amazon's ecosystem, which can limit SMEs' control over their branding and customer relationships. Since Amazon retains primary control over customer data and interactions, SMEs may struggle to build direct relationships with their customers, affecting their ability to foster brand loyalty and gather detailed customer insights (Zhu & Liu, 2018). Furthermore, the reliance on Amazon's logistical and marketing tools can lead to over-reliance on a single platform, making SMEs vulnerable to policy changes or shifts in the platform's strategic direction. Rising costs, such as increasing ad spend and fulfillment fees, also pose significant challenges, with more than a third of sellers concerned about these rising expenses (Jungle Scout, 2024). These challenges underscore the importance for SMEs to develop robust strategies and dynamic capabilities to effectively navigate Amazon's platform while mitigating potential drawbacks. Developing a multi-channel approach and diversifying their e-commerce strategies can also help SMEs reduce dependency on Amazon and enhance their resilience.

Additionally, unlike many other platform owners, Amazon has a propensity to engage in competition with its selling partners (Zhu & Liu, 2018). Research indicates that Amazon frequently targets successful product spaces of third-party sellers, which can discourage these sellers from continuing to grow their businesses on the platform (Zhu & Liu, 2018). Platform owners' entering complementors' spaces is a relatively common phenomenon in platform markets overall by offering complementing services on the platform to achieve growth (Zhu, 2019). Even the European Union has expressed concern over Amazon unfairly using the data from its third-party complementors to determine new markets to enter (Wen & Zhu, 2019). This competition often results in SMEs struggling to maintain their market share and profitability. According to the Jungle Scout "State of the Amazon Seller 2024" report, 56% of sellers expressed concern over Amazon competing with their products, highlighting a widespread apprehension about being undercut by the platform itself (Jungle Scout, 2024). Such dynamics necessitate that SMEs develop robust strategies to mitigate the risks associated with Amazon's competitive actions.

In summary, Amazon's services and global scale present both opportunities and challenges for SMEs in international market expansion. While the platform offers considerable advantages in terms of logistics, market access, and marketing tools, SMEs must navigate the complexities of fees, competition, policy adherence, and limited customer insights. Furthermore, Amazon's propensity to compete directly with successful third-party sellers adds another layer of

challenge for SMEs striving to maintain their market share and profitability. Developing robust strategies and dynamic capabilities specific to the platform is crucial for SMEs to effectively leverage Amazon's ecosystem for sustainable international growth. Additionally, adopting a multi-channel approach and diversifying e-commerce strategies can help SMEs mitigate risks and enhance their resilience in the competitive landscape.

3.2 Qualitative research approach

Qualitative research was chosen for this study due to its focus on understanding the complex and nuanced experiences of Finnish SMEs engaging in cross-border e-commerce. While quantitative research aims to produce generalizable results through statistical analysis, qualitative research excels at exploring phenomena in depth by focusing on the interpretation of experiences, meanings, and contexts (Merriam & Grenier, 2019). The nature of SME internationalization through platforms like Amazon is inherently complex, involving strategic decisions, dynamic capabilities and interactions that cannot be fully captured through numerical data alone. Instead, qualitative research allows for a more flexible and exploratory investigation onto how SMEs adapt their strategies and resources in response to the challenges and opportunities of foreign market entry via e-commerce.

Qualitative research, particularly in the form of interviews, provides a way to capture the lived experiences of key stakeholders and decision makers. This approach enables the researcher to delve into the subjective meanings and interpretations of the participants, a central factor to understanding the strategic capabilities required for internationalization. As Creswell and Creswell (2018) point out, qualitative research is particularly well-suited for studies that aim to generate insights into social phenomena through rich, detailed descriptions (Creswell et al., 2018). In this study, the goal is to uncover the specific capabilities that enable Finnish SMEs to succeed in international markets, making qualitative methods the most appropriate choice.

Furthermore, qualitative research allows for open-ended and exploratory questions, which are necessary for examining the dynamic and evolving nature of international market entry through e-commerce platforms. Qualitative research is not limited by fixed hypotheses but rather encourages the discovery of new insights and perspectives that may not be anticipated at the outset of the study (Elliott, 1999). This flexibility is crucial when investigating a relatively unexplored topic like the role of digital platforms in SME internationalization, where existing knowledge is limited, and new patterns may emerge throughout the data collection process.

3.2.1 Semi-structured interview method

Semi-structured interviews were chosen as the primary data collection method for this study due to their ability to provide both structure and flexibility. As opposed to highly structured interviews, semi-structured interviews allow for open-ended responses while still guiding the discussion toward key areas of interest. This format ensures that the research remains focused on the core topics of SME internationalization and navigating e-commerce platforms, while giving participants the freedom to elaborate their unique experiences and insights (Patton, 2015).

The decision to use semi-structured interviews is further supported by the interpretive qualitative research approach employed in this study. This approach emphasizes the importance of understanding participants' subjective experiences in a particular context (Merriam & Grenier, 2019). Additionally, the choice of qualitative interviews aligns with previous research on SME internationalization, which has demonstrated the value of interviews in uncovering the processes and capabilities that underpin successful market entry (Child et al., 2022; Ferreira et al., 2023).

As established, the context of this study involves Finnish SMEs navigating the complexities of cross-border e-commerce through Amazon. Semi-structured interviews are ideal for capturing these experiences, as they allow participants to reflect on the challenges, strategies, and capabilities that have shaped their internationalization efforts. By interviewing both SME managers (Interview group A) and Amazon experts (Interview group B) this study aims to triangulate perspectives from different key stakeholders, thereby enriching the data and providing a comprehensive understanding of the capabilities required for successful cross-border e-commerce.

Moreover, qualitative interviews can generate rich data that would be difficult to obtain through other methods. As suggested by Gibbs (2007), conducting interviews allows the researcher to explore participants' thoughts and behaviors in greater depth, allowing for a more nuanced analysis of how SMEs manage their entry into foreign markets (Gibbs, 2007). The use of Gioia method for data analysis, as discussed in the next chapter, will further ensure that the insights generated from these interviews are systematically analyzed and rigorously interpreted.

Finally, semi-structured interviews offer the flexibility to adjust the interview protocol based on participants' responses, a characteristic particularly relevant for exploring the dynamic nature of internationalization and its required capabilities (Gioia et al., 2013). Given that the capabilities and strategies used by SMEs may vary depending on market conditions, industry, and other contextual factors, it is increasingly important to have the ability to probe deeper into specific topics as they arise during the interview process.

3.2.2 Gioia Method

To achieve qualitative rigor in inductive research, this study will employ the Gioia Method, a well-organized systematic approach to qualitative data analysis. This method has been successfully applied in numerous published studies, providing a structured framework for analysing complex organizational phenomena (Gioia et al., 2013; Nag et al., 2007; Stigliani & Ravasi, 2012). The Gioia Method offers a proven approach to analyzing concepts related to human organizational experiences, allowing researchers to capture participants' subjective interpretations while maintaining a strong theoretical foundation. It enables researchers to explore the complexities of organizational dynamics, particularly those related to internationalization strategies and e-commerce platforms.

The Gioia Method is particularly effective for answering "how" questions, which is critical to this study's exploration of SMEs navigating the complexities of foreign market entry through digital platforms. As noted by Magnani & Gioia (2023), this method is especially valuable in international business and entrepreneurship research, where the aim is to uncover underlying processes and capabilities that drive success in global markets (Magnani & Gioia, 2023). The flexibility of the Gioia Method allows researchers to adapt the interview protocol mid-process, as new themes and patterns emerge, providing a more dynamic and exploratory approach to data collection (Gioia et al., 2013). This flexibility is crucial when investigating a rapidly evolving field like cross-border e-commerce, where participants' experiences may vary based on market conditions, industries, and technological developments.

One of the key strengths of the Gioia Method is that it treats participants as knowledgeable agents who possess valuable insights into the phenomena being studied (Gioia et al., 2013). This approach aligns with the interpretive nature of qualitative research, allowing the researcher to engage deeply with participants' experiences and perspectives. By capturing their insights in their own words during the first-order analysis, the researcher can maintain a close connection to the data, ensuring the participants' voices are authentically represented (Gioia et al., 2013). This method therefore respects the richness of qualitative data while ensuring that the findings are systematically organized and theoretically grounded.

The analytical process of the Gioia Method proceeds in three systematic steps. In the first-order analysis, the researcher identifies key concepts and categories directly from the participants' responses, staying close to the original language used. This stage allows for the raw data to be categorized without preconceived notions, enabling the discovery of new patterns and themes (Gioia et al., 2013). In this study, an additional translation phase might be employed in the first-order phase to allow the participants' to be interviewed in their native language. This should allow for a deeper understanding of the true causes, without a language barrier interfering with the data collection process. In

the second-order analysis, these concepts are then abstracted into higher-level theoretical dimensions, which can help explain the underlying organizational phenomena. Finally, in the third stage, these dimensions are distilled into into a cohesive data structure, illustrating the relationships between the emergent concepts and the broader theoretical framework. This structured approach ensures that the analysis remains grounded in the data while contributing to the development of new organizational theory (Bouncken et al., 2021; Gioia et al., 2013).

The method's rigorous yet flexible nature also makes it well-suited for studies in evolving fields. Reay et al. (2019) highlight that the Gioia Method can be adapted to fit different research contexts, ensuring that the findings are both credible and contextually relevant (Reay et al., 2019). In this study, the Gioia Method will allow for a detailed exploration of how SMEs adapt their strategies and capabilities in response to the challenges and opportunities presented by e-commerce platforms. Moreover, as noted by Suleiman & Othman (2021), the Gioia Method's systematic approach to data collection and analysis helps ensure academic rigor, even in studies that involve complex, multidimensional phenomena like internationalization and e-commerce (Suleiman & Othman, 2021).

Additionally, examples of the application of Gioia Methodology exists in great amounts in academic literature (Magnani & Gioia, 2023). Researcher's like Domurath et al. (2020) exemplify this by studying new venture adaptation in international markets, integrating the Gioia methodology with a multiple case study approach. Many other studies exemplify the flexibility of the Gioia method further, by employing the method for multiple case studies (Domurath et al., 2020; Niittymies, 2020; Spanellis et al., 2021). Similarly, this study will leverage the Gioia methodology for qualitative data analysis, first examining the two distinct interview groups independently and then synthesizing the findings to form a cohesive understanding.

In summary, the Gioia Method offers a robust framework for building theory directly from qualitative data, making it particularly well-suited for this study's aim of understanding how Finnish SMEs utilize dynamic capabilities to succeed in foreign markets. Its focus on capturing participants' subjective experiences, while maintaining a structured and theoretically grounded approach to analysis, ensures both depth and rigor in the research process. By employing the Gioia Method, this study will provide rich, detailed insights into the strategic decision-making processes of SMEs in the context of cross-border e-commerce, contributing to the broader understanding of internationalization in the digital age.

3.3 Data

This research focuses on Finnish SMEs that have entered foreign markets via cross-border e-commerce through Amazon. The primary goal is to identify and analyze the capabilities that significantly contribute to the success of these market entries. Data collection comprises 16 semi-structured interviews divided into two categories: Interview Group A and Interview Group B.

3.3.1 Interview Group A

Interview Group A includes 11 informants from 8 different companies, as detailed in Table 1 below. Each company contributes up to two informants to provide varied perspectives based on their different roles, operational tasks, and responsibilities related to their Amazon operations. This approach ensures comprehensive and multifaceted data collection that captures rich insights from multiple vantage points within a single company. The group represents a range of company sizes, with annual revenues varying between €0-1 million and €15-16 million, which further enriches the dataset.

Interviewee	Company	Role	Annual revenue (millions)	Interview length
SME 1	A	Co-founder	0-1	36min
SME 2	B	Marketing Manager	3-4	66min
SME 3	A	CEO / Co-founder	0-1	35min
SME 4	B	CEO/Owner	3-4	25min
SME 5	C	CEO/Owner	0-1	81min
SME 6	D	CEO/Owner	0-1	72min
SME 7	E	CEO/Owner	15-16	38min
SME 8	F	CEO/Owner	0-1	64min
SME 9	G	Advisor	2-3	50min
SME 10	H	CEO/Owner	0-1	88min
SME 11	G	CEO/Owner	2-3	19min

Table 1: Interview Group A Background Information

Following this, Table 2 outlines specific metrics related to each company's Amazon business, including revenue generated through Amazon, the year operations began on the platform, product categories, target markets, and whether the company leveraged Amazon to open new sales channels or worked with external partners/consultants. This detailed company-specific information is crucial for identifying the varied factors influencing each firm's experience and success with cross-border e-commerce. These variables can shed light on the diverse challenges and successes SMEs may encounter when expanding through Amazon, providing both theoretical and practical implications for future SME strategies.

Company	Amazon annual revenue (thousands)	Amazon launch year	Product Category	Amazon Markets	Amazon directly influenced opening of new sales channels	Amazon was the first sales channel in target market
A	10-15	2020	Dog training aids	USA	Yes	Yes
B	10-15	2024	Decoration mirrors	EU	No	No
C	50-100		Dog products	USA, EU, UK	Yes	Yes
D	180	2019	Mobility aids	DE+EU	Yes	Yes
E	84	2022	Candy	USA	No	No
F	5-10	2024	Children's toys	DE+EU	No	Yes
G	Pre-launch	2024	Accessories	DE+EU	No	Yes
H	120	2021	Tools	DE+EU, UK	No	Yes

Table 2: Interview Group A Amazon Information

Whereas all the interviewees in Group A have empirical first-hand operational knowledge of cross-border e-commerce in Amazon, **all of them had to some degree outsourced their Amazon responsibilities to external consultants** and Amazon agencies specializing in helping companies to succeed in Amazon. This reliance underscores the complexity of navigating Amazon's platform and highlights the need for professional expertise. To achieve a more holistic understanding of the capabilities that underpin both successful and less effective engagements on Amazon, it was deemed essential to include an additional interview group. Interview Group B serves to complement the insights of Group A, bridging knowledge gaps and enriching the overall analysis of the capabilities necessary for SMEs to thrive on Amazon.

3.3.2 Interview Group B

Interview Group B consists of Amazon experts who possess substantial experience in supporting companies through foreign market entries via Amazon's platform. This group aims to provide an informed perspective on the key competencies and strategic approaches SMEs need for successful internationalization. As shown in Table 3, the experts interviewed have between 6 to 7 years of experience working with Amazon, and all are certified by Amazon or employed by Amazon-certified companies. This certification underscores their deep understanding and proficiency in navigating Amazon's complex ecosystem.

Each expert's insights are based on extensive hands-on experience, with interview durations ranging from 37 to 82 minutes. These comprehensive discussions are intended to capture in-depth knowledge about the challenges SMEs face and the capabilities required to overcome them effectively. The data obtained from this group complements the SME perspectives from Group A, enabling a multi-dimensional analysis of Amazon's role in cross-border e-commerce for SMEs.

	Amazon Experience (years)	Certified by Amazon / Works in Amazon Certified Company	Interview Length
Expert 1	6	Yes	82min
Expert 2	7	Yes	60min
Expert 3	7	Yes	37min
Expert 4	7	Yes	65min
Expert 5	6	Yes	47min

Table 3: Interview Group B

3.3.3 Remarks on Data Validity and Reliability

This research takes a robust approach to ensuring both validity and reliability, leveraging qualitative data and insights from two distinct interview groups. By doing this, this research aims to triangulate between different data sets to generate both credible and actionable findings.

The validity of the data is reinforced by the diversity within group A, which includes 11 informants from 8 different companies. Furthermore, the companies included are from various product categories and revenue brackets, again allowing for diverse and generalizable findings. Also, informants in group A boast various levels of Amazon sales, both in accumulated revenue and years of Amazon experience. To further ensure validity, all interviews were held in the interviewees' native language of Finnish and later translated into English for this research. This takes away the possibility of language barriers negatively affecting the amount of information shared by each informant. The interviewers' extensive background and firsthand experiences with Amazon enabled for more informed enquiries about certain details, further enhancing the validity of information extracted. The thesis authors' background of working with many informants also aided in guiding questions for each informant to extract unique insights for each interviewee, while also being a significant factor in attracting this many C-level decision-makers to spend scarce time resources to participate.

The reliability of the research is bolstered by a structured and consistent data collection process. Semi-structured interviews provided a standardized framework for discussions, ensuring that all participants addressed key themes while allowing flexibility for in-depth exploration of their unique experiences. This approach balances consistency with the depth needed to uncover nuanced and unique insights, enhancing internal reliability. The study's external reliability is supported by its transparency in describing participant profiles, displaying straight quotations, and data collection methods. This level of detail enables future researchers to replicate the study and follow each conclusion made from the raw interview data upwards. Triangulation between Group A and Group B strengthens the reliability of the findings by cross-verifying operational insights with expert perspectives. For instance, while SMEs in Group A frequently cited challenges with Amazon's complex platform, Group B experts offered strategic advice on overcoming these barriers, such as leveraging data analytics tools and understanding Amazon's ranking algorithm. This corroboration ensures that findings are not overly reliant on any single source or informant group.

Despite its strengths, the study acknowledges certain limitations. Group A's reliance on external consultants for Amazon operations may introduce response bias, as some participants might lack direct knowledge of platform intricacies. However, the inclusion of Group B mitigates this by providing detailed insights from professionals handling outsourced operations and deeply embedded in Amazon's ecosystem. Similarly, while the sample size is modest, its diversity across industries, company sizes, and international markets compensates for this limitation, ensuring generalizability within the context of Finnish SMEs. It should also be noted that the overall number of Finnish companies selling on Amazon is very limited and this informant group gives a compelling image of the Finnish context. Some interviews, namely SME 11 and Expert 5, were cut short due to informants' consecutive meetings, but this again is mitigated due to the number of other interviews extending further.

4 RESULTS AND FINDINGS

This chapter explores the results and findings of this research's qualitative analysis. Since both included interview groups represent different informants, use different interview structures and hope to explore the phenomenon from 2 different perspectives, the results and findings are subsequently also explored separately. We will draw common findings from both groups in section 5 of this research.

Due to the number and richness of interviews in both groups, the overall data for this research amounted to hundreds of pages of quotations about different aspects of Amazon sales. In upcoming demonstrations, only a portion of these quotations will be showcased to retain readability and relevance.

4.1 Interview Group A

The analysis of interview group A focused on recognizing relevant themes related to success factors, key skills, and challenges that SMEs face when entering foreign markets through Amazon. As shown in Figure 5, the initial first-order terms were carefully distilled and grouped into broader second-order themes. These second-order themes provided deeper insights into the nuanced experiences and strategic actions of SMEs, ultimately leading to the identification of four aggregate dimensions. These dimensions align with the dynamic capabilities framework and encapsulate how SMEs sense opportunities, seize resources, manage operational challenges, and adapt for sustained success. The structure of these findings illustrates the interconnected nature of strategic and operational practices in achieving effective market entry and growth in cross-border e-commerce environments.

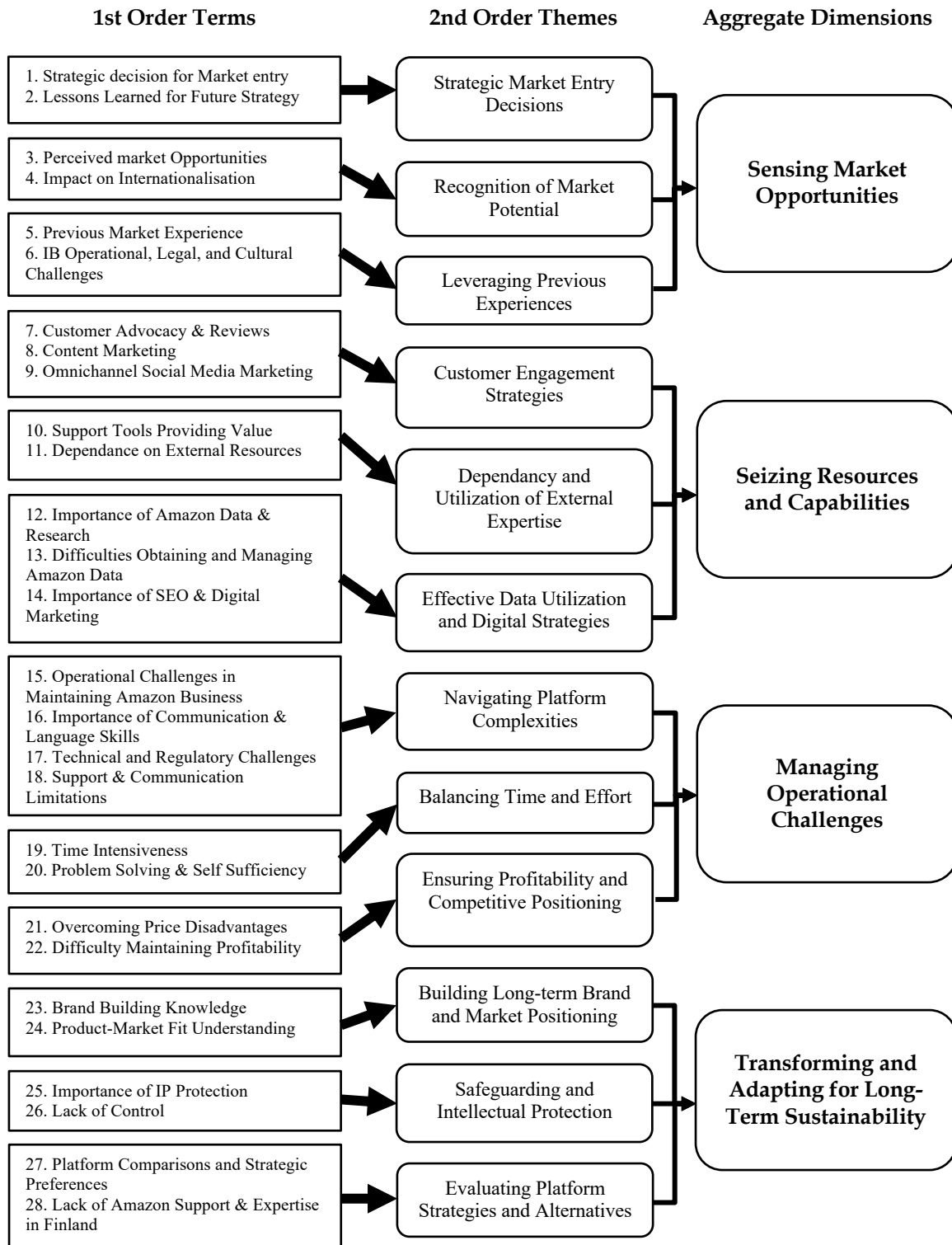


Figure 5: Interview Group A Data Structure

4.1.1 Sensing Market Opportunities

The first aggregate dimension, Sensing Market Opportunities, captures the fundamental capability that SMEs need to identify and evaluate potential growth avenues when entering foreign markets via e-commerce platforms. This dimension is crucial because it lays the foundation for how SMEs recognize strategic entry points and anticipate the advantages of expanding internationally. By understanding the global market potential and leveraging prior market experiences, SMEs can position themselves more effectively and reduce uncertainties associated with cross-border trade. Table 4 depicts the key findings in each category this dimension bases itself on.

Table 4: Sensing Market Opportunities

Quotations	First-order terms	Second-order themes
<p><i>"From the beginning, our idea for internationalization was to seek international trade... So that's why Amazon was indeed our first international channel, especially when I realized the potential in the U.S. market solely through Amazon, even with just one product. We could potentially increase our sales tenfold if we do it right. That has been... That has been an incredibly significant realization and a shift in our strategy to understand those opportunities."</i> (SME 5)</p> <p><i>"Well, let's say that what fascinated us the most was the idea of accessing the U.S. market. We thought a lot about which country we should choose when entering Amazon, so we planned and carefully considered for a long time why we chose the United States."</i> (SME 7)</p> <p><i>"Germany was our target market, and we saw that Amazon would be the best means to reach it."</i> (SME 11)</p>	Strategic Decision for Market Entry	Strategic Market Entry Decisions
<p><i>"Yes, and of course, knowing that it is a future sales channel that will likely come to Finland</i></p>	Lessons Learned for Future Strategy	

<p><i>or the Nordics at some point, getting familiar with it in advance and..." (SME 10)</i></p> <p><i>"It is indeed the case that when the goal is to reach a point where a significant portion of revenue comes from abroad and international sales, this has been seen as an important channel in that regard. Specifically, it diversifies the revenue streams from international sales, ensuring that products are available through as many channels as possible for the international markets."</i> (SME 2)</p>		
<p><i>"It seemed or was impressive how they, in the U.S., control about 70 percent of e-commerce deliveries, the dominance and superiority, and then the same seemed to be happening in England and Germany as well, so that was interesting as a future... As a future sales channel." (SME 10)</i></p> <p><i>"I mean, it's like a global playing field, as we already ship packages as far as Japan through Amazon.com. It has been. And to the UK and Europe and everywhere. We genuinely have a truly global marketplace." (SME 3)</i></p>	<p>Perceived Market Opportunities</p>	<p>Recognition of Market Potential</p>
<p><i>"So, we are opening in Germany, but of course, we sell within the EU as Amazon Germany sells and delivers. The products go to the German warehouse, and from there on, it's basically Amazon's responsibility." (SME 9)</i></p> <p><i>"The first products were sold in Germany. They were listed on Amazon Germany, and... And the storage was in Germany, but naturally, they spread a bit across Europe, and then to England and Sweden." (SME 10)</i></p>	<p>Impact on Internationalisation</p>	

<p>"Now we have also opened up in France, Spain, Italy, Poland, the Netherlands, and... The products are shipped to Germany, to the German warehouse, but if a French customer buys from Amazon France, the product still ships from Germany. Amazon is definitely in a key position. It's like a gateway. If we hadn't opened that, things would be quite blocked." (SME 6)</p> <p>"Oh yes, absolutely, thanks to Amazon we probably got those first reseller requests." (SME 1)</p> <p>"Taxes and everything go through U.S. Amazon really smoothly in my opinion, so there's nothing negative to say about that." (SME 3)</p>		
<p>"That's how we dared to try it out, and once again, the fact that we had managed to sell our products (to Germany) through other channels tipped the scales." (SME 4)</p> <p>"And we already had experience that our products work there, so that naturally gave us more confidence that we could also succeed in Amazon USA. We didn't have the basic data from the EU, so to speak, to show that the product had potential there. The logistics were already planned so that we used our current importer for that. We knew how to choose the right products for it. Partly due to our experience, we also knew how to price them correctly." (SME 7)</p>	<p>Previous Market Experience</p>	<p>Leveraging previous Experiences</p>
<p>"Accounting matters, but even there, no one could really help or tell in advance how things would go, especially now with these OSS system accounting matters... I've had an accountant who has handled the</p>	<p>IB Operational, Legal, and Cultural Challenges</p>	

<p><i>basic bookkeeping since the beginning... but when it expanded to Amazon and all these new aspects came up, it was at this point that I would have needed guidance on what is necessary, what things I need to manage." (SME 6)</i></p> <p><i>"Around the same time that Amazon Vendor launched, we also had resellers in the UK. But it was somehow so minor. It was still very rough, and there were many issues to sort out in the beginning because everything was so new... but Brexit really halted everything, and I was quite alone with it at that point, not knowing what I needed to do." (SME 5)</i></p> <p><i>"How do we get the products to Germany or how do we get the products to New York or to the U.S., so it's part of the job to understand that as well, and you can't assign that to someone who doesn't do it daily." (SME 10)</i></p> <p><i>"When dealing with American authorities, we had to send all kinds of banking information, tax details, and company data, and everything, of course, had to be in English and in the correct format, and they asked for them several times over. In ways that we weren't accustomed to in Finland, so there were many moments where I could have just thrown in the towel, thinking this isn't going to work." (SME 1)</i></p>	
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4.1.1.1 Strategic Market Entry Decisions

The second-order theme of Strategic Market Entry Decisions forms an essential component within the aggregate dimension of Sensing Market Opportunities, demonstrating how SMEs strategically plan their entry into foreign markets using e-commerce platforms like Amazon. This theme highlights the deliberate and informed decision-making processes that SMEs undertake, reflecting their

capability to align market entry strategies with broader internationalization objectives and anticipated market growth.

The strategic choice of Amazon as a primary channel for international expansion exemplifies how SMEs identify promising opportunities and act on them. This is evidenced by SME 5, who described the profound shift in their strategy after recognizing the potential of the U.S. Amazon market. This quotation underscores that strategic entry is not a simple tactical decision, but a transformational choice that can redefine a company's overall approach to international growth. Additionally, it exemplifies the realization of the truly global and enormous scale Amazon offers for companies, particularly Finnish SMEs who may not have been faced with such scale prior to launching in Amazon. It is clear without saying, why this would heavily affect the long-term strategies beyond market entry.

"From the beginning, our idea for internationalization was to seek international trade... So that's why Amazon was indeed our first international channel, especially when I realized the potential in the U.S. market solely through Amazon, even with just one product. We could potentially increase our sales tenfold if we do it right. That has been... That has been an incredibly significant realization and a shift in our strategy to understand those opportunities" (SME 5)

Careful market selection illustrates the comprehensive thought process behind choosing specific regions for market entry. This planning involves analyzing factors such as market size, competitive landscape, and consumer behavior, ensuring that the decision aligns with the SME's strategic vision. SME 7 reflected on this process, noting their interest in accessing the U.S. market and the thorough consideration involved in choosing the right country for entry:

"Well, let's say that what fascinated us the most was the idea of accessing the U.S. market. We thought a lot about which country we should choose when entering Amazon, so we planned and carefully considered for a long time why we chose the United States." (SME 7)

Similarly, decisions to target markets such as Germany showcase how SMEs leverage the platform's capabilities to access established user bases and logistical networks. Such strategic decisions reflect an acute awareness of the platform's benefits and indicate an SME's ability to recognize market opportunities that offer the highest potential for growth. SME 11 captured this understanding by stating:

"Germany was our target market, and we saw that Amazon would be the best means to reach it." (SME 11)

The strategic choices made by SMEs to maintain full control over their supply chains and sales channels are evident in their preference for platforms like Amazon for international expansion, bypassing more complex traditional

routes. By leveraging Amazon and e-commerce platforms as their chosen internationalization methods, SMEs can bypass multiple middlemen, ensuring direct contact with the customer and greater control over transactions, marketing, and customer experience. Unlike a multi-tiered supply chain depicted in figure 3, which involves various intermediaries, the CBEC model shown in figure 4 provides a more streamlined and a more controllable pathway to foreign markets (L. Wang et al., 2015). Leveraging Amazon also aligns the strategic aims of SMEs to maintain autonomy over their sales processes and customer interactions, avoiding reliance on third-party retailers or distributors that are typical in traditional export models, as detailed by SME 1.

“Yes, it was specifically a strategic decision that we would only sell this product ourselves and only through our own channels, and we never considered setting up physical stores. So, our own online store was meant specifically to sell to Europe, and Amazon was used to sell to America.” (SME 1)

To further strengthen the strategic foresight demonstrated by SMEs, the lessons learned from previous market entry experiences play a crucial role in shaping future strategies. These insights inform long-term planning and adaptability, emphasizing that initial strategic decisions are only the starting point of a continuous learning process. For example, SMEs recognize that familiarizing themselves with e-commerce platforms like Amazon is not just a present necessity but an investment in future capabilities. SME 10 highlighted the foresight required for sustainable growth by stating that understanding Amazon as an emerging sales channel could prove beneficial for future expansion within the Nordics and beyond. This anticipatory approach positions SMEs to leverage existing knowledge when the platform gains further traction in domestic or regional markets.

“Yes, and of course, knowing that it is a future sales channel that will likely come to Finland or the Nordics at some point, getting familiar with it in advance and...” (SME 10)

The theme of Strategic Market Entry Decisions is deeply relevant to the dimension of Sensing Market Opportunities, as it reveals how SMEs actively identify and pursue entry strategies that promise both significant returns as well as strategic advancements. These strategies often involve aligning insights from market analysis, consumer trends, and platform capabilities with a company's broader growth objectives. This deliberate approach underscores that successful cross-border e-commerce is often the result of comprehensive planning and strategic positioning rather than opportunistic entry.

Understanding how SMEs make strategic market entry decisions also sheds light on the broader context of cross-border e-commerce. It demonstrates that successful internationalization through platforms like Amazon involves more than recognizing market potential; it requires an integrative strategy that factors in competitive positioning, platform advantages, and targeted market analysis.

This reinforces the idea that the ability to sense and seize market opportunities is a foundational dynamic capability that SMEs must cultivate to thrive in the global market environment.

4.1.1.2 Recognition of Market Potential

The second-order theme of recognition of market potential captures how SMEs identify and assess promising opportunities across various international markets, leveraging Amazon's extensive reach as a pivotal entry channel. This theme is tied to the aggregate dimension of Sensing Market Opportunities, reflecting SMEs' ability to gauge potential benefits from platform-enabled internationalization and expand strategically. The insights shared by the interviewees highlight the profound awareness of the expansive nature of e-commerce platforms, emphasizing the decision-making processes that underpin their strategic international pursuits.

Perceived Market Opportunities serve as a fundamental aspect of how SMEs discern the potential for growth in various regions. The notion of Amazon's global reach and its dominance in key markets such as the U.S., UK, and Germany plays a crucial role in shaping SMEs' strategies. This awareness instills confidence in SMEs that wish to establish their brand across borders and harness the vast networks and visibility that Amazon offers. The perception of Amazon as a gateway to significant markets and larger customer pools exemplifies its strategic role in shaping SMEs' internationalization efforts. The quotation from SME 10 showcases recognition of Amazon's unparalleled dominance, particularly in the U.S., where it controls most of all e-commerce deliveries, with the same growth trend can be observed in European markets.

"It seemed, or was, impressive how they, in the U.S., control about 70 percent of e-commerce deliveries, the dominance and superiority, and then the same seemed to be happening in England and Germany as well, so that was interesting as a future... As a future sales channel." (SME 10)

SME 3 further expands on this global perspective, highlighting Amazon's role as a "truly global marketplace". This characterization reflects the platform's capacity to connect sellers with consumers worldwide, enabling SMEs to transcend geographic and logistical boundaries. The ability to ship products as far as Japan with Amazon's fulfillment system, alongside with consistent reach into Western markets like the UK and Europe, underscores Amazon's value as a universal platform that simplifies complex, multi-market operations. The effectiveness of this is particularly true for Finnish SMEs, where Finland's logistics efficiency to the rest of Europe has been restricted due to Finland's geographic location across the Baltic Sea. Amazon offers access to an extremely effective logistics chain to most key European markets and beyond through one portal, highlighting its effectiveness for Finnish SMEs conducting first-market entries internationally.

"I mean, it's like a global playing field, as we already ship packages as far as Japan through Amazon.com. It has been. And to the UK and Europe and everywhere. We genuinely have a truly global marketplace." (SME 3)

Impact on Internationalization further embodies the tangible results and broader strategic influence that participating in global e-commerce through Amazon has on SMEs. The platform's infrastructural and logistical strengths facilitate seamless entry into multiple European markets at once, simplifying logistical complexities and allowing for streamlined distribution across multiple countries, as demonstrated by SME 9 by operating in the European market:

"So, we are opening in Germany, but of course, we sell within the EU as Amazon sells and delivers. The products go to the German warehouse, and from there on, it's basically Amazon's responsibility." (SME 9)

Another reason why Amazon is such an effective way of internationalization, even over other e-commerce alternatives such as opening a proprietary shop, is how well Amazon already reaches the actively buying consumers of a target market effectively. As many participating SMEs had noted, it was far easier to get local consumers in, for example, Germany to visit their Amazon listing, when compared to their own e-commerce channels. Another reason for this is the contrast of brand impact: the brand of a Finnish SME holds in most cases zero impact on an average German consumer, but Amazon's brand holds immense power and recognition on consumers in Germany and worldwide. When the unknown Finnish SME brand is listed on Amazon, that brand too benefits from the vast brand recognition Amazon has, which is especially effective for internationalization, where the brand of a foreign SME in most cases holds zero impact in the foreign market they're targeting. This results in experiences detailed by SMEs 5 and 6 below, where they encountered difficulties promoting their own proprietary e-commerce sites, but gained successes in Amazon.

"Actually, we had our own online store, but we couldn't really get people to visit it or order from there. I believe our shipping costs were too high in our store, and it was still very much in its early stages." (SME 5)

"I saw that this was our opportunity. We had tried with our own online store, and it felt like... It just wasn't taking off..." (SME 6)

Amazon also alleviates the burdens of identifying and catering to cultural preferences in foreign markets by offering a streamlined, culturally neutral platform for international sales. SME 6 highlights how mastering Amazon's sales and marketing system alleviates the need to understand the cultural nuances of specific countries, such as "how pedantic Germans are, what the French are like, or how things operate in Spain." Instead, businesses can focus on the product itself, ensuring it meets universal needs without tailoring it to distinct cultural

preferences. This streamlined approach enhances operational efficiency and reduces the complexity of international expansion, making Amazon a valuable tool for global market entry. It should also be acknowledged that while Amazon alleviates the burden of catering to cultural preferences, it doesn't entirely eliminate it. Cultural preferences and differences should still be acknowledged when planning tailored ad and marketing campaigns, even within Amazon.

"If we were to go through retailers – working with companies that have one or two or three or five stores in small chains – then we'd have to interact with them, adapt to their cultural practices, and understand them. Amazon is straightforward in that you only need to understand Amazon's culture and how things work there. You don't need to understand how pedantic Germans are, what the French are like, how things operate in Spain, etc.

Once the product is listed, advertising is running, and culturally independent people shop there, I don't need to understand who they are. I just need to understand how crutches work and what challenges a crutch user might face. And I have the solution for that, regardless of who the person is. That's how Amazon is for us now. I like it, and it works well for us." (SME 6)

Similarly, SME 6 successfully leveraged Amazon on scaling across multiple European countries at once. The practical reason why Amazon is such a powerful tool across multiple countries in Europe, is how well its logistics infrastructure works across countries and how SMEs can control warehousing, and shipping across borders, utilizing the **One-Stop-Shop (OSS) system** allowed by European Regulation.

*"Now we have also opened up in France, Spain, Italy, Poland, the Netherlands, and... The products are shipped to Germany, to the German warehouse, but if a French customer buys from Amazon France, the product still ships from Germany. Amazon is definitely in a key position. **It's like a gateway. If we hadn't opened that, things would be quite blocked.**" (SME 6)*

Amazon's support for tax compliance in the U.S. further alleviates regulatory burdens for SMEs operating in the U.S. market. In the U.S., states often have unique and separate requirements for value added and sales tax reporting, which can complicate tax compliance for SMEs operating across multiple jurisdictions. Amazon alleviates this complexity by consolidating VAT collection and reporting into a single portal within its Seller Central system, streamlining the process for sellers and reducing the administrative burden, as praised by SME 3:

"Taxes and everything go through U.S. Amazon really smoothly in my opinion, so there's nothing negative to say about that." (SME 3)

4.1.1.2.1 The One-Stop-Shop (OSS) Scheme in Amazon EU

The One Stop Shop (OSS) Scheme, introduced on 1 July 2021, streamlines VAT compliance for cross-border e-commerce in the EU by enabling businesses to declare and pay VAT across multiple Member States through a single online portal in their Member State of identification. The OSS Scheme reduces administrative burdens and enhances the efficiency of VAT collection, thereby making it easier for EU and non-EU businesses to expand their e-commerce operations within the EU (European Commission, 2024).

The practical reason why the OSS Scheme combined with Amazon's extremely efficient logistics network in the EU is so beneficial for SMEs, is because it allows SMEs to fully take advantage of Amazon's logistics while only being responsible for the bureaucracy and administrative tax burdens into only one foreign country, while selling to 7 countries. Most of the SMEs participating in this study use the extensive Amazon warehouses in Germany, from which Amazon can deliver products to the end customer in all Amazon EU Countries within 1 or 2 days. By only storing the products in Germany, the Finnish SME will only need to register for VAT liability in Germany, which eases the regulatory burden significantly. The OSS Scheme then allows for all cross-border purchases to be conveniently reported through one portal, while only requiring SMEs to file for the "traditional" VAT liability in one country, instead of all 7. Still, it should be noted that using the OSS Scheme companies could avoid the hurdle of VAT liability in German all together if they just stored their products in Finland and shipped them from Finland, but this would cause for the purchase to delivery time span exceed over a threshold that is acceptable for most consumers and negatively affect sales and ranking within the Amazon search algorithm, as depicted by SME 6. For some of the SMEs with less experience in international business, the OSS Scheme was seen as a difficult regulatory hurdle to overcome when setting up their Amazon EU business. It should also be noted that the OSS Scheme is a specialist niche, of which not even all professional accountants have practical know-how of, as detailed by SME 6. SME 5 also detailed experiences with the OSS scheme, describing it as easing the burden of tax administration, which has felt challenging before.

"The first few months... probably 4 months, we sent every order that came in with the FBM style from Finland to German customers. The delivery time took one to two weeks, which was the downside of FBM. But once we got our tax number, we started shipping directly to the German warehouse, and then it started working well, and sales increased immediately."

(SME 6)

"Accounting matters, but even there, no one could really help or tell in advance how things would go, especially now with these OSS system accounting matters... I've had an accountant who has handled the basic bookkeeping since the beginning... but when it expanded to Amazon and all these new aspects came up, it was at this point that I

would have needed guidance on what is necessary, what things I need to manage." (SME 6)

"One thing that has made things easier is the tax authority's OSS (One-Stop-Shop) system. From a taxation perspective, our accountant can handle all the taxes easily through this single system, so we don't need to establish a company in every country or file separate tax declarations for each. It has simplified things significantly because the tax side was such a jungle to navigate." (SME 5)

4.1.1.2.2 Amazon as a Gateway to retailers and physical stores

Amazon's role in shaping SME internationalization extends beyond the platform itself, influencing the development of retailer relationships and entry into physical stores in target countries. This dual impact stems from Amazon's ability to act as both a marketplace and a validation tool for SMEs, shaping how distributors and brick-and-mortar retailers perceive a brand's value and potential. This dynamic again is nuanced, as success on Amazon can both enable and restrict opportunities in physical retail, depending on the region and market context.

Amazon's vast reach and detailed analytics provide SMEs with the opportunity to showcase demand and competitiveness of their products, due to Amazon's reputation as a highly competed market platform. If a business can showcase success on Amazon's platform, it has been shown to directly affect their ability to forge relationships with physical retailers. As illustrated below by SME 1, this effect was experienced by many Finnish SMEs participating in this study, many of whom were able to leverage their Amazon metrics to land retailer agreements in countries where they had no prior presence until launching in Amazon.

"Oh yes, definitely, I think the first retailer inquiries came thanks to Amazon. Once we got our own online store up and running and Amazon launched... Suddenly, we started getting inquiries from retailers all over the world, asking if they could also start selling our products." (SME 1)

SME 8 highlights this connection further, explaining how Amazon success acts as a vital proof-of-concept for many retailers. Although he had not yet achieved compelling enough Amazon success to open retailer relationships, they had heard of similar instances happening to fellow entrepreneurs operating on Amazon's platform.

"I know people, some acquaintances, who, for example, have succeeded in the card game category. For them, Amazon success opened up retail channels because retailers saw that there was demand. It's kind of like proof of concept for them – that there's demand, so it's worth putting it on their shelves." (SME 8)

Even beyond a proof-of-concept, SME 5 shares experiences of conversations with retailers about including them on shelves, and how Amazon metrics and overall performance has even been a written requirement on some retail contracts. Especially in more established Amazon markets like the U.S., their experience is that you cannot even get into the room to discuss retail agreements before showcasing some degree of success with Amazon metrics.

"I find it strange because in the U.S., it's completely different – if you're not on Amazon, you're nobody. You can't even get a meeting with big companies unless you're on Amazon and can show Amazon analytics, like your PPC performance and all those metrics. It's very different. Right now, we have to constantly focus on growing our U.S. Amazon presence because we're close to getting into the brick-and-mortar stores of larger companies. But you can't get in until you have met certain metrics on Amazon." (SME 5)

Although even here, country differences affect how a brand's Amazon participation and metrics are perceived with retailers and distributors. In less established Amazon markets, particularly newer Amazon markets in Europe like Sweden, SME 5 had experiences of retailers demanding withdrawal and non-participation in Amazon's marketplace, again specifically required in writing in some contracts. As SME 5 suspects, this is most likely due to retailers seeing Amazon as a threat to their core business, therefore attempting to hamper Amazon's popularity by disallowing brands to enter. Despite this experience, SME 5 continues that in more established European Amazon markets, like the UK and Germany, participating in Amazon has had no effect on retail or distribution agreements, demonstrating how more established markets in Europe are slowly adopting a similar attitude to Amazon as those in the United States.

"That's why we're not selling in Sweden and France, because our distributors have required in their contracts that we don't sell on Amazon in those countries. Sweden and France are very, very explicit about it, and it's even written into the agreement."

In Europe, the thinking is a bit different. Here, it's more like if you're on Amazon, then they don't want you in brick-and-mortar stores, or you struggle to get distributors. They feel that the price dumping and competition on Amazon are too intense." (SME 5)

4.1.1.3 Leveraging previous Experiences

The second-order theme of Leveraging Previous Experiences within the aggregate dimension of Sensing Market Opportunities emphasizes how SMEs utilize their existing knowledge and expertise to navigate new market entries and international operations. This theme underscores that past market experiences can significantly influence an SME's confidence and capability to expand successfully into new regions through platforms like Amazon. Drawing from previous ventures, SMEs often gain critical insights that aid in decision-making, resource allocation, and strategic planning.

Previous Market Experience highlights the advantages SMEs accrue when they have prior exposure to similar market environments. This prior knowledge provides a foundation upon which SMEs can base their strategies and operational actions, enabling a greater likelihood of success. For instance, SME 4 noted that their prior experiences in Germany facilitated their decision to pursue further market opportunities, tipping the scales toward expanding through Amazon. Similarly, SME 7 emphasized how previous knowledge of the U.S. market instilled confidence in their ability to succeed on Amazon, thanks to their understanding of product potential, pricing strategies, and logistics solutions. Such experiences enable SMEs to foresee potential challenges and adapt their strategies accordingly, enhancing their competitive positioning.

"That's how we dared to try it out, and once again, the fact that we had managed to sell our products (to Germany) through other channels tipped the scales." (SME 4)

"And we already had experience that our products work there, so that naturally gave us more confidence that we could also succeed in Amazon USA. We didn't have the basic data from the EU, so to speak, to show that the product had potential there. The logistics were already planned so that we used our current importer for that. We knew how to choose the right products for it. Partly due to our experience, we also knew how to price them correctly." (SME 7)

On the other hand, the first-order term "**IB Operational, Legal, and Cultural Challenges**" reveals the complexities faced by SMEs lacking comprehensive experience in international business operations. This highlights the stark contrast between the advantages of experience and the challenges that arise in its absence. SMEs often encounter regulatory, legal, and logistical hurdles when entering new markets, which can become significant obstacles without prior exposure or proper guidance. SME 6 discussed the need for specialized knowledge in accounting and regulatory compliance, particularly with the introduction of systems like OSS, which proved difficult without external support (Quotation above in section 4.1.1.2.1). SME 5 and SME 1 detailed struggles with the administrative burdens imposed by international regulations and surprising country risks, such as Brexit complications and U.S. compliance demands, which were unfamiliar and daunting to navigate.

"Around the same time that Amazon Vendor launched, we also had resellers in the UK. But it was somehow so minor. It was still very rough, and there were many issues to sort out in the beginning because everything was so new... but Brexit really halted everything, and I was quite alone with it at that point, not knowing what I needed to do." (SME 5)

"When dealing with American authorities, we had to send all kinds of banking information, tax details, and company data, and everything, of course, had to be in English and in the correct format, and they asked for them several times over. In ways that

we weren't accustomed to in Finland, so there were many moments where I could have just thrown in the towel, thinking this isn't going to work." (SME 1)

4.1.2 Seizing Resources and Capabilities

The second aggregate dimension, Seizing Resources and Capabilities, focuses on how SMEs capitalize on identified opportunities by deploying internal and external resources effectively. This dimension is pivotal as it highlights the active steps SMEs take to harness available assets to achieve competitive advantages. The dimension underscores the strategic importance of customer engagement through reviews and omnichannel efforts, as well as the critical role of external expertise and data-driven approaches. The second-order concepts of Customer Engagement Strategies, Dependency and Utilization of External Expertise, and Effective Data Utilization and Digital Strategies demonstrate how SMEs strengthen their operational and strategic capabilities. These concepts reflect the firms' adaptive responses to capture value and sustain growth in competitive e-commerce landscapes. Table 5 depicts the key findings in each category this dimension bases itself on.

Table 5: Seizing Resources and Capabilities

Quotations	First-order terms	Second-order themes
<p><i>"The sales during the first year or so were really thanks to the customers, as they liked the product so much that they started spreading the word themselves." (SME 1)</i></p> <p><i>"Well, reviews are really the be-all and end-all of this whole thing. For us, it started off well, and now there's already a significant number of them, with a good average, and... among those positive reviews, there are some overwhelmingly good ones." (SME 6)</i></p> <p><i>"Outside of Amazon, when a certain party showcases our product and has taken a liking to it, it immediately reflects in the Amazon sales, which also proves that Amazon is an effective marketplace." (SME 3)</i></p>	<p>Customer Advocacy & Reviews</p>	<p>Customer Engagement Strategies</p>

<p>"With QR codes and various inserts used for activation, the product has been prepared in that way along with related add-ons, so that... it functions well in the Amazon environment." (SME 9)</p>		
<p>"Of course, the image and video materials there are the most important. They're what convince people to want to place an order. For us, the video is the be-all and end-all." (SME 6)</p> <p>"I've noticed, at least, that video advertising works best there, where you can immediately show, even if someone isn't searching for your product, you can instantly demonstrate what the product is about so that the person understands it right away and becomes interested." (SME 8)</p> <p>"The biggest challenge relates to the production of images and graphics, like how to present the product in a way that combines the brand, informativeness, and similar elements. Building this combination of images there is definitely something to put effort into." (SME 9)</p>	<p>Content Marketing</p>	
<p>"We started promoting our product on our own social media channels, and our customers began promoting (sharing) it as well. Just learning how to use TikTok and understanding how it works, how content should be created there, how others create content, and what kind of content resonates, attracts, and engages." (SME 1)</p> <p>"But yes, our own social media efforts include Facebook, TikTok, Instagram, all of them, Pinterest, everything. We also direct consumers to Amazon through these platforms." (SME 5)</p>	<p>Omnichannel Social Media Marketing</p>	

<p><i>"Amazon can probably still handle the distribution of the products, but the sales need to happen on TikTok, your own online store, or other similar places. That, at least, has become quite clear to me."</i> (SME 10)</p>		
<p><i>"Exactly, the ease of being able to deliver the goods to one place. And we were ready for the Fulfillment By Amazon (FBA) model, which makes operating easier for us. We didn't want to start looking for intermediate warehouses or anything else at that point. We got the goods shipped from Amazon, and they were distributed to 17 warehouses in the United States. So we got the sales pipeline running smoothly."</i> (SME 1)</p> <p><i>"The first few months... probably 4 months, we sent every order that came in with the FBM style from Finland to German customers. The delivery time took one to two weeks, which was the downside of FBM. But once we got our tax number, we started shipping directly to the German warehouse, and then it started working well, and sales increased immediately."</i> (SME 6)</p> <p><i>"It's absolutely essential (FBA), of course, because in the German market, it's critical that delivery is on the same day or the next day. That just can't be done cost-effectively from Finland, so it's definitely crucial."</i> (SME 9)</p> <p><i>"And of course, Amazon University was a big help there because it had a wide range of information and instructions on how to handle things properly."</i> (SME 3)</p>	<p>Support Tools Providing Value</p>	<p>Dependency and Utilization of External Expertise</p>

<p><i>"We used the IP Accelerator, which helped us get the brand registered, and we found a good law firm that worked with us on the brand name, allowing us to get into the brand registry very quickly or relatively quickly. We have now been able to take advantage of Amazon's own advertising and branding tools." (SME 2)</i></p>		
<p><i>"The actual setup was quite smooth; we used consultants who assisted us in the process because we realized we didn't have enough knowledge or skills to handle it ourselves, and it would take too much time. We already have many things to manage." (SME 7)</i></p> <p><i>"I don't have the resources, time, or expertise." (SME 11)</i></p> <p><i>"They provided help with opening the account, creating listing materials, handling the bureaucracy for Amazon, brand application, all sorts of registration, and creating sales materials." (SME 2)</i></p> <p><i>"If I want to improve this further, I either need to learn new software and programs myself to analyze the data (third-party software), or I need to bring someone on board who already does that. Now I've learned that an entrepreneur doesn't need to know everything themselves but can expand the team. I simply ran out of time. I just don't have the time. Secondly, the cost versus my time, and the fact that they had deeper, better expertise than I did..." (SME 5)</i></p> <p><i>"Well, so far, the technical aspects have gone well, thanks to our partner (external Amazon consultant), so I haven't needed to deal with</i></p>	<p>Dependence on External Resources</p>	

<p><i>them myself..." (SME 9)</i></p>		
<p><i>"Analytical thinking is key; you have to really look at the data and not rely on gut feeling." (SME 9)</i></p> <p><i>"They have the software and skills to analyze the competitors and the data, and then tell me what changes we need to make, what needs to be done right, what problems we have, and then they implement those changes." (SME 5)</i></p> <p><i>"We investigated whether there would be demand for our products, looked at competitor analysis and price points. Once it became clear that there might be a market gap for us, we decided to make the decision to put the products there and start the process." (SME 11)</i></p> <p><i>"We collected a lot of data, background information, and benchmarks, including from other companies, to see how Amazon has been successful." (SME 7)</i></p>	<p>Importance of Amazon Data and Research</p>	<p>Effective Data Utilization and Digital Strategies</p>
<p><i>"I don't... I don't know, because we didn't get that information since it was Amazon selling the products." (SME 5, when using the Amazon Vendor Model)</i></p> <p><i>"Amazon, of course, owns all the information on how consumers arrived there, but you do see spikes in the data." (SME 3)</i></p> <p><i>"Understanding the market environment has certainly improved, but it requires expertise and knowledge on which tools to use and how to extract that data, because Amazon doesn't just hand it over directly." (SME 9)</i></p>	<p>Difficulties Obtaining and Managing Amazon Data</p>	

<p><i>"Probably the most important thing is targeting the marketing to the right target markets, getting the images and texts polished enough to interest that market." (SME 11)</i></p> <p><i>"For a long time, we didn't get any data on how we were being found. How do people come to our online store, how do they find us on Google? How do they reach our Amazon store? We were moving forward blindly, and then when we started getting that data, we realized that people were just stumbling onto our listing, not intentionally searching for us." (SME 1)</i></p> <p><i>"Running it requires quite a bit of expertise in defining keywords, tracking which keywords lead to the site, and how to generate sales." (SME 7)</i></p> <p><i>"Of course, we tried different Amazon marketing efforts at the beginning and tried to increase visibility in the listings. But it was more or less a zero-sum game; whatever we invested in marketing, we just barely got back in sales." (SME 3)</i></p>	<p>Importance of SEO & Digital Marketing</p>
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4.1.2.1 Customer Engagement Strategies

To address the theme of Customer Engagement Strategies, which is integral to the strategic approach SMEs take for effective market penetration, we explore three critical first-order terms derived from the data: "Customer Advocacy & Reviews", "Content Marketing", and "Omnichannel Social Media Marketing". This analysis sheds light on how SMEs utilize these strategies to establish brand recognition, enhance visibility, and foster customer engagement and loyalty.

Customer engagement is strongly driven by customer advocacy and positive reviews. These reviews have a significant impact on sales and conversion. Especially in Amazon, SMEs often find that their initial sales momentum can be heavily influenced by satisfied customers, positive reviews, and word-of-mouth. For instance, SME 1 noted the significant role of customer-driven promotion, attributing to their early sales success to customers' organic endorsement of their

product. This type of advocacy acts as a trust-building mechanism that strengthens the brands' reputation and drives future purchases. Reviews, as highlighted by SME 6, are pivotal for maintaining visibility and credibility within Amazon's competitive market environment. The presence of numerous positive reviews not only increases consumer trust, but also improves product rankings within the algorithm, reinforcing the cycle of customer engagement and sales growth.

"The sales during the first year or so were really thanks to the customers, as they liked the product so much that they started spreading the word themselves." (SME 1)

"Well, reviews are really the be-all and end-all of this whole thing. For us, it started off well, and now there's already a significant number of them, with a good average, and... among those positive reviews, there are some overwhelmingly good ones." (SME 6)

Content marketing is another essential facet of customer engagement, serving as the initial touchpoint that draws attention and generates interest. Effective content, particularly through images and videos, is instrumental in showcasing a product's unique features and benefits. SME 6 emphasizes the importance of video content in converting customers, describing it as the deciding factor for persuading viewers to make a purchase. Similarly, SME 8 pointed out that video advertising is particularly potent because it allows for immediate demonstration, even to consumers who are not actively searching for the exact product. These insights underscore that content must be well crafted, visually appealing, and strategically aligned with consumer expectations to maximize engagement.

"Of course, the image and video materials there are the most important. They're what convince people to want to place an order. For us, the video is the be-all and end-all." (SME 6)

"I've noticed, at least, that video advertising works best there, where you can immediately show, even if someone isn't searching for your product, you can instantly demonstrate what the product is about so that the person understands it right away and becomes interested." (SME 8)

Finally, omnichannel social media marketing plays a complementary role in driving traffic and brand interaction. SMEs recognize that leveraging various social media platforms helps direct potential customers to Amazon and fosters a robust online presence. Interviewees also emphasized that driving outside traffic from social media to Amazon allowed the use of the Amazon attribution system, where they could better monitor user information. Amazon also grants 10% discount of Amazon expenses per every purchase made from outside traffic using attribution links (Amazon, 2024d, 2024c). SME 5 indicated the comprehensive approach of using platforms like Facebook, TikTok, Instagram, and Pinterest to engage audiences and funnel them to Amazon. SME 10 echoed the sentiment that while Amazon's role in distribution is undeniable, actual consumer conversion often begins with outreach on other platforms. This multi-

platform strategy ensures that SMEs can create touchpoints across different user experiences, amplifying their reach and influence.

“But yes, our own social media efforts include Facebook, TikTok, Instagram, all of them, Pinterest, everything. We also direct consumers to Amazon through these platforms.” (SME 5)

“Amazon can probably still handle the distribution of the products, but the sales need to happen on TikTok, your own online store, or other similar places. That, at least, has become quite clear to me.” (SME 10)

SMEs’ use of customer engagement strategies such as customer advocacy, impactful content marketing, and omnichannel social media outreach demonstrates a multifaceted approach to driving visibility and sales. These efforts collectively enable SMEs to create an ecosystem where consumer trust, brand identity, and customer interaction flourish, ultimately leading to sustainable growth in competitive e-commerce markets.

4.1.2.2 Dependency and Utilization of External Expertise

To address the analysis for the second order theme of Dependency and Utilization of External Expertise, it is essential to illustrate how SMEs heavily depend on external support and tools to bolster their operational capabilities and maintain efficiency. This theme highlights the reliance on external knowledge, tools, and resources, emphasizing how these elements contribute to overcoming challenges in the competitive e-commerce landscape.

For the first-order term of Support Tools Providing Value, SMEs frequently tap into Amazon’s internal tools and services to streamline operations and enhance logistical efficiency. Especially the Fulfillment by Amazon (FBA) service emerges as an indispensable tool for many SMEs due to its robust logistics network that simplifies product distribution, especially in foreign markets. SMEs have highlighted that FBA allows for a seamless supply chain, as seen in SME 1’s experience of shipping goods to the U.S. market, where Amazon’s fulfillment infrastructure easily facilitated distribution across the whole country and multiple warehouses. This level of support ensures that SMEs can meet high customer expectations for fast delivery in demanding markets, where next-day shipping is often non-negotiable. This was experienced firsthand by SME 6, who recalled the adoption of the FBA program immediately affect sales positively.

“Exactly, the ease of being able to deliver the goods to one place. And we were ready for the Fulfillment By Amazon (FBA) model, which makes operating easier for us. We didn’t want to start looking for intermediate warehouses or anything else at that point. We got the goods shipped from Amazon, and they were distributed to 17 warehouses in the United States. So we got the sales pipeline running smoothly.” (SME 1)

"The first few months... probably 4 months, we sent every order that came in with the FBM style from Finland to German customers. The delivery time took one to two weeks, which was the downside of FBM. But once we got our tax number, we started shipping directly to the German warehouse, and then it started working well, and sales increased immediately." (SME 6)

Also, Amazon's educational tools, such as Amazon University, also provide practical guidance, helping SMEs navigate complex processes and optimize operations. Additionally, Amazon's IP Accelerator service was specifically mentioned to simplify brand protection and expedite the process of brand registration, which can be essential for leveraging advertising and branding capabilities on the platform.

"And of course, Amazon University was a big help there because it had a wide range of information and instructions on how to handle things properly." (SME 3)

Beyond Amazon's own proprietary tools, SMEs often recognize their limitations in expertise and resources, driving them to seek external consultants and specialized service providers. This was also the case with the SMEs of this research, all of whom had utilized external resources and consultants to some degree. Filling in this dependency is seen as a strategic move to fill knowledge and skill gaps, expedite processes and manage time more effectively. SME 7 underscored the importance of consultants during the initial setup phase, which allowed them to navigate the complexities of the platform without straining their existing resources. The recurring theme among SMEs is the realization that in-depth expertise, whether through consulting services or specialized software, becomes a necessity as their e-commerce operations scale. This is in part echoed by SME 5's recognition of the value in augmenting their team with external expertise to overcome time constraints and leverage specialized knowledge that surpasses their own.

"The actual setup was quite smooth; we used consultants who assisted us in the process because we realized we didn't have enough knowledge or skills to handle it ourselves, and it would take too much time. We already have many things to manage." (SME 7)

"If I want to improve this further, I either need to learn new software and programs myself to analyze the data (third-party software), or I need to bring someone on board who already does that. Now I've learned that an entrepreneur doesn't need to know everything themselves but can expand the team. I simply ran out of time. I just don't have the time. Secondly, the cost versus my time, and the fact that they had deeper, better expertise than I did..." (SME 5)

In conclusion, the theme of "Dependency and Utilization of External Expertise" reveals that the strategic actions SMEs take to ensure their operations are supported by sufficient knowledge and tools. This approach enables them to

sustain growth and manage the challenges associated with cross-border e-commerce efficiently.

4.1.2.3 Effective Data Utilization and Digital Strategies

For the analysis of the second-order theme “Effective Data Utilization and Digital Strategies” SMEs highlighted the essential role of data-driven insights and digital marketing in their Amazon business strategies. These practices not only influence their competitive positioning but also reflect their capabilities in adapting to market changes and leveraging technological tools effectively.

The Importance of Data and Research emerged as a critical component for strategic decision-making. SMEs noted that thorough data analysis is indispensable for understanding market trends, identifying demand, and making informed strategic decisions. For example, SME 9 emphasized the importance of analytical thinking, highlighting the importance of making Amazon related decisions based on data instead of intuition. This perspective is mirrored by other SMEs who invested in tools and expert resources to analyze competitors and market conditions, such as SME 11. These practices illustrate that recognizing data’s strategic value enhances an SMEs ability to position itself effectively in the e-commerce space.

"Analytical thinking is key; you have to really look at the data and not rely on gut feeling." (SME 9)

"We investigated whether there would be demand for our products, looked at competitor analysis and price points. Once it became clear that there might be a market gap for us, we decided to make the decision to put the products there and start the process." (SME 11)

However, challenges persist in "Difficulties Obtaining and Managing Amazon Data." The limited access to comprehensive consumer data impedes SMEs from fully capitalizing on potential insights. These difficulties seemed to increase the more the SME outsourced parts of the operations to Amazon, as noted by SME 5 when employing the Amazon Vendor model. This reflects a broader limitation where SMEs may struggle with incomplete data, impacting their ability to tailor marketing and product strategies correctly. SME 9 pointed out that understanding the market requires not only knowledge but also expertise in accessing and analyzing data through third party tools. This points out the necessity of using third party softwares for data acquisition, which is something most SMEs have overlooked, causing them to face difficulties in obtaining crucial Amazon data.

"I don't... I don't know, because we didn't get that information since it was Amazon selling the products." (SME 5, when using the Amazon Vendor Model)

"Understanding the market environment has certainly improved, but it requires expertise and knowledge on which tools to use and how to extract that data, because Amazon doesn't just hand it over directly." (SME 9)

The "Importance of SEO & Digital Marketing" further integrates into the broader theme of digital strategies. Targeted marketing and refined SEO practices are seen as crucial for improving visibility and driving traffic. As highlighted by SME 5, the employment of multiple organic strategies can boost search engine traffic in Amazon without the need of paid advertising.

"It's a bit like with Google; you can do a lot of organic work to make it rise. For example, with Amazon in the U.S., I think it's a misconception and misleading if someone tells you that you need to put a specific amount of money into it for your products to gain visibility. It's wrong because you need to first get the organic side in order. That means participating in the Vine program, finding influencers, or doing other actions before you start pouring money into it. If someone tells you that you need to have a €500 monthly budget to get sales, that's wrong. You don't need that." (SME 5)

This insight exemplifies an SME's resourcefulness and showcases how strategic use of organic efforts, such as participating in Amazon's Vine program or engaging influencers can yield results without substantial financial investment. However, the correct and precise utilization of these strategies require the correct interpretation of Amazon data. In contrast, the lack of Amazon data or incorrect interpretations of data can lead to the opposite outcome or overall difficulties in SEO. The observations made by SME's 1 and 7 underscore this possibility further:

"For a long time, we didn't get any data on how we were being found. How do people come to our online store, how do they find us on Google? How do they reach our Amazon store? We were moving forward blindly, and then when we started getting that data, we realized that people were just stumbling onto our listing, not intentionally searching for us." (SME 1)

"Running it requires quite a bit of expertise in defining keywords, tracking which keywords lead to the site, and how to generate sales." (SME 7)

In summary, "Effective Data Utilization and Digital Strategies" are paramount for SMEs to navigate the complexities of Amazon's platform, optimize their visibility, and align their product offerings with market needs. Although challenges in obtaining data can hinder their strategic development, proactive efforts in leveraging available resources and understanding SEO dynamics empower them to maximize their reach and influence in a competitive digital landscape.

4.1.3 Managing Operational Challenges

Managing Operational Challenges is the third aggregate dimension and is essential for sustaining business activities on e-commerce platforms like Amazon. This dimension encompasses the practical difficulties SMEs face, ranging from platform-specific operational and technical issues to time and resource management. The ability to manage these challenges effectively reflects an SME's capacity for maintaining stable operations, ensuring compliance, and overcoming logistical barriers. The second-order concepts – Navigating Platform Complexities, Balancing Time and Effort, and Ensuring Profitability and Competitive Positioning – showcase how SMEs adapt their operations to remain resilient and competitive. By addressing these challenges, SMEs build adaptive capabilities that contribute to long-term business stability.

Table 6: Managing Operational Challenges

Quotations	First-order terms	Second-order themes
<p><i>"It's the technical aspect that was probably the most problematic, and understanding the whole structure – that there are different markets and such – and realizing how vast Amazon's structure and everything related to it is."</i> (SME 4)</p> <p><i>"There was one time when I misunderstood their messages. We received an initial message about something and were given 30 days to respond. At one point, we didn't respond immediately. We then sent a reply, and their response asked for further clarification. We received a new email requesting additional information, but it still had the same deadline message, saying 30 days. I assumed that the 30 days restarted, but it actually began from the date of the first message. And then the account got closed completely."</i> (SME 6)</p> <p><i>"Relying solely on Amazon for sales is a big risk because they are such a large organization, as seen with the account"</i></p>	<p>Operational Challenges in Maintaining Amazon Business</p>	<p>Navigating Platform Complexities</p>

<p>suspension process. An account might get shut down for an unexplained reason, and reopening it... the business can't just wait for it..." (SME 10)</p> <p>"It's frustrating, the amount of work that goes into just maintaining the listing, not even improving sales. It's been somewhat exhausting, in my opinion." (SME 8)</p>		
<p>"Skills in English are essential... everything has to be in English and in the correct format, and they requested the documents multiple times." (SME 1)</p> <p>"So, we were in contact with the bank in English and sent documents... you need to have a reasonable command of English because you can't really rely on Google Translate at that point; it has to be accurate. And you need reading comprehension to understand what is being required, since American English is a bit different." (SME 3)</p> <p>"I already had American Amazon sellers back then. There were opportunities and contacts, but it's quite a big step to start dealing with them in English, especially when they are so far away, so in a way, a Finnish office is easier to work with." (SME 10)</p>	<p>Importance of Communication & Language Skills</p>	
<p>"Amazon is quite rigid as well, with many processes and practices that are quite challenging from a seller's perspective. This includes issues related to account maintenance. I would say it differs significantly from what we're used to, but as I mentioned earlier, we were prepared for this, as it's well known that</p>	<p>Technical and Regulatory Challenges</p>	

<p><i>there are often difficulties."</i> (SME 7)</p> <p><i>"In the fall of 2020, we spent several months banging our heads against the wall with Amazon to get the sales pipeline up and running."</i> (SME 1)</p> <p><i>"The only surprise for me was that Amazon has its own ASIN codes that needed to be labeled over our EAN codes. And it seemed that these labels had to be changed per batch or per shipment, which felt like unnecessary work because our EAN code is already unique and scannable."</i> (SME 3)</p> <p><i>"Our product packaging already had its own product codes. For Amazon or its system, we had to create new ones. Amazon sent us codes for each product that we had to print onto labels and apply to our sales packages specifically for Amazon. This was somewhat cumbersome, as at this stage, our shipments to Amazon aren't large enough to warrant dedicated packaging just for Amazon. We use the same sales packaging for all markets."</i> (SME 1)</p>		
<p><i>"I think Amazon's customer service is quite poor, to be honest. You end up having to do the research yourself, and even when you interact with them, you have to push to get an actual person instead of receiving a copy-paste response. The customer service is not good."</i> (SME 8)</p> <p><i>"Finding clear instructions for that... It's not very straightforward on Amazon's part. You have to interpret them yourself and go over them many times to figure out what they actually mean. There's also some inconsistency regarding</i></p>	<p>Support & Communication Limitations</p>	

<p><i>what's considered commercial advice and what's official guidance." (SME 9)</i></p> <p><i>"Did it (Amazon customer service) benefit us in any way? I don't know. At least we didn't know how or manage to create any successful campaigns there." (SME 1)</i></p> <p><i>"I could barely understand it. I didn't get answers from anywhere. On the vendor side, they completely stopped ordering, and I... I felt very alone with it. I didn't have anyone to help me at that point, to tell me what I needed to do. I struggled with the thought of not knowing what I needed to do, as I couldn't get any information." (SME 5)</i></p>		
<p><i>"Yes, it did require a lot of time, and at that point, the company didn't have the time or staff resources to take it on ourselves, so it wouldn't have happened without the consulting firm." (SME 2)</i></p> <p><i>Well, since we're a small company, most of it ends up on my desk. It's not that it couldn't be done, but it just requires those hours." (SME 4)</i></p> <p><i>"But I would say, without exaggeration, that at least 150-200 hours have been spent on preparation work. Creating different calculations, scenarios, packaging design, and so on... A lot of time has been spent." (SME 7)</i></p> <p><i>"Everything can be managed if you just have the time and patience. It would be a full-time job for several people." (SME 1)</i></p>	<p>Time Intensiveness</p>	<p>Balancing Time and Effort</p>
<p><i>"Problem-solving skills in general and taking the initiative in searching for information are essential. You have to be very</i></p>	<p>Problem Solving & Self Sufficiency</p>	

<p><i>creative to find solutions and identify alternatives to try."</i> (SME 2)</p> <p><i>"Yes, and as a small company without access to programs that do the work for you, you need to find the information in other ways... It definitely requires a bit of detective work."</i> (SME 3)</p> <p><i>"Yes, and there are very technical issues where Amazon just rejects something for unknown reasons, so you have to redo it and try a different approach. You need to be resourceful and fight to get them accepted. There have been many problems, such as it not accepting certain types of credit cards, even standard Finnish cards."</i> (SME 4)</p>		
<p><i>"...the products are relatively expensive and large, so selling outside Europe is really challenging because of the increased shipping costs and overall price. If you want to sell with a good margin, it becomes very costly, so we haven't felt it was important to expand outside Europe yet."</i> (SME 2)</p> <p><i>"Etsy is very simple and easy, and you can maintain almost double the price level on Etsy. People go there looking for something special, and those on Etsy are willing to pay a higher price."</i> (SME 5)</p>	<p>Overcoming Price Disadvantages</p>	<p>Ensuring Profitability and Competitive Positioning</p>
<p><i>"As soon as we started advertising, sales did start coming in. But the problem was that we never reached a point where the ROAS (Return on Ad Spend) was profitable."</i> (SME 8)</p> <p><i>"Because we handled the exporting ourselves, shipping the packages from here to the USA. They were stored in the US, then moved from the</i></p>	<p>Difficulty Maintaining Profitability</p>	

<p><i>warehouse to Amazon and distributed from there. All these steps generate costs, and then there are sales and marketing expenses and other related costs, making it quite a mixed bag... This is a particular challenge compared to our other channels, as the profit structure is so complex. I feel it has been difficult to predict accurately in advance."</i> (SME 7)</p> <p><i>"But in a way, the initial costs are high, so before the entrepreneur can start earning, good sales need to happen first..."</i> (SME 10)</p>		
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4.1.3.1 Navigating Platform Complexities

The second-order concept of navigating platform complexities forms a crucial component of the aggregate dimension of Managing Operational Challenges. This concept highlights the practical and technical barriers that SMEs encounter while conducting business on Amazon. It is also noteworthy how almost all informants viewed unexpected problems with Amazon as a more of a “when” rather than an “if” question, highlighting the overly complex bureaucratic, and prone to challenges working in the Amazon ecosystem is for third party sellers. Even though Amazon FBA is a significant boost and supporting service for SMEs selling in foreign markets, a significant operational challenge involves maintaining an optimal inventory to comply with Amazon’s strict stock management rules. This balancing act is not only essential for avoiding penalties, but also critical for sustaining a steady supply chain. SME 1’s experience underscores the intricacies involved in managing stock levels and the consequences of failing to do so:

"For new products, Amazon gives limited shelf space. I don’t remember exactly how much it was anymore, but it was quite a small amount that you could send there. And then there was a penalty clause, so if the stock ran out, Amazon would penalize you for that. So, it was quite a hassle with the shipments, making sure not to send items too early because they would penalize you for sending too much, but also ensuring the stock didn’t run out because they would penalize you for that as well. And then, since shipping from Europe could take anywhere from 3 days to 3 weeks, there was always the suspense of how things would turn out." (SME 1)

The first-order term "**Operational Challenges in Maintaining Amazon Business**" underscores the intricate and high-stakes nature of sustaining activities on the platform, highlighting the potential for significant setbacks if

compliance with Amazon's rules and guidelines is not meticulously managed. A critical aspect of these operational difficulties lies in avoiding account suspensions, which can have a severe impact on business continuity and revenue. Misunderstandings regarding Amazon's communication protocols, response timelines, and required documentation often exacerbate these challenges, especially for SMEs that may lack the resources for immediate and thorough compliance. SME 6 detailed an experience that highlights the nuanced complexity of Amazon's compliance requirements, and how a single misinterpretation led to their account suspension:

"There was one time when I misunderstood their messages. We received an initial message about something and were given 30 days to respond. At one point, we didn't respond immediately. We then sent a reply, and their response asked for further clarification. We received a new email requesting additional information, but it still had the same deadline message, saying 30 days. I assumed that the 30 days restarted, but it actually began from the date of the first message. And then the account got closed completely." (SME 6)

Technical and Regulatory Challenges further complicate operations. A crucial regulatory aspect of initializing and maintaining operations in Amazon are the product labels mandatory and unique for each product. In some markets, Amazon requires sellers to label their products with Amazon's own ASIN (Amazon Standard Identification Number) labels, despite the products already having existing identification numbers, most commonly EAN (European Article Number) labels. To complicate this even further, Amazon permits the use of EAN-numbers on products on its European markets but requires them to be replaced when selling on the U.S. market, which was seen as a yet another difficult regulatory hurdle for Finnish SMEs, as remarked by SME 3. To add to this, SME 2 found more challenges when listing their products due to already existing products, despite using product codes unique to them, highlighting the unpredictable and challenging nature of difficulties SMEs are facing on the platform.

"The only surprise for me was that Amazon has its own ASIN codes that needed to be labeled over our EAN codes. And it seemed that these labels had to be changed per batch or per shipment, which felt like unnecessary work because our EAN code is already unique and scannable." (SME 3)

"We were already selling products with those codes in that channel, so it was difficult, and it was challenging because some of the codes were already registered to certain brands. Even with the EAN code or the ASIN provided by the system, when you tried to find matching products, they weren't found, but there were errors indicating that the product already had a main image or similar. If someone had previously listed products before we owned the company account, it meant that if you wanted to use that EAN, you would have to first publish it with incorrect information and then manually adjust it product by product through customer service." (SME 2)

Amazon requires comprehensive documentation for compliance, especially in categories subject to stringent safety standards, such as toys and children's products. These demands often result in SMEs having to repeat document submissions, consuming valuable time and resources. This point is exemplified by SME 8, who expressed frustration with repetitive compliance requirements. Such experiences demonstrate the administrative burden that regulatory compliance can place on SMEs:

"At least in categories aimed at toys and young children, there are many regulations, which is expected in the toy business, but Amazon asks for a lot of different things. Product compliance documents and so on – I don't know if there's been an issue with the platform, but for me, I keep getting... I've tried to sort it out, but I keep receiving notifications to submit documents again, even though I've already provided everything. It's a bit frustrating at times, having to do unnecessary clarification work when the documents have already been submitted, but notifications still come in for some reason." (SME 8)

Communication and Language Skills are also integral to navigating these complexities, as they enable effective interaction with Amazon's support teams and help resolve technical issues efficiently. Proficiency in English is crucial, as it facilitates the accurate submission of documents and effective communication with Amazon's support services. A strong command of English not only aids in the submission of regulatory documents but also proves essential when liaising with external parties like banks and international partners. The necessity of high-level English skills was highlighted by SME 3:

"So, we were in contact with the bank in English and sent documents... you need to have a reasonable command of English because you can't really rely on Google Translate at that point; it has to be accurate. And you need reading comprehension to understand what is being required, since American English is a bit different." (SME 3)

SME 10 also felt the language barrier called for the need of Finnish-speaking external consultants to help with Amazon operations:

"I already had American Amazon sellers back then. There were opportunities and contacts, but it's quite a big step to start dealing with them in English, especially when they are so far away, so in a way, a Finnish office is easier to work with." (SME 10)

4.1.3.2 Balancing Time and Effort

Balancing time and effort is a critical element within the aggregate dimension of Managing Operational Challenges, emphasizing the significant human resources that SMEs must allocate to sustain their e-commerce operations. This challenge becomes especially pronounced for smaller firms where the workload often falls on just a few individuals. The time investment required for preparation, execution, and continuous management on platforms like Amazon can be

immense, straining the capacity of SMEs that may already face limitations in personnel and financial resources. This intensive requirement underscores that successful engagement on Amazon is not just a strategic choice but a labour-intensive commitment that demands full dedication.

Practical experiences of SMEs highlight the reality of **Time Intensiveness** of operating on Amazon. SME 2 mentioned that without external support, such extensive work could be overwhelming to limited teams such as themselves. SME 7's reflection on spending up to 200 hours on preparation showcases how thorough and resource demanding the process can be, when including required tasks such as packaging, design, and calculating market scenarios. This illustrates that effective participation requires not only strategic insight but also the operational bandwidth to implement and manage these strategies over extended periods.

"Yes, it did require a lot of time, and at that point, the company didn't have the time or staff resources to take it on ourselves, so it wouldn't have happened without the consulting firm." (SME 2)

"But I would say, without exaggeration, that at least 150-200 hours have been spent on preparation work. Creating different calculations, scenarios, packaging design, and so on... A lot of time has been spent." (SME 7)

In addition to the time commitment, SMEs need to develop creative problem-solving capabilities and self-sufficiency to navigate challenges independently. The ability to address platform-related technical issues, adapt to unexpected hurdles, and explore alternative strategies is crucial for operational resilience. This aspect underlines the dynamic nature of problem-solving as a core capability in maintaining business continuity on complex platforms like Amazon. SMEs that foster creativity, adaptability, and a proactive approach are better positioned to overcome procedural setbacks and unforeseen issues that can arise during operations. SME 2 exhibits this when faced with an issue with no straightforward answers during the launch process:

"When big and small challenges arose during the launch process, you really had to be creative in solving those problems. You had to think a lot on your own about where to seek help – whether from customer support, what questions to ask, or whether to look independently on support forums or ask others for advice on how to sort things out. So, there was a lot of independent thinking and searching for information from different sources." (SME 2)

Balancing time and effort is a multifaceted challenge for SMEs engaging in cross-border e-commerce on platforms like Amazon. This theme underscores the necessity for substantial time investment and the ability to cultivate a problem-solving mindset.

4.1.3.3 Ensuring Profitability and Competitive Positioning

The pursuit of profitability and competitive positioning in Amazon's marketplace presents unique challenges for SMEs. When operating internationally, Finnish SMEs in particular frequently encounter price-related disadvantages, especially when competing with larger brands. SMEs must strategically navigate pricing to appeal to consumers, while maintaining acceptable profit margins. As SME 2 highlighted, expanding beyond Europe can be particularly challenging due to high shipping costs subsequently impeding profitability.

"...the products are relatively expensive and large, so selling outside Europe is really challenging because of the increased shipping costs and overall price. If you want to sell with a good margin, it becomes very costly, so we haven't felt it was important to expand outside Europe yet." (SME 2)

A core element in maintaining competitive positioning involves balancing initial investment and ongoing operational expenses to become profitable. Many SMEs face difficulties in sustaining positive returns on ad spend, complicating efforts to drive scalable growth. This issue was evident in SME 8's experience, where sales increased with advertising, but maintaining a profitable return on ad spend couldn't be achieved.

"As soon as we started advertising, sales did start coming in. But the problem was that we never reached a point where the ROAS (Return on Ad Spend) was profitable." (SME 8)

The intricacies of profit structures, which include logistics, warehousing, and marketing expenditures, further complicate forecasting and profit maintenance. SME 7 elaborated on these complexities, emphasizing the hidden costs that accumulate during export and distribution processes in the U.S., contributing to unpredictable profit margins.

"Because we handled the exporting ourselves, shipping the packages from here to the USA. They were stored in the US, then moved from the warehouse to Amazon and distributed from there. All these steps generate costs, and then there are sales and marketing expenses and other related costs, making it quite a mixed bag... This is a particular challenge compared to our other channels, as the profit structure is so complex. I feel it has been difficult to predict accurately in advance." (SME 7)

To achieve profitability, SME 8 found that the problem may have lied in the products price. Because of the included costs for selling each product, as well as Amazon's percentage fees and advertising costs, the margin per each product was too low to achieve profitability. By raising the products price over a desired threshold, the profitability of Amazon sales could be less cumbersome to achieve. Additionally, Amazon calculates the FBA fees placed on a product by its size and weight, which are significant factors for profitability when utilizing the FBA

service. This is dimension should be considered when assessing Amazon profitability per product.

"It quickly becomes unprofitable because you need to be visible for a keyword like 'game for a 7-year-old child,' which is highly competitive. You could compete in that space if your product's price is higher, meaning the profit margin is larger, allowing you to pay for those clicks." "If the retail price is fifteen euros... and after Amazon's fees, I'd say about 8 euros are gone... with Amazon fees, production costs, and so on... Then there's not much room left to pay for each sale. That's the problem with a low price point." (SME 8)

This analysis ties into the broader theme of Managing Operational Challenges, emphasizing the importance of strategic financial planning and market insight to ensure that SMEs can remain competitive in an environment characterized by tight margins and unpredictable expenses. By addressing these challenges through adaptive strategies, SMEs strengthen their operational capabilities and enhance their resilience in global e-commerce. Despite challenges faced by multiple informants, SME 3 paints a more positive node of profitability on Amazon, when the aforementioned challenges have been rectified.

"It's definitely profitable business through Amazon. Yes, there are costs – Amazon takes its share, and FBA also takes its portion for storage – but overall, it's profitable business." (SME 3)

4.1.4 Transforming and Adapting for Long-Term Sustainability

The final aggregate dimension, Transforming and Adapting for Long-term Sustainability, highlights how SMEs evolve their strategies and operations to secure lasting market success. This dimension underscores the importance of continuous innovation, brand building, and strategic evaluations to maintain a competitive edge over time. SMEs must safeguard their intellectual property and ensure control over their business operations, adapting to changes in platform policies and market conditions. The second-order concepts – Building Long-term Brand and Market Positioning, Safeguarding and Intellectual Protection, and Evaluating Platform Strategies and Alternatives – illustrate the transformative actions that SMEs take to align with long-term growth objectives. This dimension emphasizes the proactive and strategic shifts SMEs undertake to stay relevant and thrive in the evolving cross-border e-commerce landscape.

Table 7: Transforming and Adapting for Long-Term Sustainability

Quotations	First-order terms	Second-order themes
<p><i>"Ensuring that you maintain the brand while also combining that with commercially informative content in a sensible way so that the commercial aspect remains intact." (SME 9)</i></p> <p><i>"It (Amazon) would bring us visibility and credibility as a manufacturer and perhaps also as a brand when we enter this kind of international online marketplace." (SME 11)</i></p> <p><i>"I admit, I made the mistake at first of starting to build the (brand name classified) brand, and no one knows how to search for (brand name classified) or anything related to it because no one knows such a product or brand exists. And when we started building it, (brand name classified) and the Finnish aspect, we already had two brand elements that were essentially going in the wrong direction." (SME 1)</i></p>	<p>Brand Building Knowledge</p>	<p>Building Long-Term Brand and Market Positioning</p>
<p><i>"Not all products are suitable for that platform, and even if it functions well, success may not come if your product isn't suitable in terms of its numbers or demand." (SME 8)</i></p> <p><i>"In the big picture, you can't know if this accessory product will work there; it's a sum of many factors." (SME 9)</i></p> <p><i>"There should be a consultant who has enough experience to honestly tell you whether there's... If it's a product that only has the potential to sell for, say, just a few thousand euros." (SME 10)</i></p>	<p>Product-Market Fit Understanding</p>	

<p><i>"Some kind of model protection or something similar. A patent would, of course, be great if one could afford to get it and make it possible. I've heard some pretty wild stories that having model protection or similar safeguards would be essential... The Chinese are very quick to copy, and our product has indeed been copied in China, right down to the color. And even sold using our images. But that stems from... not having our own branded store, so it's difficult to prevent them from using it."</i> (SME 10)</p>	<p>Importance of IP Protection</p>	<p>Safeguarding and Intellectual Protection</p>
<p><i>"Yes, and we lost control. We had no control over pricing or anything, and we couldn't influence it. One thing I've learned in the past few months is that in any channel, the price must not be lower than on Amazon. Otherwise, Amazon will immediately drop your products."</i> (SME 5)</p> <p><i>"Being able to control the brand's keywords is also important... A product might be one that, at some point, someone else could also sell in an online store or within the Amazon environment."</i> (SME 9)</p> <p><i>"Usually, those distributors want the right to control the Amazon side as well because they want to manage the price so that it doesn't drop, which would make resellers stop buying and leave all the stock sitting in the warehouse. So, there's clearly a need to be cautious about who you give control to... for example, another company selling on Amazon. If someone gets full rights on Amazon and undercuts the price, it can destroy your entire retail market in that area."</i> (SME 8)</p>	<p>Lack of Control</p>	

<p><i>"They are all pretty much their own worlds, but if you compare Amazon to Etsy, Shopify, and Faire, Amazon is the most difficult." (SME 5)</i></p> <p><i>"I still find Amazon quite difficult compared to Etsy, which is very simple and straightforward. You can learn the basic things in a few evenings, so to speak, but Amazon is much more challenging." (SME 4)</i></p> <p><i>"This is much more cumbersome; if you compare it to Etsy, which supports our international sales, opening a sales account, creating listings, and everything related to sales there is much lighter, more agile, and easier. It can be managed with fewer personnel and time resources. But Amazon requires a lot more. Of course, our own online store is an ongoing development process." (SME 2)</i></p>	<p>Platform Comparisons and Strategic Preferences</p>	<p>Evaluating Platform Strategies and Alternatives</p>
<p><i>"The truth is that there aren't enough skilled professionals in Finland. And if there are, they are expensive. That's why I have now brought in expertise from abroad. If I were to do something differently, I would have started looking for help from abroad right away. Because when I started with Amazon, there were no experts in Finland." (SME 5)</i></p> <p><i>"It has become clear that a Finnish person doesn't necessarily have enough expertise or isn't deeply involved in that... in that world. There's just something about it that..." (SME 10)</i></p>	<p>Lack of Amazon Support & Expertise in Finland</p>	

4.1.4.1 Building Long-Term Brand and Market Positioning

The strategic focus on long-term brand and market positioning is essential for SMEs aiming for sustainable success in international e-commerce. Brand-

building knowledge is vital for ensuring visibility and credibility, especially on highly competed platforms like Amazon. This can enhance a manufacturer's reputation and foster trust in their brand. SME 11 highlighted that being on Amazon contributes to greater visibility and credibility, positioning the brand as a trusted entity in a competitive online space.

"It (Amazon) would bring us visibility and credibility as a manufacturer and perhaps also as a brand when we enter this kind of international online marketplace." (SME 11)

The concept of trust becomes increasingly significant among brands that are new and unknown in the market. This is almost always true in our context of Finnish SMEs selling abroad in countries where they previously had little to no operation prior. Thanks to Amazon's extensive vetting and return policies, it can be assumed consumers would be far more likely to buy an unknown brand from Amazon, rather than from the brands dedicated website. This factor was also articulated by SME 6 in detail:

"I think a big factor is that now when it comes to our company's name... no one really knows it. Some of our resellers, of course, know it. But when we advertise in Sweden or wherever we have advertised, people see an ad and think, 'Hey, that looks good.' Then they check, 'Oh, it's sold by this online store. Do I dare to buy from there? Can I trust buying from there?' And the biggest thing, in my opinion, is that even I wouldn't dare to enter my credit card details just anywhere online. But with Amazon, I do.

It's trustworthy. Amazon can't afford to mess around at all, and they don't, so their reputation stays intact. It's probably the safest place to make online purchases. That's why I consider Amazon such a significant channel for us – because people trust it to make a purchase.

When they realize, 'Hey, that product could benefit me... I want that.' Then it's no longer a question of whether they dare to buy it from that online store, because Amazon's reputation is so convincing." (SME 6)

Establishing a clear brand identity and product differentiation can set SMEs apart from competitors, particularly those with limitations in product range or quality. SME 4's insight reveals that offering unique product features, such as larger mirrors that are not commonly found in other sellers' selections, can be a strong competitive edge that transcends typical market standards and lower prices offered by competition. This highlights the importance of leveraging product distinctiveness as part of a brand's strategic positioning.

"And perhaps we have the advantage of being able to deliver larger mirrors than a typical Chinese seller on Amazon, who usually doesn't have such large mirrors in their selection. That's our competitive edge, and we believe it will also work on Amazon, as it has been an advantage for us elsewhere as well." (SME 4)

Understanding product-market fit is equally pivotal for sustainable positioning. SMEs need to assess whether their products align with the market's

needs and consumer expectations. SME 8 noted that not all products may succeed on Amazon, even if they function well, due to platform-specific requirements or consumer demand. As SME 8 points out, a product's success might hinge on numerous interrelated factors, including price points, bundling strategies, or aligning with specific consumer preferences.

"Not all products are suitable for that platform, and even if it functions well, success may not come if your product isn't suitable in terms of its numbers or demand." "A kind of research should be done to see if, OK, your products are like this, and there's a risk that this might not work on Amazon. Maybe the price point is too low, or they need to be bundled or..." (SME 8)

Moreover, this highlights that building long-term brand positioning isn't just about the current state of the product or brand but involves constant evolution and strategic adjustments. This understanding pushes SMEs to modify and adapt their offerings preemptively to enhance their product's market appropriateness, as suggested by their updates to incorporate features that aid discoverability through keywords. This highlights that despite all of the other factors discussed, the product itself has to fit the market needs perfectly in order to succeed, despite everything. As SME 8 points out, data derived from Amazon's consumers can be invaluable already in product development, to better fit the product to market needs.

"Or could we add... is it possible, before going to Amazon, to add a feature to your product that makes it easier to find through keywords? Actually, right now, we're updating products to make them more market-appropriate, just as I mentioned." (SME 8)

These combined efforts ensure that SMEs not only create a brand identity but also adapt it effectively to resonate within a highly competitive e-commerce environment, as well as a foreign market environment. This adaptability contributes to long-term sustainability, enabling SMEs to carve out a distinct and resilient position in the market.

4.1.4.2 Safeguarding and Intellectual Protection

The second-order theme of Safeguarding and Intellectual Protection is critical for SMEs aiming to maintain competitive advantage and ensure the durability of their market position. This theme encompasses the proactive measures businesses must take to protect their products and brands from unauthorized replication and maintain control over their brand's representation and market strategy.

Importance of IP Protection emerges as a vital first-order term that illustrates the challenges and vulnerabilities SMEs face regarding their product innovations. The potential for product copying is a tangible threat, especially in

highly competitive and saturated markets like Amazon. As expressed by SME 10, the lack of model protection or patent ownership can lead to significant risks, such as replication by competitors, often to the extent of copying the product's colour and using the original company's promotional images. SMEs seem to fear copycats especially from low-cost production countries who could manufacture the same products to undercut margins. This underscores the necessity for robust intellectual property strategies, highlighting how SMEs must balance between the cost and potential long-term security offered by intellectual protections, like patents.

"Some kind of model protection or something similar. A patent would, of course, be great if one could afford to get it and make it possible. I've heard some pretty wild stories that having model protection or similar safeguards would be essential... The Chinese are very quick to copy, and our product has indeed been copied in China, right down to the color. And even sold using our images. But that stems from... not having our own branded store, so it's difficult to prevent them from using it." (SME 10)

The second order concept "Lack of Control" further delves into the complexities SMEs encounter while trying to maintain strategic management over their brand and product listings. The inability to influence key factors such as pricing can severely affect their market positioning and outcomes. SME 5's experience sheds light on how selling through Amazon forces SMEs to relinquish control to some extent over to external players and the types of control Amazon can assert over its platform complementors.

"Yes, and we lost control. We had no control over pricing or anything, and we couldn't influence it. One thing I've learned in the past few months is that in any channel, the price must not be lower than on Amazon. Otherwise, Amazon will immediately drop your products." (SME 5)

The root causes behind Amazon vying for control over its complementors lie in the reality that Amazon wants to compete over its own competitors, which are other e-commerce channels or retail stores. In order to do so, Amazon wants to control the prices of each listed brand in a way that no other retail channel can have offer the brand at a lower price than Amazon, despite Amazon's fees. If any given Amazon seller does this, Amazon will drop the focal sellers visibility in Amazon immediately, as was experienced by many entrepreneurs in this study. This Amazon's unfair negotiating tactic and advantage can leave SMEs in difficult positions, especially when negotiating distribution or retailer agreements. The risks associated with distribution agreements highlight the importance of maintaining stringent control over who can manage an SME's Amazon presence. SME 8's insights point to the potential damage caused when another seller gains full rights and reduces prices, leading to market destabilization:

"Usually, those distributors want the right to control the Amazon side as well because they want to manage the price so that it doesn't drop, which would make resellers

stop buying and leave all the stock sitting in the warehouse. So, there's clearly a need to be cautious about who you give control to... for example, another company selling on Amazon. If someone gets full rights on Amazon and undercuts the price, it can destroy your entire retail market in that area." (SME 8)

In summary, Safeguarding and Intellectual Protection is essential for SMEs to secure their innovations and sustain their business in the long run. Implementing protective measures, maintaining brand control, and choosing distribution partners carefully are crucial for mitigating risks associated with product duplication and loss of market authority. These efforts are foundational to establishing a resilient, adaptive strategy that positions SMEs favorably amidst global competition.

4.1.4.3 Evaluating Platform Strategies and Alternatives

The strategic assessment of various e-commerce platforms is critical for SMEs aiming to sustain long-term growth and adapt to market dynamics. This second-order theme focuses on how SMEs evaluate different platforms and develop preferences based on their operational ease, resource requirements, and strategic benefits. Platform Comparisons and Strategic Preferences highlight that while Amazon offers extensive reach and infrastructure, its complexity poses significant challenges for SMEs compared to platforms like Etsy, Shopify, or direct online stores. These alternatives often require fewer resources and provide a more user-friendly interface, making them preferable for smaller teams or those new to e-commerce expansion. For instance, SME 5 noted that "Amazon is the most difficult" when comparing it to other platforms like Etsy and Shopify, emphasizing the platform's steep learning curve. Similarly, SME 2 highlighted the heavier resource commitment needed for Amazon, describing it as a platform requiring "a lot more" in terms of personnel and time investments, compared to the simpler, more agile setup of Etsy.

"They are all pretty much their own worlds, but if you compare Amazon to Etsy, Shopify, and Faire, Amazon is the most difficult." (SME 5)

"This is much more cumbersome; if you compare it to Etsy... Amazon requires a lot more." (SME 2)

Lack of Amazon Support & Expertise in Finland further underscores the operational challenges SMEs face. Unlike in more established e-commerce markets, Finland's ecosystem lacks sufficient local expertise and accessible support for Amazon operations. This gap pushes SMEs to look for international consultants or other forms of external assistance, adding to operational costs and complexity. SME 5 shared an insight into this situation, which required looking abroad for qualified help. This scarcity of local Amazon support means SMEs must weigh the benefits of using Amazon overall against its demanding

requirements, competing against platforms that offer simpler entry and maintenance.

“When I started with Amazon, there were no experts in Finland.” (SME 5)

This analysis captures the comparative challenges and strategic considerations SMEs face when navigating e-commerce platforms, positioning it within the context of long-term adaptation and sustainability.

4.2 Interview Group B

For the analysis of interview group B, the focus was on identifying and synthesizing themes that relate to the strategic expertise and operational challenges experienced by experts guiding SMEs in Amazon market entry and growth. As illustrated in Figure 6, the first-order terms drawn from expert testimonies, were organized into relevant second-order themes. These themes encompass a range of insights on strategic market positioning, operational efficiency, external resource dependency, as well as the need for long-term adaptability, ultimately converging into four primary aggregate dimensions.

The resulting aggregate dimensions align closely with the dynamic capabilities framework, showcasing how expert knowledge and strategies contribute to the capability of SMEs to sense and seize opportunities, adapt to operational complexities, and ensure sustainable business practices on platforms like Amazon. The expert testimonies also give rich new insights and deepen understanding on some aspects of sales growth on Amazon, when compared to interview group A of this study. Each aggregate dimension highlights different aspects of market expertise, competitive strategies, resource management, and long-term operational resilience. The structured insights presented in Figure 6 reveal the interconnected roles of strategic insight, resource utilization, and adaptive approaches as critical for maintaining competitive positioning and operational excellence in cross-border e-commerce.

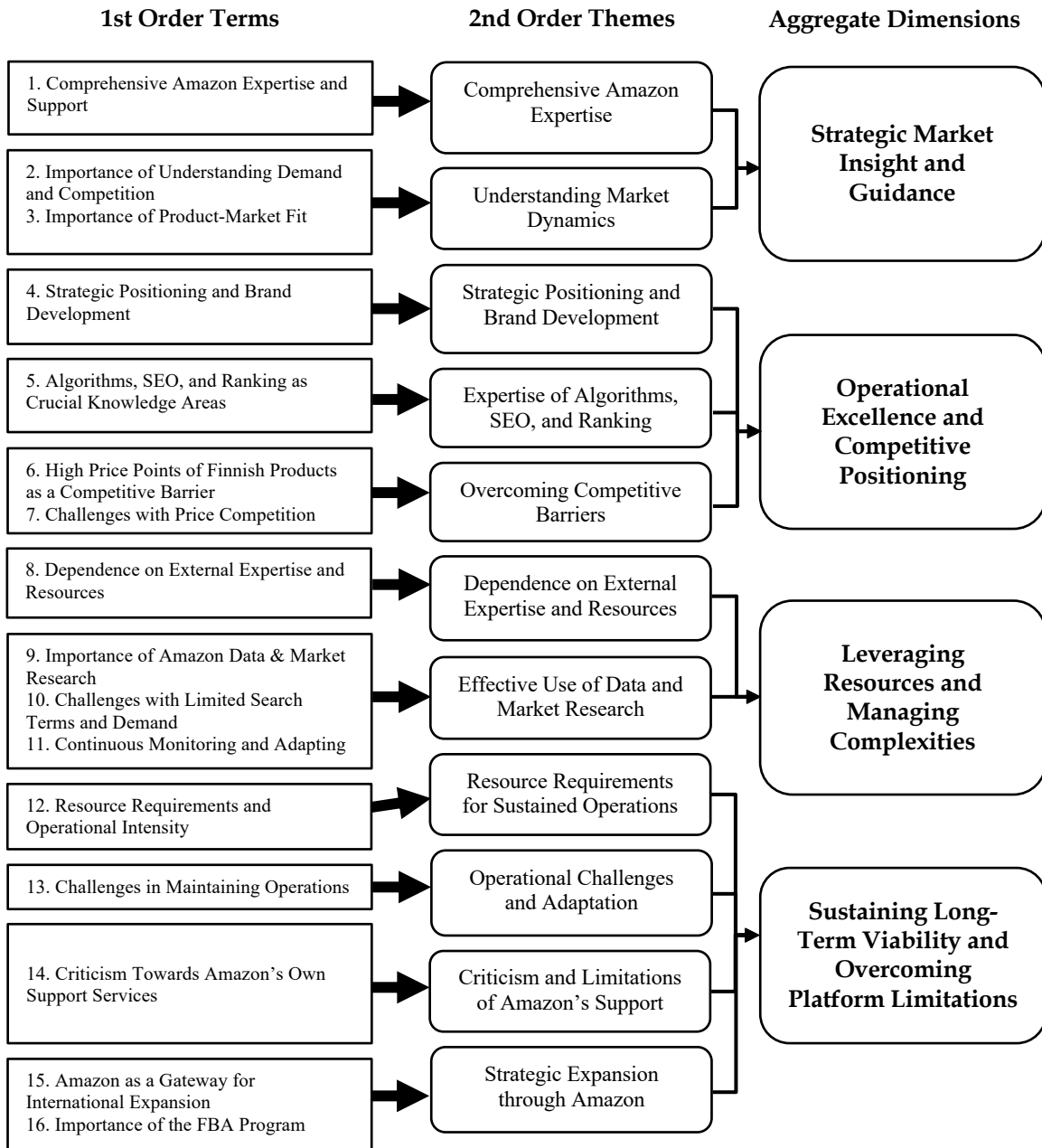


Figure 6: Interview Group B Data Structure

4.2.1 Strategic Market Insight and Guidance

The dimension of Strategic Market Insight and Guidance embodies the core knowledge and capabilities required for SMEs to effectively position themselves in international e-commerce markets like Amazon. This dimension highlights the need for comprehensive expertise and strategic awareness in understanding market dynamics and adapting to varying consumer demands. It emphasizes the importance of a deep understanding of competition, product-market fit, and the ability to anticipate market shifts. The integration of these strategic insights allows SMEs to make informed decisions that align with their long-term growth objectives, thereby enhancing their overall competitiveness on global platforms. Table 8 showcases the integral findings and structure for this aggregate dimension.

Table 8: Strategic Market Insight and Guidance

Quotations	First-order terms	Second-order themes
<p><i>"Typically, the entire project has been outsourced, including the mentioned market analysis and creating Amazon listings – everything from writing texts with local partners, image editing, creating shipping plans for the client, and eventually handling advertising once the product is live on Amazon. Clients haven't really wanted to do any part of it themselves; they have preferred to outsource everything to a partner."</i> (Expert 5)</p> <p><i>"Consulting for company management, technical consulting, marketing, building listings, and catalogs. Basically, everything related to listing optimization and Amazon business. The technical side of Amazon. Everything in Seller Central settings, flat file catalogs, everything possible. The shipping, warehousing, and dispatching in FBA business. Every detail."</i> (Expert 1)</p> <p><i>"Well yes, originally it was. It was assistance from a sales perspective – how to attract</i></p>	<p>Comprehensive Amazon Expertise and Support</p>	<p>Comprehensive Amazon Expertise</p>

<p><i>customers to the Amazon listing. But quite soon, it turned into other consulting work due to the fact that clients didn't understand Amazon, so you ended up consulting on everything: taxes, logistics, advertising, and all sorts of other related matters. It became consulting-heavy work."</i> (Expert 3)</p> <p><i>"And that's how it started, and it went very well – I probably sold about a million dollars' worth of that one product during that time. At the same time, I launched other products, but none of them really took off in nearly the same way."</i> (Expert 4)</p>		
<p><i>"Demand and competition. That's what it comes down to. If there's no demand, there's no point in entering. Or if the competition is too intense. That competition can be defined by quality, reviews, price, branding, or patents. It could be patented products that you can't even sell there, plus restricted categories."</i> (Expert 1)</p> <p><i>"First, we look at the competitors. After that, we compile search terms and sales volumes. Special attention is paid to how many reviews competitors have, how many of their products are ranked on the first page, and the overall profitability calculation of the product is assessed. If it's not profitable, there aren't enough search terms, and the competition is already tough, then it's almost impossible to beat older, long-standing listings." (Expert 1)</i></p> <p><i>"Yes, because there's always competition there, and you're always compared. You never really get to a situation where..."</i></p>	<p>Importance of Understanding Demand and Competition</p>	<p>Understanding Market Dynamics</p>

<p><i>you're in a vacuum and the only search result for that term. In physical stores, a person might go to a shelf in one category, look for a product that meets their need, and there might be only one option. But that kind of situation doesn't really happen in e-commerce or on Amazon." (Expert 2)</i></p> <p><i>"Identifying the weak points in the competition and targeting those areas. So, if we clearly see there's space in the competition to differentiate or if there's an 'x factor' compared to others, or if there are poorly made listings or listings with bad reviews, then there's an opportunity to win and gain market share." (Expert 1)</i></p>		
<p><i>"Perhaps the ideology of Amazon is to find the perfect product. Not from the seller's perspective, where you search for the perfect product that meets multiple criteria. If a product is available elsewhere and wasn't originally intended for online sales, selling it on Amazon can be very challenging." (Expert 1)</i></p> <p><i>"Everything really starts with the product and the product idea. Amazon is quite competitive nowadays, and you can't really compete on price... The product needs to stand out and offer added value so that you can then ask for a slightly higher price than the average competitor." (Expert 5)</i></p> <p><i>"And then, of course, the competition is global. For example, Chinese factories push their products onto the platform, so you can't compete with them on price. The product needs to be thoughtfully designed with Amazon's needs or the market's needs in mind, as competition is almost always</i></p>	<p>Importance of Product-Market Fit</p>	

<p><i>the main challenge today.</i>" (Expert 5)</p>		
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4.2.1.1 Comprehensive Amazon Expertise

The second-order theme of Comprehensive Amazon Expertise highlights the depth of knowledge and support Expert interviewees have provided SMEs about operating on Amazon, underscoring the requirements to succeed on a platform as multifaceted as Amazon. The first-order term Comprehensive Amazon Expertise and Support highlights the inherently intricate nature of launching and managing business operations on Amazon, where a robust understanding extends beyond just the basics of product listings to include market analysis, technical setup, logistics, as well as sustained marketing efforts

Experts indicate that the depth of support required by SMEs often spans end-to-end solutions. This includes not only the creation and optimization of product listings, but also an array of related services such as tax advisory, advertising, and technical consulting. As SME 5 noted, SME clients prefer outsourcing the entire Amazon operation to an external consultant with all its complexities and regulatory burdens outside the Amazon platform. This reflects how SMEs often need to lean on external expertise due to operational complexities both related and unrelated to Amazon operations.

"Typically, the entire project has been outsourced, including the mentioned market analysis and creating Amazon listings – everything from writing texts with local partners, image editing, creating shipping plans for the client, and eventually handling advertising once the product is live on Amazon. Clients haven't really wanted to do any part of it themselves; they have preferred to outsource everything to a partner."
(Expert 5)

Another expert detailed the comprehensive scope of consulting and support offered, covering everything from technical settings in Seller Central to complex catalogue management and the logistical intricacies of FBA. This expertise showcases not only the extensiveness of support often required by SMEs, but also the level of concrete technical knowledge operating an Amazon business requires.

"Consulting for company management, technical consulting, marketing, building listings, and catalogues. Basically, everything related to listing optimization and Amazon business. The technical side of Amazon. Everything in Seller Central settings, flat file catalogues, everything possible. The shipping, warehousing, and dispatching in FBA business. Every detail." (Expert 1)

Despite first-hand experience of selling on Amazon was not the focal point or requirement for participating experts, this experience came up in some interviews, further demonstrating the deep knowledge and prior successes by experts in the Amazon space. Expert 4 mentioned about selling their own

dropshipping products in Amazon USA, amassing around 1-million-dollar sales with just one product. As well as showcasing the value of skills possessed by Amazon experts, it's a valuable insight into the scope of possibilities in the Amazon e-commerce space.

"And that's how it started, and it went very well – I probably sold about a million dollars' worth of that one product during that time. At the same time, I launched other products, but none of them really took off in nearly the same way." (Expert 4)

Such thorough expertise and comprehensive support are not merely supplementary, but near essential for SMEs aiming for a competitive entry and sustained performance on Amazon. The platform's demands necessitate a level of proficiency that many businesses find more feasible to source externally rather than develop in-house from zero.

4.2.1.2 Understanding Market Dynamics

Understanding Market Dynamics is fundamental for experts helping SMEs navigate Amazon's highly competitive e-commerce landscape. This theme underscores the importance of in-depth knowledge about demand and competition and highlights the critical nature of assessing product-market fit. As clarified by experts and SMEs alike, the characteristics of the product and how well they match market demand are some of the most critical aspects of success in Amazon. Without these, all other attempts to grow sales could be futile. Recognizing market dynamics equips SMEs and all Amazon sellers with the insights needed to develop targeted strategies, ensuring their products align with the customer expectations and stand out amidst fierce global competition.

The first-order term "Importance of Understanding Demand and Competition" emphasizes how crucial it is for SMEs to assess the feasibility of entering a market based on existing demand and the competitive environment. Expert testimonies illustrate that success on Amazon hinges on a clear and analytical evaluation of these key factors. As Expert 1 stated, the question of finding the right balance of competition and demand is essentially what the entire success of Amazon e-commerce boils down to. This assertion captures the essence of market evaluation, which requires a comprehensive look at underlying variables such as the quality of competitor listings, reviews, price points, and even as deep as the presence of competitor patents and IP protection that might restrict market entry. Expert 2 adds remarking how fierce and relentless competition can be in global e-commerce platforms when compared to traditional physical stores, stating how there's almost never an instance where you're not compared to direct competitors.

"Demand and competition. That's what it comes down to. If there's no demand, there's no point in entering. Or if the competition is too intense. That competition can be

defined by quality, reviews, price, branding, or patents. It could be patented products that you can't even sell there, plus restricted categories." (Expert 1)

"Yes, because there's always competition there, and you're always compared. You never really get to a situation where... you're in a vacuum and the only search result for that term. In physical stores, a person might go to a shelf in one category, look for a product that meets their need, and there might be only one option. But that kind of situation doesn't really happen in e-commerce or on Amazon." (Expert 2)

Closely tied to understanding demand and competition, is the importance of product-market fit. This term captures the necessity for SMEs to develop products that resonate with the market and offer unique value. As Expert 5 points out, everything starts from the product and the product idea, underlining the notion that even if a product exists, it may not perform well on Amazon if it wasn't a perfect match for an existing consumer need or the design lacks these crucial aspects. The ability to design or modify products specifically for Amazon's market, where the competition often includes global manufacturers in lower-cost production countries like China, becomes an essential differentiator. As Expert 5 points out as well, when you can't compete on price, the product needs to pose some unique value proposition to the end user.

"Everything really starts with the product and the product idea. Amazon is quite competitive nowadays, and you can't really compete on price... The product needs to stand out and offer added value so that you can then ask for a slightly higher price than the average competitor." (Expert 5)

"And then, of course, the competition is global. For example, Chinese factories push their products onto the platform, so you can't compete with them on price. The product needs to be thoughtfully designed with Amazon's needs or the market's needs in mind, as competition is almost always the main challenge today." (Expert 5)

Ensuring product differentiation is thus paramount for long-term success. This differentiation might come from unique features or thoughtful design that aligns with consumer preferences. The expert insights demonstrate that comprehensive market analysis and product refinement are non-negotiable steps in preparing for and succeeding on Amazon.

4.2.2 Operational Excellence and Competitive Positioning

Operational excellence and Competitive Positioning focus on the practical and strategic capabilities that SMEs need to sustain efficient operations and achieve a competitive edge in the e-commerce landscape. This dimension explores themes related to optimizing brand positioning, mastering algorithms, SEO, and overcoming price barriers associated with most Finnish SMEs. It also underscores the need for SMEs to engage in continuous monitoring and refinement of their operational strategies to maintain their relevance and adaptability. This section

captures how SMEs and experts ensure robust operational structures to deliver consistent performance and competitiveness in international markets. Table 9 showcases the integral findings and structure for this aggregate dimension.

Table 9: Operational Excellence and Competitive Positioning

Quotations	First-order terms	Second-order themes
<p><i>"Branding is the most important. External demand, meaning driving social media traffic to Amazon, better listing images, better texts, and understanding what Western customers are interested in. 1. Knowing how to brand. 2. Knowing how to create top-notch listings." (Expert 1)</i></p> <p><i>"If a company has benefited from brand recognition in Finland, then in the U.S. market, the starting point is likely zero. When the brand hasn't been advantageous... It's not an insurmountable obstacle if there is the ability to invest in properly researching how to present the brand, adapting it slightly to the needs of the U.S. market and... then launching it on Amazon on a large scale, while also building brand awareness, visibility, and general appeal through other, particularly digital, channels. In some cases, it might even be shown that brick-and-mortar could be a good channel to support that awareness." (Expert 2)</i></p> <p><i>"Perhaps the product's ability to stand out in terms of customer needs. So that it can communicate the product's benefits attractively and quickly, both verbally and visually, in a way that differentiates it from competitors." (Expert 2)</i></p>	<p>Strategic Positioning and Brand Development</p>	<p>Strategic Positioning and Brand Development</p>

<p>"Currently, AI makes competition even tougher, as Chinese sellers and others can use AI to write very authentic Western-style text and better identify branding elements than before. In the past, Chinese sellers couldn't write authentic Western-style text. Their listing optimization was weak in terms of text, image typography, and infographics, but now the standard is rising, and the quality of text is improving, which reduces competitive advantages and makes competing against Chinese sellers almost impossible." (Expert 1)</p>		
<p>"Understanding Amazon's algorithm and ranking (when asked about the most important aspect for success)... If you don't understand ranking, the algorithm, and the ideology – that you must always have stock and be able to deliver products – and know how to do advertising correctly to support organic sales, then success is unlikely." (Expert 1)</p> <p>"Amazon's ecosystem is based on sales and the flywheel effect. One thing leads to another and another. First, you need to index for search terms. Next, you need to be able to rank. You need to get reviews. Amazon measures performance through various data points. The A9 algorithm means nine different algorithms overlapping. Sales history also needs to be maintained across different time frames – monthly, quarterly, and annually. I don't know for sure, and no one has publicly disclosed this, but it doesn't work in the long run if sales don't happen." (Expert 1)</p> <p>"I would say that the skill of advertising optimization is extremely important simply</p>	<p>Algorithms, SEO, and Ranking as Crucial Knowledge Areas</p>	<p>Expertise of Algorithms, SEO, and Ranking</p>

<p><i>because the competition is so fierce, and everyone is doing advertising, so as a new product, you need to find a way to get sufficient visibility."</i> (Expert 3)</p> <p><i>"The more you are visible there, the greater the chance of success, even if your price is slightly higher. Not all Amazon visitors compare prices extensively; some buyers pick the first product they see and go with it. So visibility – whether through advertising or organic means – is crucial."</i> (Expert 3)</p> <p><i>"There are specific aspects of Amazon advertising that can be done in a million different ways, but if you find the best possible partner, they're likely to get more out of your budget than you could yourself or through an inexperienced partner."</i> (Expert 4)</p>		
<p><i>"The demand and price point on Amazon are often too high for Finnish products... On Amazon, 60% of sellers are Chinese, so competing with them on price is impossible."</i> (Expert 1)</p> <p><i>"In some cases, the obstacle has been too high a price, meaning the product's price competitiveness hasn't been sufficient on a global scale, as there have been so many cheaper, and sometimes even better, products available at a lower price."</i> (Expert 2)</p> <p><i>"Products made in Finland, or there could be many factors involved, causing products to be more expensive than in Germany, for instance. This likely includes production costs and wage costs. Everything factored in results in a price that is so high that succeeding</i></p>	<p>High Price Points of Finnish Products as a Competitive Barrier</p>	<p>Overcoming Competitive Barriers</p>

<p><i>in a new market becomes difficult." (Expert 3)</i></p>		
<p><i>"I sold for so long that the market became saturated, and it became difficult to stand out. The Chinese and others started making the exact same product in the exact same packaging and listings, which made it difficult as the price dropped... I believe from around thirty dollars to eight dollars. So, it just wasn't reasonable anymore." (Expert 4)</i></p> <p><i>"Multi-pack sales, or bulk sales, where multiple products are sold together in one package. This blurs the price point, making direct comparisons between products more difficult. For example, selling a package with a dog harness, dog shampoo, and a dog brush with one unit price. You get a good enough margin on each product, but it's not directly comparable to just a harness or another product." (Expert 3)</i></p> <p><i>"For example, if you find a good third-party partner to handle logistics from places like Germany or Poland, which can deliver to Germany significantly cheaper than Amazon. Even though Amazon's own logistics chain is good and proven, it is by no means the cheapest, so there might be opportunities to save on costs there. We have also advised companies, for instance, on whether certain packaging materials are the best possible... They might work in Finland, but do they work in Germany? So, looking at potential cost savings to lower the price point." (Expert 3)</i></p>	<p>Challenges with Price Competition</p>	

4.2.2.1 Strategic Positioning and Brand Development

For the second-order theme Strategic Positioning and Brand Development, the analysis highlights the essential practices that contribute to SMEs ability to position their brands effectively in a competitive digital marketplace like Amazon. This theme encompasses the strategic insights needed to build brand identity, differentiate products, and communicate value propositions to customers compellingly. This category also explores how the competitive environment regarding branding has evolved after the advent of disruptive technologies and AI.

Strategic positioning in the Amazon environment requires a multi-faceted approach to branding and listing optimization. Expert informants emphasize the criticality of developing high-quality content that resonates with target audiences. Expert 1 highlights the value of a good brand and its power in drawing external traffic to your Amazon listing. Any external traffic and SME is able to attract most likely comes to Amazon for their product specifically, decreasing possibilities of competitors to attract the same traffic to buy from them. As stated earlier, a good brand that drives external traffic to Amazon can also benefit a seller by the 10% brand referral bonus through the Amazon Attribution program (Amazon, 2024c). This marks branding as an extremely important aspect of driving traffic to Amazon listings. The quotation by Expert 1 captures the essence of this strategic positioning in practice: creating a comprehensive presentation that speaks to customer expectations and preferences. Crafting listings that align with consumer desires and ensuring that the brand's visual and textual elements are appealing is vital for capturing consumer attention and fostering trust.

"Branding is the most important. External demand, meaning driving social media traffic to Amazon, better listing images, better texts, and understanding what Western customers are interested in. 1. Knowing how to brand. 2. Knowing how to create top-notch listings." (Expert 1)

Further, for SMEs entering international markets like the U.S., the challenge often lies in the need to adjust their branding efforts to fit an entirely new cultural context. Expert 2 points out the importance of adapting a brand to resonate with local consumers, noting that even a strong Finnish brand will most likely start from zero, calling for the importance of holistic brand-building focus when launching in foreign markets. This demonstrates that SMEs must be prepared to invest in research and adapt their branding strategies for different markets, which could include adjustments in tone, design, and messaging to align with local tastes and consumer behaviours.

"If a company has benefited from brand recognition in Finland, then in the U.S. market, the starting point is likely zero. When the brand hasn't been advantageous... It's not an insurmountable obstacle if there is the ability to invest in properly researching how to present the brand, adapting it slightly to the needs of the U.S. market and... then launching it on Amazon on a large scale, while also building brand awareness, visibility,

and general appeal through other, particularly digital, channels. In some cases, it might even be shown that brick-and-mortar could be a good channel to support that awareness." (Expert 2)

However, the challenges posed by increasing competition and the advent of advanced technologies, specifically AI, have raised the stakes for branding. Expert 1 reflects extensively on how AI has shifted the competitive landscape by levelling the playing field for sellers across the globe, making decent branding more available for low-cost manufacturers typically lacking in this aspect. This insight is particularly interesting, since it challenges the general notion that AI benefits SMEs lacking key resources. When the competition becomes global and fast-moving, SMEs may face ever-increasing competitive pressures from international players, as highlighted by Expert 1. This comment underscores that while branding and positioning remain key, SMEs must also keep up with technological advancements and continuously refine branding techniques and consumer expectations to retain a competitive edge.

"Currently, AI makes competition even tougher, as Chinese sellers and others can use AI to write very authentic Western-style text and better identify branding elements than before. In the past, Chinese sellers couldn't write authentic Western-style text. Their listing optimization was weak in terms of text, image typography, and infographics, but now the standard is rising, and the quality of text is improving, which reduces competitive advantages and makes competing against Chinese sellers almost impossible." (Expert 1)

To end on a positive outlook on the advent of AI, Expert 1 also points out how different AI tools have also benefited Finnish and western SMEs to operate more efficiently in the e-commerce Jungle of Amazon. He highlights how the incorporation of AI into strategic activities can significantly boost efficiency, making critical tasks more accessible for smaller companies with less resources. Moreover, Expert 1 emphasizes how AI already facilitates market research activities, providing a deeper understanding of market trends and customer preferences. The capability to employ AI tools can empower Finnish SMEs to refine their listings and strategize more effectively, positioning them to better compete with larger and more resourceful market players.

"Of course, it helps everyone equally. That's obvious. For example, writing listing text: extracting keywords, feeding product information to AI, and directing it to incorporate the keywords into the text. Another example is extracting reviews and all possible data from competitors and analyzing them to understand what customers are looking for and what they dislike, then writing listing text based on that analysis. AI greatly enhances this efficiency." (Expert 1)

In summary, the strategic positioning and brand development theme encapsulates the pivotal elements SMEs must master to thrive on platforms like Amazon. It requires an in-depth understanding of cultural nuances, competitive differentiation, and the ability to adapt brand presentations through

comprehensive research and digital engagement. For long-term sustainability, SMEs need to combine these strategic insights with ongoing innovations and adaptive practices to maintain their visibility and brand credibility.

4.2.2.2 Expertise of Algorithms, SEO, and Ranking

The mastery of algorithms, SEO, and ranking within Amazon's marketplace is a fundamental component of securing a competitive position in the search engine. Understanding the intricacies and various layers of the Amazon algorithm that factors in search terms, sales history, and multiple other performance data points, is critical for success on the platform. Although SEO is a vital aspect of beating the algorithm, various other aspects of the business need to work in unison for greater visibility. Expert 1 highlights the importance and holistic nature of this fact by mentioning the vitality of always having available stock in Amazon to avoid being penalized in search engine visibility by the algorithm. This insight underscores the necessity for sellers to not only focus on SEO practices, but also focus on product availability and other aspects aligning with Amazon's expectations.

Understanding Amazon's algorithm and ranking (when asked about the most important aspect for success)... If you don't understand ranking, the algorithm, and the ideology – that you must always have stock and be able to deliver products – and know how to do advertising correctly to support organic sales, then success is unlikely." (Expert 1)

The concept of the "flywheel" effect further illustrates the complexity of Amazon's search engine and algorithm. As Expert 1 again notes, the "beating the algorithm" is a multilayered and holistic process, where every aspect of the Amazon business needs to work to achieve success. This statement reveals the synergistic cycle of visibility, sales, and positive reviews propelling listings forward, reinforcing the need for strategic management of SEO and keyword optimization to achieve momentum and sustainable growth.

"Amazon's ecosystem is based on sales and the flywheel effect. One thing leads to another and another. First, you need to index for search terms. Next, you need to be able to rank. You need to get reviews. Amazon measures performance through various data points. The A9 algorithm means nine different algorithms overlapping. Sales history also needs to be maintained across different time frames – monthly, quarterly, and annually. I don't know for sure, and no one has publicly disclosed this, but it doesn't work in the long run if sales don't happen." (Expert 1)

Furthermore, running paid advertising and optimizing campaigns effectively are seen as vital aspects of optimizing visibility in the Amazon search engine. Due to ever increasing competition on the platform, as well as the ever rising level of paid advertising, Experts seem to agree that running paid advertising together with organic measures is increasingly becoming a necessity

for success. Expert 3 articulates this necessity by highlighting how paid advertising is integral in ensuring visibility, especially for new product launches striving to break through the clutter of highly saturated product markets. Expert 3 continues by pointing again pointing out that overall visibility in the search engine, whether organic or sponsored, is vitally important for conversion and sales, since many buyers will end up purchasing from the first listing they open, just as long as the listing is otherwise optimized as well.

"I would say that the skill of advertising optimization is extremely important simply because the competition is so fierce, and everyone is doing advertising, so as a new product, you need to find a way to get sufficient visibility." (Expert 3)

"The more you are visible there, the greater the chance of success, even if your price is slightly higher. Not all Amazon visitors compare prices extensively; some buyers pick the first product they see and go with it. So visibility – whether through advertising or organic means – is crucial." (Expert 3)

Lastly, the value of partnering with experienced Amazon SEO experts is reflected in the advertising budgets and how well they can be optimized. As Expert 4 points out, leveraging cumulated knowledge and experience of the many different advertising tools can lead to not only better sales results, but also more profitable results with the same budget. The better optimized SEO and increase in sales results might just be the thing to turn the Amazon sales channel profitable, which is another vital aspect of navigating Amazon's competitive landscape.

"There are specific aspects of Amazon advertising that can be done in a million different ways, but if you find the best possible partner, they're likely to get more out of your budget than you could yourself or through an inexperienced partner." (Expert 4)

The analysis underscores the multifaceted nature of mastering algorithms, SEO, and ranking on Amazon as part of achieving operational excellence and competitive positioning. The insights from experts emphasize that success on Amazon extends beyond understanding SEO—it requires an integrated approach that ensures product availability, strategic advertising, and the continuous optimization of listings. The complexity of Amazon's search ecosystem reveals the interconnectedness of visibility, reviews, and sales performance. Ultimately, SMEs that leverage advanced SEO strategies, coupled with expert guidance and the thoughtful use of advertising budgets, are better positioned to navigate the competition and attain sustainable growth.

4.2.2.3 Overcoming Competitive Barriers

The challenge of overcoming competitive barriers is a significant theme for Finnish SMEs attempting to establish a foothold in Amazon's global marketplace. One of the key first-order terms regarding this theme is again the high price

points of Finnish products, and how it is regarded by most experts as a competitive barrier. Finnish products often face higher production and wage costs compared to other lower-cost markets, notably China. This discrepancy poses a substantial issue when competing in a marketplace where most sellers are Chinese, who benefit from considerably lower production expenses. As Expert 1 points out, price competition with such competitors is virtually impossible. This highlights the intrinsic disadvantage many Finnish manufacturers face, emphasizing how strategic positioning and differentiation become even more essential to counterbalance price disparities.

"The demand and price point on Amazon are often too high for Finnish products... On Amazon, 60% of sellers are Chinese, so competing with them on price is impossible." (Expert 1)

Expert 2 seconds this perspective, noting how high price points in Finnish goods can impede competitiveness on a global scale. This again stresses how Finnish SMEs must leverage differentiation and unique value propositions to counteract these barriers.

"In some cases, the obstacle has been too high a price, meaning the product's price competitiveness hasn't been sufficient on a global scale, as there have been so many cheaper, and sometimes even better, products available at a lower price." (Expert 2)

The Challenges with Price Competition further compound these barriers, especially when markets become saturated with similar products, leading to sometimes aggressive price wars. Expert 4 shares a firsthand experience of Chinese competitors competing on the same listing and driving the price down drastically when competing for ownership of the listing. This is a practical example of how, low-cost manufacturers can single-handedly take away a business opportunity on the platform, if branding and IP protection are not on a sufficient level.

"I sold for so long that the market became saturated, and it became difficult to stand out. The Chinese and others started making the exact same product in the exact same packaging and listings, which made it difficult as the price dropped... I believe from around thirty dollars to eight dollars. So, it just wasn't reasonable anymore." (Expert 4)

To overcome both the high price points of Finnish products and keeping up with increasing price competition, Expert 3 mentioned some strategies to alleviate these barriers and navigate the competitive landscape. As pointed out by Expert 3, a great strategy for suitable products is bundling them together with other relevant products or selling more than one of the products in the same packaging, making it harder for the consumer to compare competitor prices, if the products are not direct comparatives. This might also work to increase the overall buyer experience and reflect positively on reviews. Expert 3 also pointed out how that despite the undeniable effectiveness of Amazon FBA, other 3PL providers could provide the service for cheaper, allowing for slightly better

margins on lower prices. The same was mentioned about packaging, where often small alterations can help trim the costs and increase overall price competitiveness of Finnish SMEs.

"Multi-pack sales, or bulk sales, where multiple products are sold together in one package. This blurs the price point, making direct comparisons between products more difficult. For example, selling a package with a dog harness, dog shampoo, and a dog brush with one unit price. You get a good enough margin on each product, but it's not directly comparable to just a harness or another product." (Expert 3)

"For example, if you find a good third-party partner to handle logistics from places like Germany or Poland, which can deliver to Germany significantly cheaper than Amazon. Even though Amazon's own logistics chain is good and proven, it is by no means the cheapest..." (Expert 3)

However, as noted by Expert 3, the price competition and pressure from low-cost markets does not limit to itself to only third-party sellers within Amazon, but across the platforms themselves. As we have seen, Chinese low-cost e-commerce platforms like Temu and Shein have skyrocketed in popularity among western countries, offering vast product catalogues and offering them at prices unmatched by any rival. These platforms claim to do so by cutting out the "middleman", the brand, out from the supply chain, and delivering products to the end customer straight from the Chinese factories. Due to this, Temu and Shein alone are responsible for over 9 000 tonnes of air freight per day (Reuters, 2024). Despite the unreliable and low-quality products compared to rivals, they have been able to attract a significant market share from Amazon in short time (GWS, 2023). This revelation is subsequently taking a toll on Amazon sellers, when Amazon is increasingly pushing for lower price points for sellers, and consumers are increasingly preferring lower prices over other features in most products.

"There has been a lot of internal competition on Amazon, and that competition grows with about 3,500 new companies starting to sell there daily, along with a significant number of exits. Additionally, when considering the arrival of large marketplaces like Temu and Shein, which bring new challenges to selling on Amazon and international sales, it's clear that competing within Amazon is not enough. The platform itself, Amazon, must compete with other platforms. Low-cost companies like Temu and others may make it even more difficult for sellers on Amazon, as pricing could play an even more significant role than before. That's just my concern, but competition is likely to intensify significantly in the coming years and within the next year." (Expert 3)

While Finnish SMEs face significant competitive barriers due to higher price points and increased price competition within Amazon and beyond, strategic adjustments can offer pathways to navigate these challenges. Differentiation through unique product bundling, finding alternative logistical partners, and cost optimization are essential measures. The shifting landscape, with the emergence of ultra-low-cost platforms like Temu and Shein, presents an even

greater need for SMEs to reinforce their competitive positioning and pricing strategies to maintain sustainability in global e-commerce.

4.2.3 Leveraging Resources and Managing Complexities

The aggregate dimension of Leveraging Resources and Managing Complexities encapsulates the necessity for SMEs to effectively use both internal and external resources and manage operational challenges in the complex e-commerce environment of Amazon. This dimension showcases the reliance on external expertise and data-driven market research and approach to decision-making as vital components in navigating competitive and operational difficulties. It once again underscores the resource intensiveness of maintaining market position and highlights how leveraging data, monitoring market trends, and incorporating third-party expertise contribute to operational success and resilience. Table X showcases the integral findings and structure for this aggregate dimension.

Table 10: Leveraging Resources and Managing Complexities

Quotations	First-order terms	Second-order themes
<p><i>"The first question is, do you want to do it yourself or do you want to succeed? For Amazon expertise, you need years of experience. You can't know what you don't know. You either hire experts to avoid mistakes or pay the price by making mistakes and failing."</i> (Expert 1)</p> <p><i>"Using an expert will likely lead to a better result. It costs a bit more to get started, but all good companies tend to work this way for a reason."</i> (Expert 4)</p> <p><i>"At some point, it's essential to consider how to get professional help, either internally or from a partner, to start analyzing pricing, competition, positioning, and sales arguments that could generate revenue and identify the best Amazon markets. It's also important to look at all the most promising Amazon markets."</i> (Expert 2)</p>	<p>Dependence on External Expertise and Resources</p>	<p>Dependence on External Expertise and Resources</p>

<p><i>vast, and decisions can be based on that data without guessing. You look at competition country by country, for example, using software like Datadive. You search for the top 30 sellers or top 30 products that match the product of a Finnish company and analyze the competitive landscape." (Expert 1)</i></p> <p><i>"There are many different tools in the market to extract data efficiently. Amazon provides the data, essentially in CSV or Excel format, but using external tools creates a more comprehensible picture of how competitors operate in the market, how they advertise, which keywords are used, which products sell the most, and at what time. Handling and understanding this data is very valuable and essential." (Expert 3)</i></p>		
<p><i>"I noticed that very few people had real market knowledge. There was an assumption, for example, regarding the German market – where there are 60-70 million residents, and a large percentage uses Amazon daily for purchases – that they wouldn't need to do much in the market. 'My products will sell themselves because they're so natural or well-made in Finland,' or that their business operates well in Finland. But without any preparation or market research, they might end up selling a product that is already sold in large quantities there, at a much lower price and so forth." (Expert 3)</i></p> <p><i>"Avoid excessive preconceptions or assumptions, as I mentioned earlier. Data plays a crucial role today, so I'd start by analyzing the market and assessing it. Look at what kind of product could succeed there and whether</i></p>	<p>Importance of Amazon Data & Market Research</p>	<p>Effective Use of Data and Market Research</p>

<p><i>the product has certain features or offers added value. So, in the beginning, it's important to stay grounded and let the data and Amazon guide the direction." (Expert 5)</i></p> <p><i>"When talking about Amazon, it's about Amazon as a whole. But, of course, there are dozens of Amazon markets – there's Europe, the U.S., and so on, and within Europe, there are many different countries. It's worth keeping an eye on the opportunities across various markets. The U.S. might be highly competitive, but an individual country in Europe might offer good potential." (Expert 5)</i></p> <p><i>"From what has been studied, the demand in the U.S. market has been many times greater, and for most products, there has been demand. However, other factors might be the reason if the operation hasn't appeared profitable." (Expert 2)</i></p>		
<p><i>"Often, products don't have enough search terms. In other words, demand." (Expert 1)</i></p> <p><i>"It seems that on the European Amazon markets, for many products in a very narrow product category or targeting a narrow audience, insufficient demand may have become an obstacle." (Expert 2)</i></p>	<p>Challenges with Limited Search Terms and Demand</p>	
<p><i>"And updating the listings based on what's happening in the market. If you don't follow the competition, you'll fall behind. There might be a different main image, or a better product could appear. You need to be ready to change your own products, packaging, texts, or conduct A/B testing of images." (Expert 1)</i></p>	<p>Continuous Monitoring and Adapting</p>	

<p><i>"It does require a lot of specialized knowledge and dedication, continuous monitoring, and it's a type of expertise that few companies have readily available."</i> (Expert 2)</p>		
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4.2.3.1 Dependence on External Expertise and Resources

For SMEs navigating Amazon's complex and highly competitive landscape, dependence on external expertise and resources often becomes a practical necessity rather than an option. The data for this first-order term encapsulates the importance of acquiring specialized knowledge to avoid costly mistakes and optimize performance. As Expert 1 frames it, entering the Amazon e-commerce space without prior experience or external help is fraught with challenges and possibilities to fail. This underlines the complexity of operating on Amazon, which will require a nuanced understanding and hefty time investments that are often outside capabilities of new or resource-limited SMEs

"The first question is, do you want to do it yourself or do you want to succeed? For Amazon expertise, you need years of experience. You can't know what you don't know. You either hire experts to avoid mistakes or pay the price by making mistakes and failing."
(Expert 1)

This highlights how SMEs should consider external help on Amazon not only because of the extensive time requirements, but also due to the extensive knowledge gap often found between themselves and seasoned experts. While SMEs could survive from the resource burdens of Amazon without help, as Expert 1 put it, you can't know what you don't know. Another crucial aspect requiring expertise is not only the correct interpretation and conclusions from Amazon data, is actually acquiring that data. Using different third-party tools like Jungle Scout, Helium10 or Data Dive, experts can draw more detailed and extensive data from Amazon's consumers and competitors, allowing for better data-driven decisions, as put by Expert 3.

"There are many different tools in the market to extract data efficiently. Amazon provides the data, essentially in CSV or Excel format, but using external tools creates a more comprehensible picture of how competitors operate in the market, how they advertise, which keywords are used, which products sell the most, and at what time. Handling and understanding this data is very valuable and essential." (Expert 3)

In conclusion, the reliance on external expertise and resources is a strategic option for SMEs to successfully navigate Amazon's complex marketplace. Whether through hiring experienced consultants or utilizing external tools,

leveraging external resources enables SMEs to build a competitive edge, avoid common pitfalls and maximize chances of success.

4.2.3.2 Effective Use of Data and Market Research

The importance of Data and Market Research is foundational for SMEs aiming to secure a foothold in competitive platforms like Amazon. This first-order term emphasizes that only superficial knowledge of market dynamics is not sufficient for informed decisions. As Expert 3 points out, many SMEs mistakenly assume that success in their domestic market will naturally translate to international platforms. However, as pointed out, this misconception often results in poor market entries due to inadequate preparation or research. Thorough market analysis goes beyond basic assumptions and beliefs and allows for decisions made based on data rather than assumptions. Thorough market analysis goes into a plethora of quantitative and qualitative data, encompassing competitor analysis, pricing strategies, competitor reviews, and much more. By analysing Amazon data carefully, SMES can better understand where their product fits within a specific market landscape and make informed decisions on whether to enter a market or modify their product for better alignment.

"I noticed that very few people had real market knowledge. There was an assumption, for example, regarding the German market – where there are 60-70 million residents, and a large percentage uses Amazon daily for purchases – that they wouldn't need to do much in the market. 'My products will sell themselves because they're so natural or well-made in Finland,' or that their business operates well in Finland. But without any preparation or market research, they might end up selling a product that is already sold in large quantities there, at a much lower price and so forth." (Expert 3)

This insight also underscores the risk of entering highly saturated markets where multiple similar products may already be established at lower price points. In such cases, thorough market research allows SMEs to identify niches where their products can stand out or where certain product features may offer a competitive edge. Expert 5 emphasizes that data-driven strategies should replace perceived notions, guiding decisions on product adaptation and market entry tactics.

"Avoid excessive preconceptions or assumptions, as I mentioned earlier. Data plays a crucial role today, so I'd start by analyzing the market and assessing it. Look at what kind of product could succeed there and whether the product has certain features or offers added value. So, in the beginning, it's important to stay grounded and let the data and Amazon guide the direction." (Expert 5)

The challenges with limited search terms and demand present a formidable obstacle to SMEs, particularly offering very niche products. One of the biggest hurdles is the limited reach that niche products might have on Amazon due to insufficient demand and low search volume. Expert 1 discusses how products may not gain traction simply because there aren't enough relevant search terms,

which directly impacts visibility. This lack of search terms restricts the audience that encounters the product, ultimately affecting sales potential. SMEs need to recognize this limitation early in their strategic planning and look for solutions such as refining keywords, creating highly targeted advertising campaigns, or adjusting the product to widen its appeal without compromising its core value.

"Often, products don't have enough search terms. In other words, demand." (Expert 1)

It should also be recognized that even though most people regard Amazon as a whole, different Amazon markets vary highly in terms of their competitive landscape and demand. As Expert 2 elaborated, European Amazon markets often have even narrower audiences for specific product categories compared to larger markets like the U.S. When considering demand, SMEs should acknowledge which Amazon market they're looking at a time and if one market offers too limited demand and stiff competition, another market could offer a far more beneficial environment.

"It seems that on the European Amazon markets, for many products in a very narrow product category or targeting a narrow audience, insufficient demand may have become an obstacle." (Expert 2)

The concept of Continuous Monitoring and Adapting underscores the importance of staying agile in an ever-changing market. E-commerce, especially on platforms like Amazon, is not static; trends, competitor actions, and consumer preferences are always evolving. Expert 1 emphasizes that businesses that do not monitor these changes risk falling behind competitors who are quicker to adapt. This monitoring goes beyond just observing sales metrics – it includes revisiting product images, descriptions, pricing strategies, and conducting regular A/B tests to understand what resonates most with customers.

"And updating the listings based on what's happening in the market. If you don't follow the competition, you'll fall behind. There might be a different main image, or a better product could appear. You need to be ready to change your own products, packaging, texts, or conduct A/B testing of images." (Expert 1)

The Effective Use of Data and Market Research second-order theme highlights the necessity for SMEs to adopt a data-centric approach that supports informed decision-making, recognizes challenges such as limited search terms and demand, and maintains flexibility through continuous market adaptations. By developing strong analytical capabilities and being prepared to adapt as needed, SMEs can navigate complex markets and increase their likelihood of long-term success on platforms like Amazon.

4.2.4 Sustaining Long-Term Viability and Overcoming Platform Limitations

Sustaining Long-Term Viability and Overcoming Platform Limitations highlights the strategic and operational adaptations needed for SMEs to maintain a successful presence on Amazon over time. This dimension addresses the unique challenges and limitations posed by platform operations, such as managing support issues and overcoming technical hurdles. Additionally, it emphasizes strategic importance of Amazon as a tool for international expansion, reflecting on the critical role of adaptability in ensuring sustained business success overtime. The insights within this dimension portray the continuous balancing act SMEs face in achieving both short-term gains and long-term stability, despite inherent and often extensive platform constraints. Table X showcases the integral findings and structure for this aggregate dimension.

Table 11: Sustaining Long-Term Viability and Overcoming Platform Limitations

Quotations	First-order terms	Second-order themes
<p><i>"You need to understand that money needs to be allocated for: A) ensuring there is enough inventory and B) funding the ranking phase PPC (advertising) to push the products up. Having a long-term perspective is crucial."</i> (Expert 1)</p> <p><i>"So, probably the first thing that comes to mind is human resources. If Amazon is handled by one person who also has other duties within the organization, it can be a tough road. It requires resources and commitment from the company."</i> (Expert 3)</p> <p><i>"It definitely requires a strategic, long-term approach. First, creating the strategy and then sticking to it, as it's not an operation that happens over weeks or just a few months. It requires long-term commitment and investment. A short-sighted 'let's try it out' approach is unlikely to yield significant results."</i> (Expert 2)</p>	<p>Resource Requirements and Operational Intensity</p>	<p>Resource Requirements for Sustained Operations</p>

<p><i>"So, the problems have been quite varied, and there have been these Amazon... shutdowns, where Amazon closes listings, for example... in ways that were difficult to even comprehend. I don't know if I can explain it more than that, but the problems were really strange." (Expert 4)</i></p> <p><i>"In a way, the biggest challenge as well is that I have used examples like even big companies, (Classified brand) among others, trying to force Amazon to operate the way they wish and want to, but Amazon is very black and white with its rules. Trying to push a square peg into a round hole doesn't work; you have to be able to follow Amazon's rules in everything. Those were perhaps the biggest challenges." (Expert 3)</i></p> <p><i>"In my own sales, the biggest problems were with these hijackers, where someone would come with a similar or almost similar product to my listing, which I had worked hard to get good reviews and good algorithm rankings for. That was the biggest problem in my own sales. There is a risk that the listing gets shut down if the hijacker does something that Amazon finds suspicious. Typically, they come in with the same product and code but at a slightly lower price, grabbing the buy box and taking the sales." (Expert 4)</i></p>	<p>Challenges in Maintaining Operations</p>	<p>Operational Challenges and Adaptation</p>
<p><i>"The services offered by Amazon are often aimed at generating additional sales for themselves. Unfortunately, they are backed by poor professional expertise. For example, optimizing PPC campaigns according to Amazon's guidelines can ruin entire</i></p>	<p>Criticism Towards Amazon's own Support Services</p>	<p>Criticism and Limitations in Amazon's Support</p>

<p><i>campaigns and go against common sense." (Expert 1)</i></p> <p><i>"I want to emphasize to clients that Amazon offers these value-added services to grow their own sales. It doesn't necessarily mean that it directly impacts the client's sales. So, as a consultant, you need to be very cautious and assess what makes the most sense for each client. VINE is perhaps a reasonable option in the early stages to gain reviews. Although, it has lost some of its significance since nowadays it clearly states that it's a paid review." (Expert 3)</i></p> <p><i>"They aren't always the best options for customers and might be comparable to the help offered to advertisers by Google or Facebook, which... in some cases, might be a little helpful but is generally not enough on its own." (Expert 2)</i></p>		
<p><i>"I could say that 80% of those companies hadn't sold abroad before Amazon. And then the 20% who did sell elsewhere already had the readiness, starting with documentation, for international markets – some had the expertise, while others weren't truly prepared for it yet." (Expert 3)</i></p> <p><i>"Essentially, through Amazon, it is easier – easier than traditional methods of finding retailers, building various distribution channels, and planning warehouses. Fundamentally, Amazon is a simpler way to internationalize. But you can't assume it's as easy as just pressing a button, paying bills, and moving forward." (Expert 4)</i></p> <p><i>"Yes, many of our clients have been asked to come back to negotiations, with questions</i></p>	<p>Amazon as a Gateway for International Expansion</p>	<p>Strategic Expansion through Amazon</p>

<p>like, 'Can we see how your Amazon store is doing? Tell us how things are going and how consumers have rated your products.' It's very typical and common for everyone. So, the market will certainly change a lot because of that, but as a market penetration tool in Western countries, Amazon is still clearly the number one marketplace. It's absolutely a very smart way to use it as a springboard for internationalization." (Expert 3)</p>		
<p>"Of course, and it's (FBA) the only way to succeed on Amazon, especially when selling smaller products, unlike, for example, sofas. In Amazon's program, Prime customers receive fast shipping for free on orders over twenty-five (25) dollars. And they receive fast deliveries, making it nearly mandatory to join FBA." (Expert 1)</p> <p>"One of the values of Amazon comes from, for example, their FBA logistics service and network, where the seller doesn't need a separate logistics partner or anything like that because Amazon takes care of shipments and returns automatically. That's likely where its value comes from, and in my opinion, it has good sides. In practice, the seller can focus more on management and development rather than packing and shipping products themselves." (Expert 5)</p> <p>"And why complicate things by handling shipping yourself? Making things harder than they need to be. Amazon's logistics are already the best in the world. Or let's say, the best logistics system in the world is already available for use." (Expert 1)</p>	<p>Importance of the FBA Program</p>	

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4.2.4.1 Resource Requirements for Sustained Operations

Resource requirements for sustained operations is a crucial theme highlighting the fundamental need for comprehensive and continuous resource allocation to maintain and grow an Amazon business. The operational intensity required for success on this platform extends beyond initial setup and entry efforts, demanding ongoing investment in both human and financial resources. Expert insights reveal that SMEs must be prepared for the multifaceted nature of operations on Amazon, encompassing inventory management, advertising and long-term strategic planning.

Expert 1 highlights the financial resources necessary for maintaining sufficient inventory levels and funding essential advertising efforts. The focus on PPC (pay-per-click) advertising, particularly during the ranking phase, is vital for supporting product traction at the most important timeframe of the products' lifespan. This insight illustrates the cyclical nature of investments in advertising and inventory, reinforcing that SMEs need to allocate funds strategically to both ensure continuous product availability and advertise on strategically important keywords.

"You need to understand that money needs to be allocated for: A) ensuring there is enough inventory and B) funding the ranking phase PPC (advertising) to push the products up. Having a long-term perspective is crucial." (Expert 1)

Furthermore, the resource requirements are not limited to financial aspects, human resources are essential. As Expert 3 points out, when Amazon operations are managed by a single individual juggling multiple responsibilities, the likelihood of inefficiencies and challenges increases. This highlights the need for dedicated personnel focused solely on Amazon. For SMEs, this might involve reallocating internal resources or investing in specialized staff to handle aspects of Amazon such as marketing, logistics, or customer service.

"So, probably the first thing that comes to mind is human resources. If Amazon is handled by one person who also has other duties within the organization, it can be a tough road. It requires resources and commitment from the company." (Expert 3)

The operational commitment extends beyond initial efforts; sustaining a successful presence on Amazon is a long-term endeavor. Expert 2 emphasizes that a strategic, long-term vision is indispensable for meaningful success. The notion of a 'trial run' or short-term commitment does not align with the intensive resource and longevity requirements of the Amazon ecosystem. SMEs must build and adhere to a well-developed strategy that accounts for gradual growth and consistent engagement with the platform.

"It definitely requires a strategic, long-term approach. First, creating the strategy and then sticking to it, as it's not an operation that happens over weeks or just a few months. It requires long-term commitment and investment. A short-sighted 'let's try it out' approach is unlikely to yield significant results." (Expert 2)

In conclusion, Resource Requirements for Sustained Operations highlights the multifaceted nature of maintaining a presence on Amazon, where both financial and human resources must be managed strategically. SMEs need to recognize the importance of allocating these resources effectively and committing to a long-term operational plan to navigate Amazon's complexities and ensure enduring success. This strategic perspective not only helps businesses maintain competitiveness but also supports their adaptability and resilience in a dynamic e-commerce landscape.

4.2.4.2 Operational Challenges and Adaptation

The operational challenges and adaptation theme is central to understanding the ongoing difficulties faced by SMEs when maintaining their business activities on Amazon. The platform, known for its stringent and sometimes opaque regulations, poses significant challenges that demand constant adaptability from sellers. One of the key aspects of this theme involves dealing with unexpected listing shutdowns and compliance issues that can disrupt business operations.

Expert 4 highlights a particular firsthand experience of this, Amazon's sudden and often unexplained shutdowns of product listings. Such actions can be arbitrary and difficult to anticipate, underscoring the importance of staying informed about frequently changing policies and rules of the platform. Also, as stated by experts and SMEs alike, these shutdowns sometimes come without just cause or proper explanation. The unpredictability of these shutdowns can have significant consequences, including loss of sales momentum, loss of ranking and damaged visibility in Amazon's search algorithms. This situation demands that SMEs be proactive in maintaining compliance and be prepared to navigate these challenges with rapid adaptation and response.

"So, the problems have been quite varied, and there have been these Amazon... shutdowns, where Amazon closes listings, for example... in ways that were difficult to even comprehend. I don't know if I can explain it more than that, but the problems were really strange." (Expert 4)

The challenges of adhering to Amazon's strict guidelines is another significant factor. Expert 3 illustrates how even large, well-established companies face difficulties when trying to influence Amazon to fit their preferences. Amazon operates under a rigid rule-based system, which means that any attempt to navigate its processes outside the defined parameters is often met with resistance and uncooperation from Amazon. This insight stresses the need for SMEs to understand and align with Amazon's framework from the outset.

"In a way, the biggest challenge as well is that I have used examples like even big companies, (Classified brand) among others, trying to force Amazon to operate the way they wish and want to, but Amazon is very black and white with its rules. Trying to push a square peg into a round hole doesn't work; you have to be able to follow Amazon's rules in everything. Those were perhaps the biggest challenges." (Expert 3)

Additionally, the threat of **listing hijackers** presents another operational challenge that can severely impact a seller's business. In Amazon, a seller can own their product and brand, but not the product listing itself. If you as a seller do not have a proprietary trademarked brand, another Amazon seller can compete with your products directly on your own product listings. These sellers, or hijackers, can then offer the same product with a slightly lower price, which will help them win the buy-box of your listing, effectively hijacking all the sales coming in from a listing the original seller has built from the ground-up. As Expert 4 highlighted, this was one of the core challenges for himself in Amazon, compromising their hard-earned product listings and rankings. Such risks require SMEs to remain vigilant and develop strategies to protect their listings, including trademark registrations.

"In my own sales, the biggest problems were with these hijackers, where someone would come with a similar or almost similar product to my listing, which I had worked hard to get good reviews and good algorithm rankings for. That was the biggest problem in my own sales. There is a risk that the listing gets shut down if the hijacker does something that Amazon finds suspicious. Typically, they come in with the same product and code but at a slightly lower price, grabbing the buy box and taking the sales." (Expert 4)

In conclusion, Operational Challenges and Adaptation underscores the rigorous demands of managing an Amazon business. The need for SMEs to adapt to unexpected listing shutdowns, adhere strictly to Amazon's stringent regulations, and combat external threats like listing hijackers are essential components of maintaining operational stability. Addressing these challenges requires comprehensive preparation, a thorough understanding of Amazon's rulebook, and the ability to implement protective measures that safeguard business interests in an increasingly competitive and volatile environment.

4.2.4.3 Criticism and Limitations in Amazon's Support

The criticism and limitations of Amazon's support them sheds light on the inefficiencies and self-serving nature of Amazon's own support services and tools, which have been a source of frustration for many sellers and experts alike. While Amazon does offer various tools and services intended to assist sellers, experts argue that these often fail to meet expectations, particularly when evaluated on their direct impact on seller performance and profitability. Most

experts viewed most of Amazon's support with scepticism and felt they are more of Amazon trying to upsell to sellers, rather than help.

One of the most pointed criticisms comes from Expert 1, who notes that Amazon's value-added services are often designed to boost its own revenue rather than directly improve seller outcomes. For example, following Amazon's own guidelines for PPC campaign optimization was described as counterproductive, with the potential to even harm campaigns. This calls for the need for SMEs to approach Amazon's recommendations with caution and rely on their own senses or independent expertise to maximize their campaigns and return on investment.

"The services offered by Amazon are often aimed at generating additional sales for themselves. Unfortunately, they are backed by poor professional expertise. For example, optimizing PPC campaigns according to Amazon's guidelines can ruin entire campaigns and go against common sense." (Expert 1)

Expert 3 further emphasizes the self-serving nature of Amazon's services, particularly the Vine program, which allows sellers to gain early reviews of their newly launched products by giving out free sample products to registered active reviewers (Amazon, 2024b). Although Vine can provide value during initial product launches, its overall effectiveness has diminished over time. The program now explicitly labels reviews as paid, reducing their credibility in the eyes of potential buyers, decreasing the reviews' effect on listing conversion. This critique highlights the diminishing returns of relying solely on Amazon's tools without considering alternative strategies.

"I want to emphasize to clients that Amazon offers these value-added services to grow their own sales. It doesn't necessarily mean that it directly impacts the client's sales. So, as a consultant, you need to be very cautious and assess what makes the most sense for each client. Vine is perhaps a reasonable option in the early stages to gain reviews. Although, it has lost some of its significance since nowadays it clearly states that it's a paid review." (Expert 3)

Another key limitation is the lack of comprehensive support for the individual needs of sellers. Expert 2 draws a parallel between Amazon's seller support and the advertising assistance offered by Google and Facebook. While these services might provide limited guidance, they are rarely robust or tailored enough to deliver adequate results. This reinforces the importance of seeking third-party knowledge to bridge the gap left by Amazon's own insufficient supportive services.

"They aren't always the best options for customers and might be comparable to the help offered to advertisers by Google or Facebook, which... in some cases, might be a little helpful but is generally not enough on its own." (Expert 2)

In summary, Criticism and Limitations in Amazon's Support highlights the challenges SMEs face when relying on Amazon's own tools and services. While some options, like the VINE program, may provide initial value, their effectiveness is limited and often fails to meet the nuanced needs of sellers. This criticism and scepticism also paint an interesting picture of platform-owner and complementor dynamics, where seasoned sellers become wary for the platform owners attempts to increase its own market share, disguised as aiding sellers.

4.2.4.4 Strategic Expansion through Amazon

Amazon is increasingly recognized as a pivotal gateway for Finnish SMEs seeking international expansion. With its unparalleled reach and market penetration across continents, Amazon provides an entry point for SMEs to establish their presence in foreign markets without the typical barriers associated with internationalization. Made evident in this study, this can be particularly advantageous for Finnish SMEs that may lack the scale or resources to develop robust distribution networks or negotiate with local retailers. Through Amazon, SMEs can access already established logistics systems, customer bases, and marketing opportunities, making it possible to access foreign markets swiftly and efficiently.

A case example of a Finnish oat milk brand presented by Expert 3 highlights the strategic value Amazon can offer in market entry. By setting up an Amazon store parallel with their other internationalization efforts, particularly a trade fair in Germany, the company effectively bridged the gap between physical consumer interactions and digital convenience. Expert 3 emphasizes that this decision not only enabled the company to distribute products quickly and directly to consumers who visited their stand, but also enhanced their credibility as a serious market player. The move turned out to be highly successful, illustrating how Amazon can at best serve as more than just a storefront, a multidimensional tool for building brand presence, gaining consumer trust, and facilitating market penetration.

"A good example. I can share an example here: (Oat milk brand)... were one of our first clients. They wanted to enter the German market and were headed to the Green Week fair. Was it in Frankfurt or Dortmund, I'm not sure – anyway, it's a major trade fair for the food industry, which also caters to consumers, not just B2B. They wanted to open an Amazon account very quickly because they didn't have a single product for sale in Germany yet. When there are a lot of consumers visiting their stand – one they have invested heavily in – and if the products can't be ordered or bought in stores, it would be quite disappointing and negative for them. So, they wanted to get the store open quickly so they could hand out flyers to everyone visiting the stand and say, 'Here is our Amazon store where you can order these products directly to your home.'

It turned out to be an incredibly successful move for them, and I've heard similar stories from our other clients. For example, at trade fairs where Finnish companies are relatively active in Central Europe, if the products aren't on Amazon, you may not get

much traffic to your stand. B2B visitors and consumers alike check to see, 'Oh, here's a new Finnish brand on the market. Let's see what kind of reviews it has on Amazon,' and if you're not found there at all, it's kind of a no-go. So, it has a multidimensional impact on market entry and presence." (Expert 3)

Beyond trade fairs, Amazon's accessibility as a platform has democratized internationalization for many SMEs, as again noted by Expert 3. Approximately 80% of Finnish SMEs he helped launching in Amazon had no prior international sales experience. This reveals the platform's capacity to lower entry barriers and empower companies to test and explore foreign markets without the significant upfront investments required for some more traditional methods.

"I could say that 80% of those companies hadn't sold abroad before Amazon. And then the 20% who did sell elsewhere already had the readiness, starting with documentation, for international markets – some had the expertise, while others weren't truly prepared for it yet." (Expert 3)

In addition, Amazon's extensive infrastructure simplifies many operational challenges associated with international sales. SMEs can leverage Amazon's logistics, warehousing and payment systems to streamline their entry into foreign markets. As Expert 4 notes, while Amazon is not a "press a button and succeed" platform, it significantly reduces complexities of internationalization when compared to more traditional methods. By using Amazon companies can bypass the need for independent warehouses, local distribution networks, focusing instead on their core business.

"Essentially, through Amazon, it is easier – easier than traditional methods of finding retailers, building various distribution channels, and planning warehouses. Fundamentally, Amazon is a simpler way to internationalize. But you can't assume it's as easy as just pressing a button, paying bills, and moving forward." (Expert 4)

Finally, Expert 3 underscores Amazon's role as a catalyst for negotiations and partnerships. B2B clients often use Amazon to assess a company's performance before initiating partnerships or placing bulk orders. A strong presence on Amazon, complete with positive reviews and high rankings, can significantly enhance an SME's negotiating power and market appeal. This phenomenon highlights Amazon's dual function as both a sales platform and a reputation-building tool, making it indispensable for companies aiming to establish themselves in international markets.

"Yes, many of our clients have been asked to come back to negotiations, with questions like, 'Can we see how your Amazon store is doing? Tell us how things are going and how consumers have rated your products.' It's very typical and common for everyone. So, the market will certainly change a lot because of that, but as a market penetration tool in Western countries, Amazon is still clearly the number one marketplace. It's absolutely a very smart way to use it as a springboard for internationalization." (Expert 3)

Additionally, the Fulfillment by Amazon (FBA) program is again regarded as the backbone of successful operations on the platform. Outsourcing logistics to Amazon, SMEs can focus on other critical business functions such as marketing, product development, and strategic planning, the effect of which is magnified when operating on foreign markets. Expert 5 highlights how the FBA program simplifies operations for sellers, offering seamless shipping and return processes. This allows SMEs to reallocate resources and attention toward growing their business rather than managing supply chains.

"One of the values of Amazon comes from, for example, their FBA logistics service and network, where the seller doesn't need a separate logistics partner or anything like that because Amazon takes care of shipments and returns automatically. That's likely where its value comes from, and in my opinion, it has good sides. In practice, the seller can focus more on management and development rather than packing and shipping products themselves." (Expert 5)

Expert 1 underscores the competitive advantage FBA provides, especially for smaller items, which benefit from Amazon's Prime program. Fast shipping options and the convenience of the FBA network contribute significantly to customer satisfaction and, in turn, sales performance. Joining FBA is increasingly seen as a prerequisite for success on Amazon, given the heightened expectations of today's consumers regarding delivery speed and reliability.

"Of course, and it's (FBA) the only way to succeed on Amazon, especially when selling smaller products, unlike, for example, sofas. In Amazon's program, Prime customers receive fast shipping for free on orders over twenty-five (25) dollars. And they receive fast deliveries, making it nearly mandatory to join FBA.

And why complicate things by handling shipping yourself? Making things harder than they need to be. Amazon's logistics are already the best in the world. Or let's say, the best logistics system in the world is already available for use." (Expert 1)

The second-order theme of Strategic Expansion through Amazon illustrates how the platform offers SMEs a unique opportunity to scale globally with relative ease. As demonstrated by Expert 3's case example, Amazon can be a powerful tool for market validation and international credibility, particularly in competitive regions like Central Europe. The FBA program further enhances this potential by providing an efficient logistics solution that reduces operational complexity for sellers. However, while Amazon is an invaluable resource for internationalization, success requires a nuanced, strategic approach to fully capitalize on its potential. By aligning their resources with Amazon's strengths, Finnish SMEs can achieve significant market expansion and long-term viability in global markets.

5 DISCUSSION

Amazon is a jungle. A jungle that offers invaluable possibilities and rewards for those who dare to enter, but multiple dangers and pitfalls to those not capable to face its many unpredictable challenges every entrant will without a doubt face. The findings from both SME (Interview Group A) and expert (Interview Group B) interviews offer complementary perspectives on the capabilities required for successful entry and sustained operations in Amazon. These perspectives align closely with the dynamic capabilities framework, which emphasizes the need for firms to sense opportunities, seize resource, and adapt dynamically to changing environments (Schilke et al., 2018; Teece et al., 1997). This chapter aims to uncover the extensive findings of this research and combine them together to create robust theoretical findings, actionable managerial implications, as well as suggest avenues for future research.

5.1 Leveraging Dynamic capabilities

The analysis of two distinct interview groups reveals how pivotal the employment of dynamic capabilities are in both foreign market entry and leveraging e-commerce platforms to achieve a desired outcome. The capabilities explored and identified showcase truly *dynamic* capabilities utilized towards strategic change, rather than operational qualities for maintaining a status quo of business operations (Helfat & Winter, 2011; Schilke et al., 2018). SME data further proves the inherent and significant nature of the explored dynamic capabilities, as informant's reflect on the effect of developing these capabilities on the firm's existing resource base, ecosystem, external environment, and strategy (Schilke et al., 2018).

The analysis of informants operating internationally on Amazon greatly exemplifies both theoretically and practically of how SMEs can and should leverage dynamic capabilities to achieve success amidst changing environments.

Aligning with related literature, capabilities like international opportunity recognition (sensing market opportunities), various IT capabilities (managing operational challenges), marketing (Operational excellence and competitive positioning), as well as innovative and technological (Sustaining Long-term viability and overcoming platform limitations, transforming and adapting for long-term sustainability) were all empirically displayed and proven in the analysis of this research as well (Glavas et al., 2017; Morais & Ferreira, 2020; Suh & Kim, 2014). The derived dynamic capabilities also somewhat align with those of Cassia & Magno (2022), who highlighted the importance of IT capabilities, international marketing capabilities, and export operations capabilities in engaging in cross-border e-commerce. Interestingly, they found that the introduction of e-commerce platforms mitigated the effect of these capabilities (Cassia & Magno, 2022), to some extent contradicting the initial alignment with this research. Despite this alignment, it is crucial to acknowledge the platform-specific nature of most of the findings, which may differ for other platform ecosystems, as also shown by informants in this study. In transaction-cost theory, high level of asset specificity is often associated with high transaction costs, limiting the use of said assets in other channels and mediums (Kabadayi, 2011; Qi et al., 2020). The development and recognition of dynamic capabilities by informants in this study do however show long-term impact on SME resource-base, knowledge and strategies, which suggest long-lasting impacts of developing said capabilities by operating on Amazon’s platform ecosystem.

Although both interview groups were analyzed separately, interlinking parallels could be drawn between all 8 aggregate dimensions. The matching pairs of aggregate dimensions are depicted in figure 7 below. However, even though theoretically similar dimensions could be somewhat matched between interview groups, both also contain dissimilar theoretical and practical findings, which should be acknowledged and discussed.

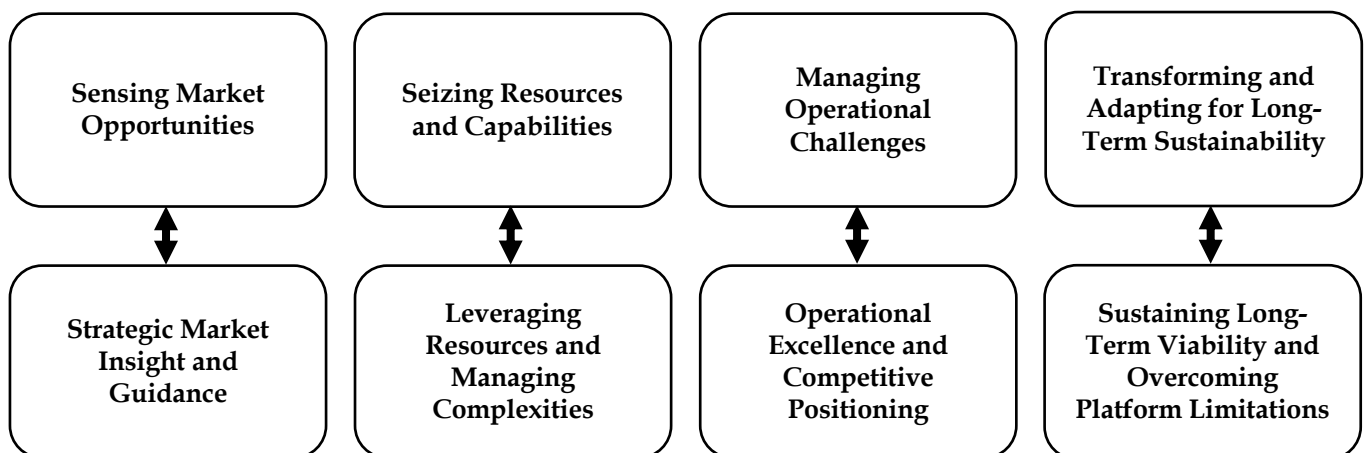


Figure 7: Aggregate Dimensions

5.1.1 Sensing Market Opportunities vs. Strategic Insight and Guidance

The SME dimension of **Sensing Market Opportunities** reflects their efforts to identify global market potential and position themselves effectively in key regions, namely the U.S., UK, and Germany. SMEs emphasized Amazon's role as a "gateway" for internationalization, as illustrated by SME 6's recognition of Amazon mediating their entry into key markets. This resonates with the expert dimension of **Strategic Market Insight and Guidance**, which goes slightly beyond recognizing market potential to also focus on systematically analysing data, competition and consumer demand.

Similarities in both aggregate dimensions include the capability of sensing opportunities in new market environments, leveraging past experiences and strategic outlook. Aligning with existing literature, interviewees in this study therefore illustrate similar patterns of interlinking strategic decisions with individual experiences and changing market conditions (Reim et al., 2019). These findings also align with Glavas et al. (2017), who highlight the importance of international opportunity recognition and internet capabilities as a crucial component of international market performance, especially when operating in internet-based environments (Glavas et al., 2017). This capability of leveraging previous experience, external knowledge and networks is an integral skill to overcome the traditional challenge of lack of market knowledge of foreign brands (Qi et al., 2020).

While both aggregate dimensions displayed similarities, experts took a more data-driven approach, while SMEs highlighted learning from previous experiences and beliefs. Experts in Group B highlighted the importance of product-market fit, uncovered with structured market research tools like Jungle Scout, Helium10, and Data Dive, to understand demand and competition at detailed and objective level. The use of these software tools and their ability to draw crucial data from Amazon's platform show alignment with existing literature in the significance of information technology in facilitating SME growth, knowledge-transfer and international market entry (Y. Wang et al., 2020; Watson et al., 2018) In contrast, while many SMEs similarly demonstrated strategic market sensing capabilities, relied in a less data-driven approach, relying on intuitive assessments and anecdotal evidence of market opportunities.

The impact of Amazon on further internationalization further increased the level of market opportunity perceived by each SME. Characteristics such as the Amazon FBA logistics service, combined with the OSS-scheme in EU, gave multiple SMEs a highly effective and efficient springboard to accessing multiple international markets through the same portal, while minimizing the managerial and regulatory burden of this operation. This is a highly empowering tool, especially for resource-limited SMEs, to enter foreign markets and leverage Amazon's platform for international growth. However, as Expert and SME informants alike noted, this study suggests that in case of B2C and D2C brands, it may not be just beneficial but *required* to sell and show success on Amazon's platform to form retailer agreements in more established Amazon countries, notably the USA. This

further highlights the effectiveness and significance in foreign market entry and growth, as already noted by, for example, Qi et al. (2020), when analysing the effect of e-commerce platforms for entering the Chinese market (Qi et al., 2020).

The presence of these dimensions in both interview groups indicate the importance of the capability of sensing opportunities in unfamiliar international and internet-based markets. To sense these opportunities, SMEs can utilize different third-party plugins, previous experiences, networks or outsourced external expertise. The dynamic nature of this capability stems from the inherent unfamiliarity of these markets for SMEs, calling for the capability of also utilizing external knowledge and nuanced implications from various sources.

5.1.2 Seizing Resources and Capabilities vs. Leveraging Resources and Managing Complexities

The SME dimension of **Seizing Resources and Capabilities** emphasizes the challenges and strategies SMEs face in acquiring the necessary resources to establish themselves internationally on Amazon. This includes accessing advertising and marketing tools, managing international logistics, and navigating Amazon's complex and challenging ecosystem with limited financial and human capital. On the other hand, the expert dimension of **Leveraging Resources and Managing Complexities** reflects a more advanced understanding of optimizing available resources to overcome Amazon's operational hurdles. Experts emphasized the importance of leveraging external tools and thorough market research to make data-driven decisions and optimizing advertising and operations.

Across both interview groups, the topics of marketing, advertising, market research and leveraging external resources were the pivotal talking points for overcoming resource limitations and succeeding in highly competed international environments. Resource and knowledge limitations, as well as the liabilities of foreignness and newness are typically one of the most significant factors holding SMEs back in internationalization, which makes the ways of overcoming these challenges through internet-based sales channels a highly relevant for foreign market entry (Gabrielsson & Gabrielsson, 2011; Saunila, 2020). SMEs emphasized how Amazon's ecosystem provides powerful support mechanisms, such as its proprietary advertising platform, that allow even resource-constrained firms to build visibility in key markets without requiring massive budgets.

Aggregate dimensions from both groups similarly highlight the importance of overcoming inherent financial and human resource limitations, by leveraging key external resources, Amazon's proprietary tools, including the pivotal role of the Fulfilment by Amazon (FBA) logistics and warehousing service. This research shows, how the FBA service not only brings convenience and fast delivery times to end customers, but also empowers sellers, especially foreign SMEs launching in a new market for the first time. As Cassia and Magno (2022)

noted, SMEs engaging in cross-border e-commerce benefit from export operations capabilities such as logistics, but the effect of which was mitigated after the inclusion of e-commerce platforms (Cassia & Magno, 2022). This is arguably the result of well-functioning logistics support services like the FBA, mitigating the burdens of setting up export operations and logistics in foreign markets.

However, the reliance on FBA and similar tools introduces new challenges, such as the need for effective warehouse management, cost efficiency, and dependency on Amazon's infrastructure and service portals. Informants, such as SME 1, expressed concerns about managing storage costs and inventory turnover, suggesting that FBA's benefits can sometimes be offset by its novel operational demands. This duality echoes the findings of Zhu and Liu (2018), who noted that while e-commerce platforms democratize access to international markets, they can also impose operational and strategic dependencies, as well as competitive pressures on complementors (Wen & Zhu, 2019; Zhu, 2019; Zhu & Liu, 2018). These findings align with Cassia and Magno (2022), who found the capability of handling operational and legal complexities particularly important when leveraging e-commerce platforms, as they extend they often extend the scale and amount of countries for orders drastically (Cassia & Magno, 2022).

The topic of thorough market research and utilization of Amazon Data was highlighted across both experts and SME informants. It also reflected as a key knowledge gap between the interview groups, as Experts emphasized the use of third-party tools and proprietary Amazon analytics to extract actionable insights, such as keyword optimization, competitor benchmarking, and customer behaviour trends, while most SMEs expressed challenges extracting useful data from Amazon. These insights by experts were critical for crafting effective marketing campaigns and strategic pricing decisions. Again, SMEs frequently cited the lack of in-house expertise or knowledge of available software as a barrier to fully utilizing this data. This disparity reinforces findings in existing literature, arguing that IT capabilities, when effectively integrated, are crucial for enabling SMEs to employ successful international marketing campaigns, and leverage customer-supplier relationships in international markets (Glavas et al., 2017; Jean et al., 2010).

Additionally, other data-driven approaches to marketing, such as search-engine optimized listings and sponsored ads, were identified across both informant groups as key drivers of visibility on Amazon's platform. Experts detailed how tools such as Helium10 and Data Dive could significantly enhance SMEs' ability to access and interpret Amazon's complex search algorithm and adapt their offerings accordingly. This reflects the broader and older dynamic capabilities literature such as Teece et al. (1997), who emphasize the importance of firms' ability to integrate, build, and reconfigure both internal and external competencies to adapt to dynamic environments (Teece et al., 1997). Additionally, leveraging this crucial customer information and developing technologies to boost product rankings and paid advertising campaigns was suggested by Experts to be a critical strategy for SMEs. Experts highlighted how SMEs could deploy budget-

efficient tactics, both organic and sponsored, to achieve outsized visibility gains relative to their limited resources. This aligns with findings from Deng et al. (2024), who emphasized the role of platform-driven AI and analytics tools to enrich marketing precision for complementors within e-commerce ecosystems (Deng et al., 2024).

This study highlights the need for SMEs to move beyond their resource constraints and instead develop the capability to effectively recognize and leverage external resources and tools to manage operational complexities and optimize outcomes in dynamic environments. While Amazon's tools and services offer substantial opportunities for international market entry, they also introduce new layers of complexity that require both strategic foresight and specialized expertise to navigate. This duality provides a contribution to the literature by emphasizing the interconnectedness of resource acquisition and optimization.

5.1.3 Managing Operational Challenges vs. Operational Excellence and Competitive Positioning

The SME dimension of Managing Operational Challenges underscores the barriers SMEs face in maintaining sustainable operations on Amazon's platform. These include platform-specific technical difficulties, compliance with Amazon's guidelines, and the significant time investment required to handle day-to-day operations. On the other hand, the expert dimension of Operational Excellence and Competitive Positioning focuses on strategies that optimize operational efficiency and foster competitive differentiation. Where SMEs reflected their struggles to navigate Amazon's ecosystem with limited resources, experts emphasized building robust operational practices, mastering algorithms, and developing SEO strategies to sustain a competitive advantage on Amazon's highly competitive environment. Across both interview groups, themes like operational challenges, time-intensive processes and overcoming price disadvantages emerged as critical challenges particularly for Finnish SMEs.

Across both interview groups, informants expressed difficulties due to price disadvantages when competing with international and low-cost counterparts. Platforms such as Amazon bring allow for easy and straightforward comparison between multiple global competitors, bringing essential differences such as price very visibly to the forefront of customers' buying decisions. This put the products of Finnish SMEs in a disadvantage, since Finnish-made or designed products often were the significantly more expensive option related to international rivals. SME informants experienced in other e-commerce platforms noted that Amazon's consumer seemed particularly price-sensitive compared to other rival platforms such as Etsy, where unique or handmade products justify higher and fluctuating price-points. This aligns with prior literature emphasizing the role of global e-commerce platforms in intensifying price competition, especially for SMEs operating in high-cost production environments (Cassia & Magno, 2022; Zhu & Liu, 2018).

Expert informants, having tackled with similar challenges before, suggested various strategies for Finnish products to overcome this price disparity. Expert 3 suggested strategies such as bundling complementary products to a single package to avoid straight price comparison and increase per-purchase margins for sellers. Additionally, identifying cost-efficient third-party logistics and packaging partners to alleviate costs and increase price competitiveness of Finnish products on the global stage. These insights align with the dynamic capabilities framework, particularly the importance of resource reconfiguring and integration in responding to changing market conditions (Teece et al., 1997). The ability to adapt pricing strategies and explore cost-efficient operational solutions exemplifies the dynamic capability to innovate and reconfigure resources for competitive advantage when pitted against larger rivals (Saunila, 2020).

Experts also emphasized the importance of strategic branding and marketing beyond Amazon's ecosystem to increase customer awareness and sustainable sales in foreign markets. For Finnish SMEs, whose domestic brand often holds limited to no power internationally, a data-driven approach to international branding was highlighted as essential. Experts recommended tailoring value propositions based on objective data gathered from Amazon's vast buying data to resonate and connect better with foreign market audiences. This requires shifting away from assumptions about the universal appeal of Finnish brands and focusing instead on understanding and analysing local customer preferences. This supports Glavas et al. (2017), who identified opportunity recognition as a key capability in international entrepreneurship, requiring SMEs to systematically assess and adapt to foreign market dynamics (Glavas et al., 2017). Such data-driven branding efforts also align with the broader dynamic capabilities framework, where sensing and seizing opportunities are critical for maintaining competitiveness (Teece, 2014, 2018).

The capability of managing operational challenges was highly recurring theme among SME informants, reflecting the importance of problem-solving and adaptability in addressing unforeseen obstacles. SMEs frequently cited examples of operational hurdles, such as unclear compliance requirements, logistical delays, and multiple instances of miscommunication with Amazon's support services. The ability to creatively resolve these issues, often with limited resources, demonstrated a reliance on vitally important adaptive problem-solving skills. This resonates with existing literature on problem-solving capabilities, which highlights their critical role in navigating uncertainties in highly diversified international markets (Gabrielsson & Gabrielsson, 2011). In the context of the dynamic capabilities framework, problem-solving represents a firm's ability to reconfigure internal processes and external relationships to manage disruptions effectively (Jean et al., 2010; Teece, 2018).

These aggregate dimensions highlight the critical importance of dynamic capabilities in enabling SMEs to navigate operational challenges while positioning themselves competitively in global markets. Overcoming overt and

unpredictable problems is often inevitable when entering new business environments, especially on platforms as complex as Amazon. By combining problem-solving capabilities with data-driven branding and operational optimization, SMEs can enhance their adaptability and competitiveness. This study contributes to the literature by reinforcing the importance of dynamic capabilities in enabling SMEs to navigate the dual challenges of operational sustainability and market differentiation, offering practical insights for firms seeking to thrive in global e-commerce ecosystems.

5.1.4 Transforming and Adapting for Long-Term Sustainability vs. Sustaining Long-Term Viability and Overcoming Platform Limitations

The SME Dimension **Transforming and Adapting for Long-Term Sustainability** emphasizes measures SMEs take to secure and maintain a long-lasting success in Amazon and beyond. This includes measures such as utilizing data gathered from Amazon to develop products further to fit consumer needs better, employing IP protection strategies to fend off potential competitors, and keeping a tight grip over the control over their Amazon business between retailers and resellers to ensure power over their brand in the platform. Expert dimension of **Sustaining Long-Term Viability and Overcoming Platform Limitations** highlighted the same goal through overcoming ongoing operational challenges and platform limitations, as well as leveraging tools and resources available for SMEs to achieve sustained growth.

Protection against competition and IP protection emerged as critical strategies for both SME and expert informants. SME informants reported employing proactive measures such as trademark registrations and Amazon's Brand Registry to fend off counterfeiters and unauthorized sellers. IP protection ensures that SMEs retain control over their product listings and prevents revenue losses due to hijacked listings. Experts echoed these concerns, detailing challenges with listing hijackers and recommending SMEs to monitor and audit their listings regularly. Existing literature has highlighted how robust IP protection strategies are essential for mitigating inherent risks in cross-border e-commerce (Lin, 2021), particularly for SMEs navigating global competition. These findings also align with existing dynamic capability literature, identifying the importance of defending intellectual property, anticipate competitor reactions and refine business models and strategy based on these anticipations (Teece, 2018).

A recurring theme among SMEs was the need to maintain tight control over their operations within Amazon's ecosystem. Informants highlighted challenges in managing contracts third-party resellers, ensuring consistent pricing, and protecting brand reputation. SME and Expert informants also detailed experiences where Amazon will immediately penalize sellers whose product can be found for cheaper in any other sales channels. This highlights the importance

of controlling reseller agreements and maintaining price parity across all channels to comply with Amazon policies. Tian et al. (2018) emphasized that online intermediaries, such as Amazon, employ strict pricing policies to maintain consistency within their ecosystem, often requiring sellers to align pricing and contractual terms across multiple channels (Tian et al., 2018). Failure to do so can result in penalties, highlighting the critical role of strategic contract design and pricing oversight for sellers operating in e-commerce marketplaces.

An interesting contrast between interview groups was the attitude and trust towards different support services provided by Amazon. While many SMEs had not used Amazon's support services beyond FBA, they did not express distrust or scepticism towards these services. On the contrary, almost all seasoned expert informants expressed distrust and regarded many of these services as nothing more than Amazon's attempt to increase its own market share and power in the ecosystem. Centralized e-commerce platforms like Amazon often create power imbalances by prioritizing their own interests over those of sellers, possibly eroding trust in platform-provided services (Yan, 2024). Amazon has also been shown to have a propensity to enter into direct competition with complementors' whose product spaces show growth opportunities (Zhu & Liu, 2018). Similarly, Kwak et al. (2019) demonstrated that seller-platform dynamics often involve tensions around control and fairness, with platforms enforcing policies that disproportionately benefit their own ecosystems, leaving sellers in a dependent position (Kwak et al., 2019). As such, these findings suggest that scepticism towards platform services is not entirely unfounded and reflects broader issues of trust in centralized e-commerce systems.

These findings highlight the critical importance of dynamic capabilities in enabling SMEs to adapt and transform their operations for long-term sustainability and viability in e-commerce platforms. By fully leveraging Amazon data to improve product-market fit, employing robust IP protection strategies, and maintaining stringent control over platform operations and pricing, SMEs can overcome significant challenges and secure their competitive positioning long-term. Furthermore, the ability to navigate platform limitations and utilize Amazon's resources to deepen market presence reflects the broader applicability of the dynamic capabilities' framework, particularly in sensing, seizing and transforming competencies. This study contributes to the literature by reinforcing the need for a proactive, data-driven, and adaptive approach to long-term success in global e-commerce environments.

6 CONCLUSION

This study provides critical insights into the internationalization of Finnish SMEs through established e-commerce platforms, which have disrupted traditional export models and introduced new dynamics in international trade (IPC, 2022; UNCTAD, 2020; UNCTAD, 2023). Especially for SMEs, e-commerce platforms have become pivotal facilitators for international growth, offering ways of mitigating traditional challenges such as liabilities of smallness, psychic distance to foreign markets, lack of knowledge of foreign markets, and allowing for more direct relationships with end customers by eliminating traditional intermediaries (Child et al., 2022; H. Lee et al., 2012; Mathews et al., 2016; L. Wang et al., 2015). The findings of this research also note how leveraging e-commerce platforms for foreign market entry aided to overcome challenges related to limited resources and lack of legitimacy, which have traditionally served as significant entry barriers for SMEs into foreign markets (Child et al., 2022; H. Lee et al., 2012; Sapienza et al., 2006).

However, to capitalize on this, SMEs must develop certain dynamic capabilities to survive and grow in this fast-evolving ecosystem of constant innovation and agility (Zhu, 2019; Zhu & Liu, 2018). While the e-commerce platforms have found to mitigate some capabilities required for traditional cross-border commerce (Cassia & Magno, 2022), the capabilities of sensing market opportunities, seizing resources and capabilities, managing operational challenges, and transforming and adapting for long-term sustainability were recognized as key capabilities for SMEs engaging in platform-mediated cross-border e-commerce. For example, the ability to strategically position products within a competitive platform ecosystem, while managing platform dependencies, regulatory challenges, and competitive threats from both the platform owners and other global complementors, are critical factors that extend beyond traditional notions of export or e-commerce readiness (Cenamora, 2021). These findings contribute to the academic discourse by providing a nuanced understanding of how SMEs can navigate the dual challenges of interdependency with platform-owners and competition within the ecosystem

(Cenamora, 2021; Zhu, 2019), as well as legal and regulatory hurdles of foreign market entry, international logistics and inventory management.

Ultimately, this research not only contributes to the academic understanding of SME internationalization but also emphasizes the transformative potential of e-commerce platforms in reshaping global trade dynamics. By leveraging the unique context of Finnish SMEs, the study highlights the broader implications of platform-mediated trade and provides a roadmap for future research on the evolving capabilities required in digital ecosystems.

6.1 Managerial Implications

As well as contributing to research literature, this study poses numerous actionable managerial insights for SMEs seeking to establish business on Amazon. Below, most important managerial implications have been listed and explained in detail.

1. Entering foreign markets through Amazon

Amazon has shown to be an excellent and, in key markets like the USA, essential tool for international expansion for suitable B2C products. This research as well as empirical accounts detailed by both SME and expert informants support this hypothesis with numerous real-life examples of Amazon supporting and facilitating fast international expansion across multiple markets. As showcased by informants, Amazon can greatly alleviate traditional operational and financial burdens traditionally plaguing internationalization efforts, greatly scale foreign market entries to multiple countries leveraging the FBA service and regulatory programmes like the OSS. Utilizing Amazon, the traditionally arduous effort of entering a foreign market becomes significantly easier, but placing an increasing difficulty of succeeding and growing once entered on the platform. However, success on this highly complex and competed platform has been shown to directly affect retailer agreements, especially in the USA, which makes Amazon a vital and almost mandatory sales channel for success on the US market.

2. Internationalization readiness and export capabilities

Despite Amazon greatly alleviating regular burdens associated with internationalization, it does not remove them, which should be acknowledged by all aspiring sellers. SMEs utilizing Amazon for international expansion should still research and develop traditional exporting capabilities to some extent to better understand Amazon's effect on their internationalisation and build a better foundation for further internationalisation beyond Amazon. Instead of building internationalization readiness solely with Amazon on mind, through an

external consultant for example, SMEs should first develop their overall internationalisation capabilities and regulatory compliance in-house, to support a well manageable and sustainable international expansion to Amazon and beyond in the long-term.

3. Flywheel -effect

Aspiring Amazon sellers should acknowledge and adopt the flywheel effect into their strategies and operational commitment, as highlighted by Expert 1. The flywheel effect refers to the self-reinforcing cycle in which small, consistent efforts build momentum over time, resulting in compounding benefits. In the context of Amazon's ecosystem, the flywheel effect illustrates how a seller's actions can create a virtuous cycle that accelerates growth and success on the platform. For example, 1. Paid advertising drives traffic to Amazon listings, 2. Well-optimized listings with high-quality content must convert this traffic into sales, 3. Increasing sales combined with a great product starts generating reviews, converting listing traffic to sales at a higher rate, 4. Higher sales and reviews improve product rankings, leading to increasingly better placements in search results and higher organic visibility, 5. Increasing traffic and sales give more data to sellers, allowing for greater optimization of ads and marketing, 6. Growing sales enable larger advertising investment, further reinforcing visibility, rankings and reinforcing the cycle, as depicted in figure 8. Multiple other aspects, such as inventory management and avoiding stockouts, could be added to this list, but this already gives an example of how interconnected each element is and how success on each aspect feeds into the other. If the listing can be kept retail ready, meaning the seller account is in good health and products are available for purchase, other aspects of the flywheel can be applied to achieve and scale sales growth. SMEs launching in Amazon should develop processes and emphasize all aspects of Amazon business, because success depends on maintaining consistency across all components, as disruptions in any area can break the cycle and momentum completely. For any seller, mastering the flywheel effect requires a holistic integration of all components and ensuring their seamless integration, constantly monitoring Amazon data to guide and optimize decision-making, and viewing this as an investment for long-term growth, rather than viewing actions more as short-term expenses.

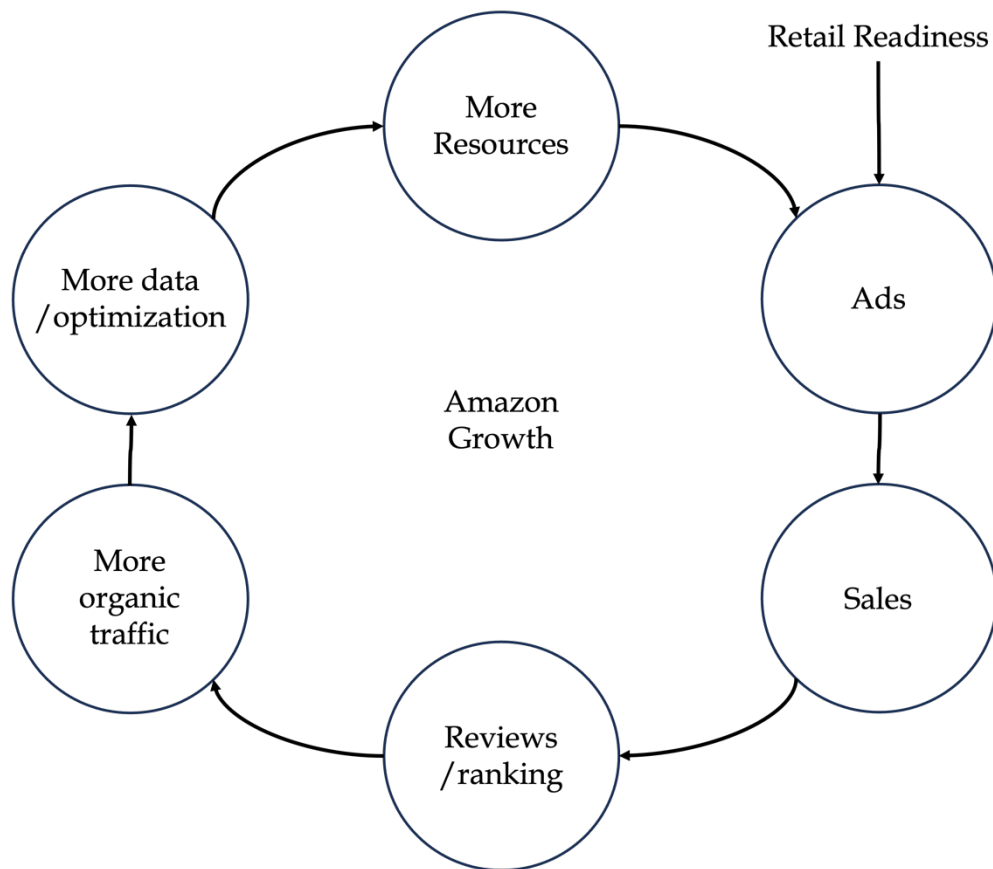


Figure 8: Amazon Flywheel effect

4. Importance SEO understanding

As mentioned, understanding SEO and functionalities of the Amazon search algorithm is an essential factor of growing sales on Amazon’s platform. SMEs need to understand the cumulative nature of Amazon’s ranking system to adjust their expectations and investments accordingly. Within Amazon’s platform, every single search-term or keyword, despite how similar or dissimilar, is a distinct opportunity to be seen and sell a product. The more keywords there are associated for your product, the more chances the product will have to gain traction and sales from the search-engine. On each keyword, there is a ranking system for all indexed listings determining the position of each listing on a single keyword. Indexing refers to the process by which a product listing becomes associated with specific keywords or search terms in Amazon’s search engine, meaning that they will show up when buyers search for products, after which sellers can focus on improving their ranking. For example, ranking first on the keyword “pink canvas dog collars” means your listing will be the first *organic* result for the search. New listings naturally rank in the opposite end of this spectrum,

meaning that lifting products with paid advertising is increasingly vital for new listings to gain traction and increase rankings. Therefore, money spent on paid advertising for new listings should be regarded as **investments in product ranking and long-term organic visibility**, rather than looking at the short-term ROI on each paid advertising campaign. Carefully researched SEO-strategies are great tools to maximize visibility and optimize ad-spend for maximum benefit. More specialized keywords, such as the example above, are good opportunities to target first due to less competition and cheaper ads. Indexing on more keywords can be achieved by many overt organic measures, such as embedding keywords into the metadata of A+ content featured on each Amazon product listing.

5. Product development

As indicated by this research, the product-market fit is a critically important factor for success on the platform. Without great products that answer directly to consumer needs, all the measures to increase sales will be futile. An aspect often overlooked by Finnish SMEs, is how greatly the data extracted from large amounts of Amazon data could greatly benefit and direct product development. By incorporating large numbers of objective buyer into the product development itself, allowing for better product development and differentiation among existing competitors.

6. Resource allocation

As detailed by all informants of this study, it is essential to allocate sufficient human and financial resources to maintain sufficient presence on just Amazon's platform. Even with careful planning, research and internationalization readiness, there are bound to be unforeseeable challenges and time-consuming regulatory burdens, which will require substantial time investments from inhouse staff and/or external agents. In addition, launching operations will also require some degree of investment into paid advertising and content creation before the platform traffic can be organically reached, calling for the allocation of financial resources for Finnish SMEs, before taking on international competition.

6.2 Limitations and Future Research

This study provides valuable insights into the internationalization process of Finnish SMEs through Amazon, leveraging the dynamic capabilities framework to explore their challenges, opportunities, as well as key capabilities. However, some limitations in the methodology, theoretical scope, and contextual focus of

the study must be acknowledged, offering opportunities for future research to address these gaps.

A primary limitation lies in the study's qualitative approach, which, while offering rich, detailed insights, is constrained by its relatively small sample size. The dataset comprises 16 semi-structured interviews, limited to Finnish SMEs and experts, restricting generalizability to other regions or industries. As noted by multiple SME and Expert interviews, informants felt that Finnish businesses and experts lack overall Amazon expertise and know-how altogether when compared to international counterparts from more established Amazon markets. SMEs operating in diverse economic or regulatory environments may encounter various dissimilar challenges and opportunities in their internationalization processes. Future research could alleviate this by expanding the sample size to include SMEs from a broader range of countries and industries, enabling a comparative analysis of their experiences across increasingly varied contexts. Furthermore, as the study captures a snapshot in time, it does not account for the evolving nature of the e-commerce environment and platforms like Amazon. Even now significant changes are taking place with global e-commerce with the explosive popularity of ultracheap platform alternatives, such as Temu. A longitudinal research approach could provide a deeper understanding of how SMEs adapt their strategies in response to changes in Amazon's policies, competition, and market dynamics.

This study applies the dynamic capabilities framework to analyse the resource mobilization, market sensing, and operational adaptation capabilities of SMEs operating on Amazon. While this framework is well-suited for examining the dynamic, fast-changing nature of e-commerce, it may overlook other important dimensions. For example, institutional theory could provide additional insights into how SMEs navigate regulatory environments and cultural differences when entering new and/or foreign markets, as chosen by some researchers (Fuenfschilling & Truffer, 2014; Huang & Sternquist, 2007; Li et al., 2014). The lack of focus on institutional pressures and cross-border legitimacy challenges leaves an opportunity for future research to integrate these perspectives.

Additionally, this research focuses exclusively on Finnish SMEs, which operate within a unique cultural, economic, and regulatory environment. Finnish SMEs may face distinct challenges and opportunities compared to those in emerging markets or regions with different institutional frameworks. For instance, the reliance on Amazon's platform for market entry may vary depending on the availability of alternative channels or regional consumer behaviours. Expanding the geographical scope of future studies to include SMEs from diverse regions would provide a more holistic understanding of platform-mediated internationalisation processes.

Building on these limitations, future research could take several directions. Comparative studies across multiple e-commerce platforms, such as Alibaba,

eBay, Faire, or Etsy, could further highlight differences in platform ecosystems and their implications for SMEs, which came up with informants in this study. As the core audiences, regulatory challenges, and various other characteristics differ heavily between platforms, the inclusion of more platforms could provide new and more generalizable results across e-commerce platform ecosystems.

Future research could also focus deeper into industry-specific dynamics, exploring how product characteristics influence platform strategies. The importance of product-market fit, and practical product qualities were emphasized by many informants over actions taken by SMEs, suggesting an interesting research topic to dive deeper on capabilities influencing the success of failure between similar products. For example, the scalability of Amazon's FBA program may benefit certain product categories while presenting challenges for others. Furthermore, the integration of emerging technologies like AI could be examined to understand their role in enabling SMEs to overcome resource constraints and improve operational efficiencies, as well as their impact on the global competitive landscape.

Finally, longitudinal studies tracking the financial performance and evolution of SME strategies over time would provide insights into the outcomes of adopting different approaches and capabilities on raw financial performance. This would introduce richer managerial implications on the core capabilities affecting firm performance and survival when entering highly competed foreign markets. By addressing these limitations and pursuing these research directions, future researchers can deepen our understanding of how e-commerce platforms like Amazon enable SMEs to overcome traditional barriers to internationalization and achieve success in competitive global markets.

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APPENDICES

APPENDICE A: Group A Interview body

Group A: SME Managers

Background Information:

- Role within the company?
- How long have you worked within the company?
- Revenue size of the company?
- Product category of Amazon offerings?
- Target international markets?
- When was the Amazon market entry initiated?
- Previous experience in Amazon?
- Previous experience in e-commerce platforms?

Market Entry Process:

- What were the main reasons your company decided to enter international markets specifically through Amazon, compared to other alternatives?
- Did you have prior operations or sales in the countries where Amazon sales were launched?
- Can you describe the process your company went through to enter the market through Amazon?
- What were the main challenges encountered during this process? How were you able to overcome them?
- What were the main successes during this process? What caused them?

Capabilities and Success Factors:

- What skills do you think were critical in your company's Amazon process?
- What resources do you think were essential for your company's Amazon process?
- How would you compare Amazon to your company's other sales channels and business environments?
- Did you utilize any external experts or consultants? If so, how did they contribute?
- How did you use Amazon's support services and tools during the process? How did these services help in the process?
- Did you have to adapt your products or services to fit the needs of specific international markets through Amazon?

Outcomes and Reflections:

- What were the outcomes of your market entry through Amazon?
- Has your company opened new sales channels in the target country (or countries) after Amazon? Did Amazon influence this?

- What long-term impacts have you observed in your company's growth and internationalization strategy since entering foreign markets through Amazon?
- In hindsight, what would you have done differently?

Group A: Finnish translation

Taustatiedot:

- Mikä on roolinne yrityksessä?
- Kuinka kauan olette työskennelleet yrityksessä?
- Yrityksen liikevaihtoluokka?
- Amazon-tuotteiden tuotekategoria?
- Kohdemarkkinat kansainvälisille markkinoille?
- Milloin Amazon markkina-avaus suoritettiin?
- Aikaisempi kokemus Amazonista?
- Aikaisempi kokemus verkkokauppa-alustoista?

Markkinoille tuloprosessi:

- Mitkä olivat tärkeimmät syyt siihen, että yrityksenne päätti tulla kansainvälisille markkinoille juuri Amazonin kautta, verrattuna muihin vaihtoehtoihin?
- Oliko teillä aiempaa toimintaa tai myyntiä maassa, jolle Amazon-myynti avattiin?
- Voitteko kuvailla prosessia, jonka yrityksenne kävi läpi päästäkseen markkinoille Amazonin kautta?
- Mitkä olivat prosessin aikana kohtaamasi tärkeimmät haasteet ja mahdollisuudet? (+Miten selvisitte näistä / tarkenna)

Kyvykkyydet ja menestystekijät:

- Mitkä taidot olivat mielestänne ratkaisevia yrityksenne Amazon-prosessissa?
- Mitkä resurssit olivat mielestänne ratkaisevia yrityksenne Amazon-prosessissa?
- Miten Amazonin tarjoamia tukipalveluja ja työkaluja käytitte prosessin aikana? Miten tukipalvelut auttoivat tässä prosessissa?
- Miten vertaisitte Amazonia yrityksenne muihin myyntikanaviin ja liiketoimintaympäristöihin?

- Hyödynsittekö ulkopuolisia asiantuntijoita tai konsultteja? Jos kyllä, miten heidän roolinsa oli prosessissa?
- Jouduitteko mukauttamaan tuotteitanne tai prosessejanne vastaamaan Amazonin tarpeita?

Tulokset ja pohdinnat:

- Onko yrityksenne avannut uusia myyntikanavia kohdemaassa (-maissa) Amazonin jälkeen? Vaikuttiko Amazon tähän?
- Mitä pitkäaikaisia vaikutuksia olette havainneet yrityksenne kasvussa ja kansainvälistymisstrategiassa Amazonin-markkinan avaamisen jälkeen?
- Koetteko Amazon-lanseerauksenne onnistuneen? Myykö yrityksenne edelleen Amazonissa?
- Jälkikäteen katsottuna, mitä tekisitte eri tavalla?

APPENDICE B: Group B Interview body

Group B: Amazon Experts and Consultants

Background Information:

Please provide background information about your professional experience with Amazon.

- Are you certified by Amazon, or do you work in an Amazon-certified company?
- Have you worked with SMEs in particular industries or sectors? If so, which ones, and how does their experience differ from others?

Role in Market Entry:

- How do you assist SMEs in entering foreign markets through Amazon?
- What are the common challenges SMEs face, and how do you help them overcome these?
- How do you assess whether an SME is ready to enter foreign markets through Amazon, and what criteria do you use in this evaluation?

Capabilities and Competencies:

- What capabilities do you consider essential for SMEs to succeed in international markets via Amazon?
- How do the tools and services provided by Amazon support these capabilities?
- How do external market factors, such as economic conditions or market demand, influence the capabilities required for SMEs to succeed in foreign markets through Amazon?

Expert Insights:

- Based on your experience, what are the key factors that determine the success or failure of an SME's market entry through Amazon?
- What emerging technologies or changes in e-commerce platforms, such as Amazon's algorithms, do you see as critical for SMEs to succeed in the future?
- How can SMEs better prepare for international expansion through e-commerce platforms?

Group B: Finnish translation

Taustatiedot:

- Kuinka monta vuotta olet työskennellyt Amazonin parissa?
- Oletteko Amazonin sertifioima asiantuntija tai työskentelettekö Amazonin sertifioidussa yrityksessä?
- Oletteko työskennelleet pk-yritysten kanssa tietyillä toimialoilla? Jos kyllä, millä aloilla, ja miten niiden kokemukset eroavat muista?

Rooli markkinoille tulossa:

- Missä tehtävissä autatte pk-yrityksiä Amazonissa? Mikä on roolinne tässä prosessissa?
- Mitkä ovat yleisimpiä haasteita, joita pk-yritykset kohtaavat? Miten autatte heitä voittamaan nämä haasteet?
- Miten arvioitte, onko pk-yritys Amazoniin ja millaisia kriteerejä käytätte tässä arvioinnissa?

Kyvykkyydet ja kompetenssit:

- Kun Amazoniin pyrkivä yritys palkkaa teidät, mikä on teidän näkemyksenne mukaan suurin syy siihen, että asiakas hakee Amazoniin ulkoista apua?
- Mitkä taidot ovat mielestäsi tärkeimpiä onnistumiseen Amazonissa?
- Mitkä valmiudet tai kyvykkyydet ovat mielestänne olennaisia auttamillenne pk-yrityksille, jotta ne menestyvät Amazonissa?
- Jos tuntemasi yrittäjä ilmaisisi halustaan aloittaa myynnin Amazonissa, mitä taitoja neuvoisit häntä varautumaan myynnin aloittamiseen?
- Hyödynnätkö Amazonin tarjoamia tukipalveluja ja työkaluja säännöllisesti? Mikä on niiden rooli myynnissä ja sen aloittamisessa?

Asiantuntijanäkemykset:

- Kokemuksesi perusteella, mitkä ovat tärkeimmät tekijät, jotka määräävät pk-yrityksen onnistumisen tai epäonnistumisen Amazonissa?
- Miten pk-yritykset voivat paremmin valmistautua kansainväliseen laajentumiseen verkkokauppa-alustojen kautta?
- Mitkä nousevat teknologiat tai muutokset verkkokauppa-alustoilla ovat mielestänne kriittisiä pk-yritysten tulevaisuuden menestykselle?