



SEINÄJOEN AMMATTIKORKEAKOULU
SEINÄJOKI UNIVERSITY OF APPLIED SCIENCES

Emilia Koivisto

Building a network to develop business partnerships in South Korea for Finnish SMEs

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Thesis abstract¹

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Author: Emilia Koivisto

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For Finnish SMEs, having a local partner to help with the process of entering the South Korean market can solve practical challenges from localizing the product to sharing market knowledge, but the process of finding those partners is not simple. In this thesis, networking in order to find partners to expand into the South Korean market is studied for the commissioning company Futurecode, which is planning to bring and localize their online parenting courses to Korean customers.

Previous research has focused on the country's cultural profile, including the effects of the Confucian mindset on the business environment. Especially the impact of culture on networking in relationship-oriented South Korea has been the topic of several studies. South Korea's rise as a star-up environment has been recorded as the economic power is slowly shifting from the Chaebols with policies promoting innovation. The present study focuses on the viewpoint of Finnish SMEs companies and how they could practically improve their networking in South Korea for creating partnerships.

As a result of internationalization, many South Korean companies have become accustomed to international customs and can operate in a more internationalized way. However, the traditional values and customs are still strong in the Korean workplace, networking, and partnerships. Understanding them can give Finnish SMEs a competitive advantage in the South Korean market.

¹ Keywords: Startup, Partnership, Confucianism, Informal Networks

SEINÄJOEN AMMATTIKORKEAKOULU

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Paikallisen yhteistyökumppanin löytäminen suunnattaessa Etelä-Korean markkinoille auttaa suomalaisia pk-yrityksiä ratkaisemaan käytännön haasteita tuotteen lokalisoinnista markkinatiedon jakamiseen, mutta kumppaneiden löytäminen ei ole yksinkertainen prosessi. Tässä opinnäytetyössä tutkitaan työn toimeksiantajalle Futurecodelle verkostoitumista liikekumppaneiden löytämiseksi toiminnan laajentamiseksi Etelä-Korean markkinoille. Yritys suunnittelee vievänsä ja lokalisoivansa vanhemmuuden verkkokurssinsa korealaisille asiakkaille.

Aikaisempaa tutkimusta on tehty maan kulttuurillisesta profiilista, mukaan lukien konfutselaisen ajattelutavan vaikutuksesta kulttuuriin ja Etelä-Korean liiketoimintaympäristöön. Erityisesti kulttuurin vaikutus verkostoitumiseen yhteisökeskeisessä Etelä-Koreassa on ollut tutkimuksen kohteena. Etelä-Korean nousua startup-ympäristönä on tutkittu taloudellisen vaikutusvallan siirtyessä vähitellen Chaeboleilta laajemmalle yleisölle innovaatioita edistävien tavoiteohjelmien myötä. Tässä tutkimuksessa on keskitytty suomalaisten pk-yritysten näkökulmaan ja siihen, miten ne käytännössä voisivat kehittää verkostoitumistaan Etelä-Koreassa kumppanuuksien luomiseksi.

Kansainvälistymisen myötä monet eteläkorealaiset yritykset ovat tottuneet toimimaan kansainvälisemmin ja kykenevät noudattamaan kansainvälisiä toimintatapoja. Perinteiset arvot ja perinteet ovat kuitenkin edelleen vahvoja korealaisilla työpaikoilla, verkostoitumisessa ja kumppanuuksissa. Niiden ymmärtäminen tarjoaa suomalaisille pk-yrityksille kilpailuedun Etelä-Korean markkinoilla.

¹ Asiasanat: Startup, Kumppanuus, Kungfutselaisuus, Epäviralliset verkostot

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Terms and Abbreviations

SMEs	Small and Medium Enterprises
OECD	The Organization for Economic Cooperation and Development
GDP	Gross Domestic Product
WTO	World trade organization
Chaebol	Large Korean family-owned conglomerate

1 INTRODUCTION

When expanding business operations to a new country, the general expectation is to learn the target country's culture and adapt to it. In a modern business setting where companies are already accustomed to trading and cooperating with different cultures, is this necessary? Alongside this question, the best practices for networking and finding a partnership for expanding into the South Korean market, are explored in this thesis from the perspective of a Finnish SME planning to expand into the South Korean market. The objective of this thesis is to create ways to expand the commissioning company, Futurecode's, network to find Korean partnership companies to expand their operations into the South Korean market.

1.1 Thesis objectives

South Korea has risen to be the 10th start-up ecosystem in the world, making it an attractive destination for new business ventures (Startup Genome, 2022). For enterprises looking to expand to the South Korean market, it is important to understand the cultural aspects of the country to avoid communicational misunderstandings and etiquette mistakes in the process. Korea places a high value on their personal and business relationships and not understanding those ties can make it difficult for companies to operate (Horak, 2018, p. 210). This applies especially to the Finnish SMEs that come from vastly different culture and environment.

To reach a better understanding of this topic, a theoretical framework of partnership models and their risks and possibilities were studied. A country study of South Korea's economic situation and business environment was done to determine its characteristics as a start-up environment. Especially the impact of South Korea's quick industrialization and internationalization on cultural aspects of networking and partnerships was studied. Empirical research with interviews and participant observations was applied to better understand the experiences of non-Korean companies networking in South Korea and South Korean companies' experience collaborating with non-Korean companies. These findings were compared to the theoretical frame to determine how applicable the theory is in practice based on people's experiences.

1.2 Background

The focus of my study has been on the East Asian markets. For that, I have studied at a Chinese University learning the language and, currently, I am completing my exchange year at a

South Korean University. Working with Koreans and experiencing the impact that cultural differences have on their business environment created the interest to study their networks from the viewpoint of a Finnish SMEs company. Focusing my thesis on South Korea while completing my exchange year there provided me with better opportunities to study the subject. I have had an opportunity to interact with both Koreans and Finns to learn about their different perspectives and experiences.

1.3 Research question and thesis objectives

This thesis was done for the company Futurecode, which is looking to expand to the Korean market by localizing their new product, Finnish online parenting courses, to Korean customers. The objective was to discover what are the possible ways to network and find business partners for the localization process in South Korea. To reach this goal the research questions were decided as following:

Main research question:

- How do partnerships and networking in Korea differ between Korean and Finns?

Sub-questions:

- How do Finnish companies find suitable partnerships in South Korea to expand their business?
- How are these partnerships managed to achieve economic growth and a stable position in the market?

This thesis is focusing on small and medium-sized enterprises. This limitation was made because the majority of Finnish enterprises fit into this category (Rinne et. al., 2017, p. 6) and therefore make this thesis applicable to a larger pool of Finnish companies. The case company Futurecode is also in this category. Finland being an export-focused country expanding and succeeding in the international exporting industry is needed for Finland's future development (Ministry of Economic Affairs and Employment of Finland, 2020, pp. 9, 17). SMEs and startups carry an important role in this as they make up the majority of Finnish companies. This is especially relevant after the Covid-19 crisis that shocked the world's ecosystem (op. cit. p. 17).

1.4 Key concepts

For this study, the main concepts were decided to be partnership models, start-up environment, Confucianism, and informal networks. These concepts will be studied for the theoretical framework and included in the empirical research.

A partnership is defined as a contractual relationship in the business field to cooperate in the economic field to achieve common goals. This definition is based on the OECD LEED's (2006, p. 7) definition of partnership as "an effective way of working together – operate under different local conditions, depending on the detailed nature of the problems, the institutional environment, political factors, experiences and culture" and Ahman's (2017, p. 215) definition "Partnership is the process of seeking/forming mutually beneficial forms of togetherness and mutually educating each other to achieve common interests." This concept is connected to the thesis as the commissioning company's goal for networking is to find partners to form a partnership for their business venture.

Ehsan (2021, p. 4) found the most usable definition of start-up to be:

"A startup is rapidly growing firm due to its innovation in terms of products/services and processes through the aid of IT/ICT enabled services. The status of being a startup is contingent on the age of incorporation [...] of the business as per its country's regulations."

The environment refers to the opportunities and challenges start-ups face in South Korea. The start-up environment is studied to understand strategies and partnership models for Finnish companies to use that would suit the South Korean environments.

Confucianism is a belief system that values harmonious relationships achieved by self-cultivation (Chung, 2015, p. 78). The core values of Confucian are maintaining hierarchy and order and aiming for complementarity and harmony. The values of Confucianism that are supportive of economic growth can be seen in South Korea's idealization of work. The influence and emphasize on harmonious relationships have made informal network complex and different from the non-Confucianism countries, that Finland also is. Understanding these values that Finnish companies do not have a background with, will help them to operate with Koreans.

Informal networks are the family, personal and work ties that a person forms during their life. In South Korea's family-oriented culture, these ties are a necessity, as the familistic ties are expanded to relationships outside of the family due to Confucian values (Horak, 2016, p. 209).

1.5 Limitations of the thesis

One limitation of this thesis was the language barrier. With Korean language skills, using different research methodologies would have been possible. Now the used materials were from sources in English or Finnish, leaving out a margin of data that could have been utilized. The interviewed people and events attended were all conducted in English or Finnish, so sufficient fluently was required from the participants.

Although the Covid-19 pandemic is already easing when this thesis was written, it still left an undoubted impact that the world has not gotten yet over, as well as the current crisis such as the Ukrainian war, which impact we cannot know yet. The uncertainty for businesses and consumers as well as the way how Covid-19 shaped society cannot be overlooked.

1.6 Structure of the thesis

In the second part of this thesis, we will go over the theoretical framework of the topic. As this thesis is written for Finnish companies that are planning to expand to the South Korean market through a partnership model, a basic overview of South Korea as a business market and an environment will be studied. This includes the economy and business culture, especially the values and informal networking ties. Different partnership models will be studied to evaluate the most suitable ones for Finnish SMEs looking to expand into the South Korean market.

The third part of this thesis is the empirical research. For this, South Koreans who have experience with networking internationally and non-Koreans who have resided in Korea, and have experience networking in South Korea, will be interviewed. In addition, I attended a networking event and event for locals for the participant observation to gain a better understanding of the experience. The data gathered from these sources are qualitative.

The final part of this thesis consists of a discussion of the findings and conclusions, suggestions of strategies for Finnish SMEs and for the commissioning company as well as suggestions for further study.

1.7 Research process and methodology

This thesis is applied research, so the goal is to improve the practices of a commissioning company (Sharan, 2016, p. 3). For Futurecode, this refers to improving networking and partnership strategies with the goal of expanding their operations to South Korea. In this section, we will go over the selected methodology to achieve that goal.

This thesis process starts with a literature review, which is used to form a theoretical framework of the topic. For this primary and secondary qualitative and quantitative data were used. A theoretical framework was needed to understand South Korea as a platform for SMEs and networking based on Korean history and culture. In empirical research, the goal was to see how this theoretical frame is applicable in theory and to learn how companies and people are, not only in theory, networking in South Korea. The best way for this was determined to be interviews and participant observation. Requirements for the sources were that they needed to be valid and from reliable sources. For the qualitative sources of the Korean culture, slightly older sources were accepted into the study, as the culture change is relatively low. For quantitative sources, only recent ones were selected.

The interviews consisted of five semi-structured interviews, that had 7 open-ended main questions, and a varying number of following questions. A semi-structured interview was the most suitable method for data collection as I did not want to lose any valuable information from the participants because of closed questions. This allowed me to be more flexible to cover individuals' different experiences and get richer answers.

The interviews were conducted between April 21, 2023, and June 2, 2023, in Seoul, South Korea. The sample was selected from people with applicable experience in networking in South Korea. This requirement was defined for non-Koreans, as someone who has spent more than half a year in South Korea and has participated there in networking for commercial purposes. The requirement limited the possibilities of participants making the sample size smaller but provided insight into the topic and people's current experiences. The interview answers were compared to the findings in the literature review and looked over for repetitive

patterns or themes in the answers. Qualitative data collected from the interviews help describe reasons and motivations by studying people's opinions, thoughts, and situations (Radu, 2023). This was the goal for the interviews, so the method was suitable. With interviews, I had to consider my interview guide so that I could avoid the researcher's biases.

The Participant observations were conducted between March 28, 2023, and April 12, 2023, in Seoul South Korea. The selected events were connected in international networking, free of access, and conducted in English. The information gathered from the event was the type of participants, their goals for participating in the event, and the determined effectiveness of the event. Participating in the networking events was an opportunity that I had being in South Korea during the study. As the goal of empirical research was to compare the findings of the literature review to the current situation and to what people's experience is on networking, participating in the networking events gave me valuable insight into the matter. Compared to the other observation types, participant observation was the most suitable. It gave me a clear picture of the networking environment and allowed me to personally see the social encounters of the people networking. It allowed me to feel how welcoming the groups here are and their attitudes. Similarly, to the interviews, I needed to be wary of researcher bias in the observation.

1.8 Company overview

The commissioning company for this thesis is Futurecode Oy. The company was founded in 2004 by the Solatie family. They were mainly active when they first started with an animated children's tv series named Dibidogs in 2010, which is created in cooperation with a Chinese animating studio BlueArc. The series was created by involving the children's ideas and imagination by encouraging children to explore their creativity and creating the story in corporation with their ideas. The series has won awards and is distributed through streaming websites in multiple countries, one being South Korea. Currently, there is one season aired, the production of the second season was planned in 2017 but had to be suspended as a result of Covid-19.

Nowadays they are not operating as actively, except for building up their parenting courses called Futurecode, which offer different packages of online courses that teach positive parenting from Finland about the challenges parents may face. The courses offer practical help

for parents to encourage their children's emotional and creative growth and help them through challenges in life. Their focus is now on expanding to new markets, with one being South Korea. The target is to find a local partner to localize the courses to fit Korean customers and help in marketing. This thesis was done for commissioner with the goal of helping to achieve that goal; Create ideas for them to find ways to network in order to find partners and ways to manage those partnerships.

2 THEORETICAL FRAMEWORK

In this literature review, South Korea as an economic environment will be studied to define its characteristics as a platform for SMEs. Qualitative and quantitative data of qualitative and quantitative sources were used. First is a quick overview of the partnership models, continuing with the study of South Korea's economic environment as a platform for Start-ups. These topics are used to understand the important aspects of partnerships with Koreans for Finnish SMEs.

2.1 Partnership models

In this part, we will study the best practices for Finnish SMEs companies that are looking to form new partnerships through networking in South Korea.

In Finland, the expansive SMEs have an important role in the development of the country's economy by promoting innovation and growth (Malinen & Ohlsbom, 2023, p. 22). Unfortunately, the number of expansive SMEs decreased from 50% in 2017 to 36% in 2023, especially the small enterprises are not as eager to expand their operation. This decline did not result from the Covid-19 crisis or the Ukrainian war but has been developing slowly. Only 21% of the SMEs had international operations in 2023 (op. cit., pp. 23, 25).

As a consequence of Finland's limited market and growth opportunities, internationalization is the key to success and growth for many Finnish SMEs (Malinen & Ohlsbom, 2023, p. 25). However, the internationalization process is risky and requires extensive resources, so not many Finnish SMEs have the opportunity for it. Approaching a partnership strategy for internationalization can ease this burden, as it lessens the financial strain of a new business venture by utilization of the partnership company's resources (Ahman 2017, p. 2015). Not only can the alliances combine their resources, but they both gain new opportunities to expand in ways that would not be possible for them otherwise. Improving networks and partnerships is seen as the most common solution for advancing marketing and sales among international SMEs (Rikama 2017 p. 9). The same applies to South Korea, as Seo and Lee (2019, p. 9) surveyed Korean start-ups, and discovered that external partnerships had a positive impact on the company's performance through social norms and performance-based culture. Other than gaining more resources, there are multitude of reasons why partnerships are formed. However, there is no one way to form or manage partnerships (OECD LEED, 2006, p. 7) but

strategies can be created based on the company's and the target economy's characteristics to suit their individual needs.

The process of selecting a new partner needs to start by considering the goals and values of the company; What they are looking to get out of the alliance and how they plan to grow in the future. There cannot be a mutually beneficial partnership that could become long-lasting if the values and goals do not realign between the parties. After evaluating the possible partner companies, one with a strength and weaknesses that compensate for the company's strengths and weaknesses should be chosen (Mantili, 2020, p. 30). This has been the introduction for decades, as the National Research Council (1994, p. 1921) already emphasized it in 1994.

Having only the goals and values match between the partners is not enough, partnerships need to develop a long-term strategy to create a long-lasting relationship and effect (OECD LEED, 2006, p. 8). This is also important due to South-Korea's relationship and long-term oriented culture (Hofstede et. al., 2010, pp. 97, 255), which we will go over more in dept in sections 2.3. They are less focused on short-term gain, and more willing to invest in achieving long-term effects, so a partnership with no long-term goals might not be as appealing to them. As partnerships are used to increase the company's competitiveness, one of the leading factors for seeking partnerships is uncertainty avoidance (Ahman 2017, p. 2015). Due to these factors, we can consider partnerships to be an important factor in South Korean's business environment.

Generally, SMEs have choices of partnering with NGOs, the public sector, other SMEs, and larger enterprises. Because one of the main challenges for Finnish SMEs to extend to international operations was their lack of resources, partnering with a larger company would provide them with the support they need. There are some aspects, that the SMEs need to be mindful of when partnering with the larger enterprise, such as the large business exploiting the smaller one with unilateral pricing, unfair payment systems, and product rejections (Mantili, 2020, p. 29). It is fundamental, that legal protection procedures are placed in the partnership. Large companies and SMEs have different strengths, so a partnership between the two can be highly beneficial for both. For an example, large companies can save in their energy by getting the SME company to focus on certain smaller markets, and smaller companies could achieve reductions in costs and gain new business opportunities with the partner's support (Minshall et al., 2008, p. 392). In a modern economy with an open model of innovation,

SMEs are an important source of innovation and agility for large companies that could not otherwise keep up with the fast pace of change.

2.2 Overview of South Korean economic growth to Start-Up environment

South Korea, officially The Republic of Korea, is a densely populated East Asian country with nearly 52 million citizens (CIA World Factbook, 2023). It is located on the Korean Peninsula and has rich history and culture. In this section is the overview of the economic situation of South Korea, and how suitable it is as a start-up market.

South Korea has risen in a short amount of time from one of the poorest countries after the Korean War in the 50s to one of the economically influential countries as it became one of the OECD countries in 1996 (OECD, 2021; Yoon, 2022, p. 5). Yoon said that to be possible due to President Park's military rule in 1963–1979, which developed the country with strong industrialization that focused on exports and manufacturing industries. This strong guidance from the government created large family conglomerates called Chaebols, such as Samsung Lg and Hyundai that dominate the market (op. cit. p. 5). South Korean's heavy attention on being an export-focused economy is due to its industrializing and development at the same time as the world economy was expanding and the new international division of labor was emerging in the 60s (Kim, 2000, p. 83). The quick rise in their GDP starting from the 60s can be seen in Figure 1 below, indicating the country's development and the increase of money circulating in the economy. The apparent impact of the policies implemented by to government to increase the export can be seen in South Korea's GDP, in which trade amounts to a total of 80% of it (The World Bank, 2021b). Based on Senn-Kalb et al. (2023, p. 21) South Korea's GDP has been estimated to increase from 3,7% to 3,9% from 2021 and the growth is not expected to slow anytime soon. This is even regardless of Covid-19 resulting in Koreans being highly concerned for their economic situation (op. cit., p .14). The growth despite the impact of Covid-19 is largely due to the power of Chaebols that were not impacted by the threads the same way as smaller enterprises were (Yoon, 2022, p. 11).

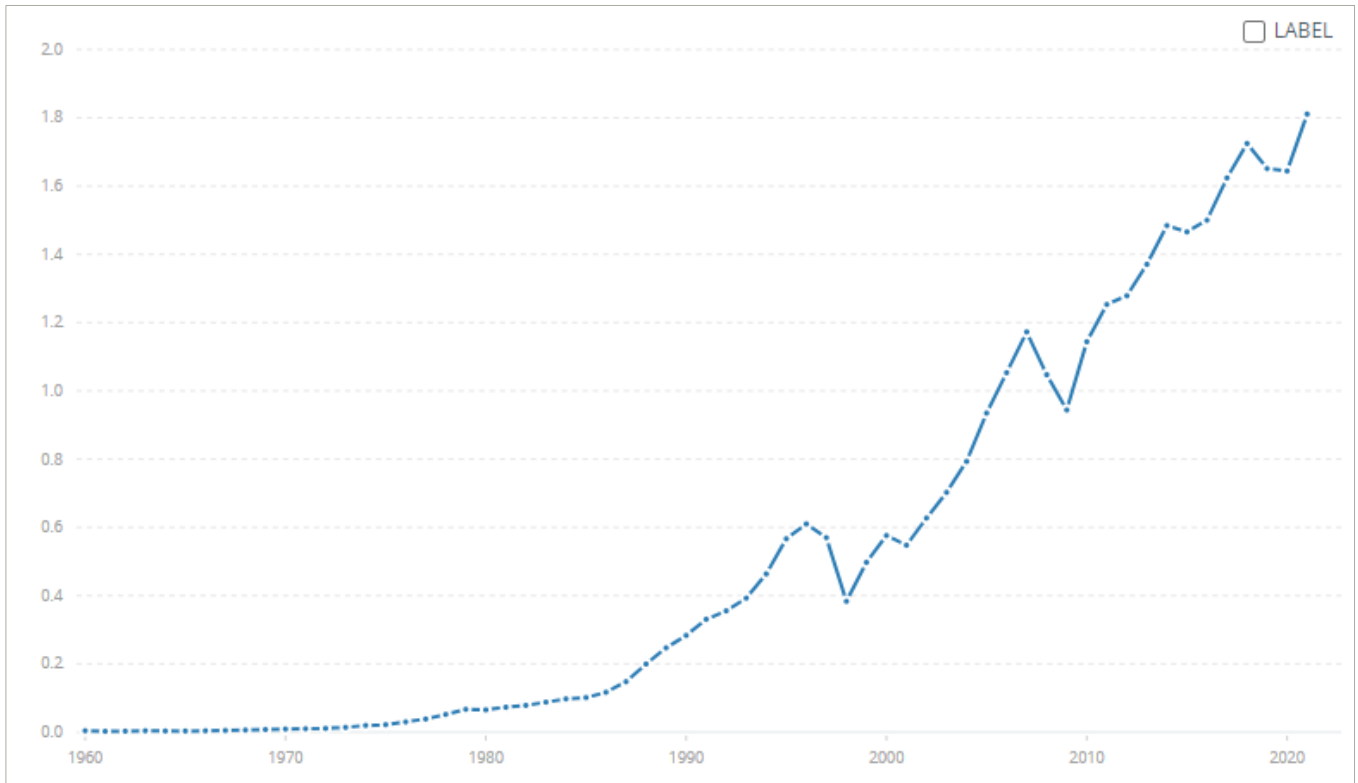


Figure 1. Development of South Korea's GDP in US\$ by billion (The World Bank, 2021a).

Regardless of the economic growth and achievements coming with a great price of citizens' civil rights and working conditions, people were willing to follow the dictatorship. Long leadership was also accepted as a result of Confucianism values, which promotes a hierarchical society and power distance between people and has an expectation of the government to maintain righteousness (Chung, 2015, pp. 77, 85). This mentality is still apparent in modern Korea (Kim & Park, 2003, p. 44). South Korea went through a rapid change in culture, politics, and economics after the Korean War (Hsieh, 2015, p. 85). This peculiarly quick economic development came at the same time as came the change to democracy (Kihl, 2015, p. 11). The rate of the change gave very little time for the Confucian values to adapt to these changes creating unique characteristics in South Korea where the Western values mix with Confucian values (Chung, 2015, p. 78).

Even though the Chaebols played a main role in the economic growth of South Korea, their dominance of the market has made it difficult for SMEs and start-ups to survive (Yoon, 2022, p. 17). Recently South Korea's growth has slowed, and the government has implemented changes to turn this by promoting innovation and improving the business environment of SMEs (CIA World Factbook, 2023; Yoon, 2022,) and monitoring the Chaebols with regulations (Yoon, 2022, p. 11). President Kim Dae Jung's government, which ruled from 1998 to

2003, used the global crisis in 1997–1998 as an opportunity to drastically reform the old Chaebol power structure (Kim, 2000, p. 84). One of the changes can be seen in the laws to support SMEs. An act called The Framework Act on Small and Medium Enterprises (12240/2014) is meant to support and help enterprises in their growth. This also includes internationalization in Article 14

“The Government shall take measures necessary to promote the exportation and importation by small and medium enterprises, cooperation with foreign companies, etc. to facilitate internationalization of the small and medium enterprise sector.”

Article 3 secures SMEs the government support for their independent growth and Article 5 encourages people to start an enterprise. Article 7 is also meant for government to encourage cooperation between SMEs by “modernizing distribution systems, encouraging cooperation in the distribution industry, etc. with the aim of expanding markets for the products manufactured by small and medium businesses” (op. cit. 12240/2014). With these laws, a larger number of enterprises can survive and diversify the economy.

As the South Korean market is getting more attention and the start-up culture grows, it also gets more competitive. As reported by the Gyeonggi Northern Chamber of Commerce and Industry (2023, p. 25) a great percentage of start-ups in South Korea only last one year, and only a third of them survive the past five years. This is considerably low compared to the other OECD nations. South Korea is a major player in the global economy and it is expected to continue growing in the future, especially in the start-up market (Yoon, 2022, p. 38). Finnish SMEs that usually come from less competitive markets should prepare their product and sales formats to be as competitive and suitable for the market as they can with study to prepare themselves for the competition. Below in Figure 2, the difference between the survival rate of start-ups in South Korea and other OECD member is modeled.

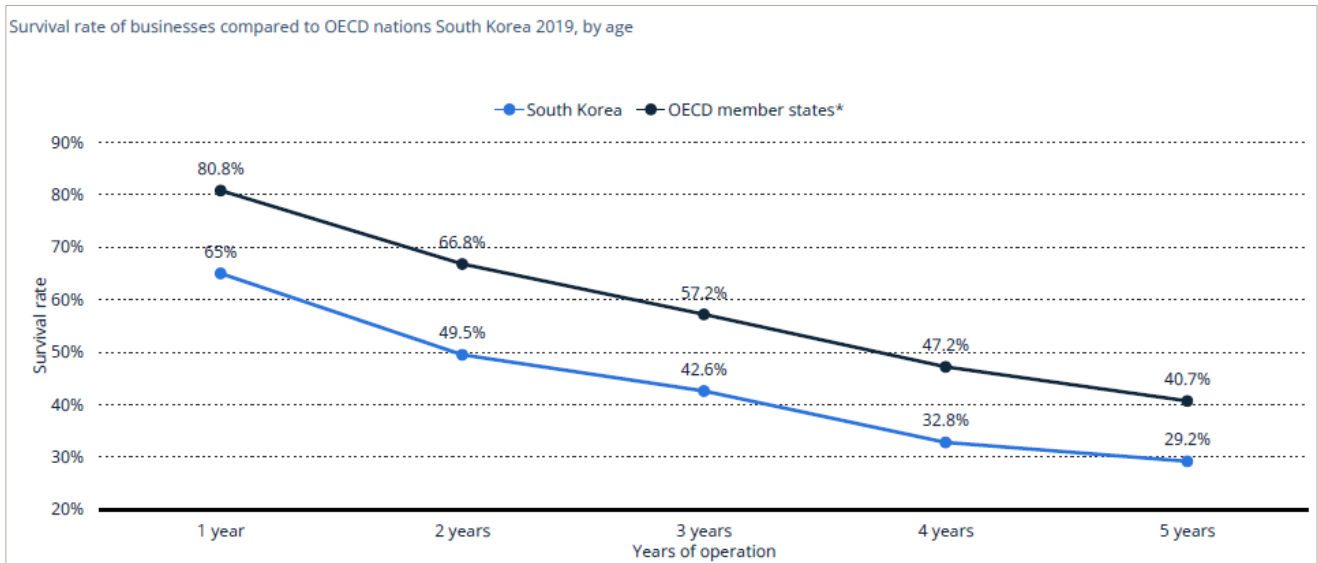


Figure 2. The survival rate of new businesses in South Korea by year of operation (Gyeonggi Northern Chamber of Commerce and Industry, 2023, p. 25).

2.3 South Korea's cultural profile

Gesteland's (2012, pp. 13, 21) model guides that people should understand the target country's business culture, which he defined as "a unique set of expectations and assumptions about how to do business". The reason for this is that business deals can get spoiled by being ignorant of the country's culture. The national and organizational culture cannot be separated and to understand the organizational culture you have to understand the national culture. This is why in this section I will compare Finland's and South Korea's cultural profiles based on the Hofstede country comparison.

Hofstede et al. (2010, p. 20). stated that even if the practices in the culture change with development, the key attributes of society that dictate how people fit in change so slowly, that the data from his study is valid for a long time despite being primarily based on the research conducted between 1967 and 1973 There have been updates to the research to keep it valid, but since South Korea has gone through a massive shift in its economy and society from a poor developing country to a thriving economy in a short time, I want to study if that has caused any changed to the cultural profile. For this, mainly Buja's article, Hofstede's Dimensions of National Cultures Revisited: A Case Study of South Korea's Culture from 2016, where she studies this question is used. Chung (2015, p. 86) also states that Confucian values, while still important, have become weaker due to the massive changes after the 80s.

Figures 3 and 4 are extracted from the Hofstede Insight website, which allows comparing specific countries' Hofstede scores. First in Figure 3, Finland's and South Korea's Hofstede scores are compared.

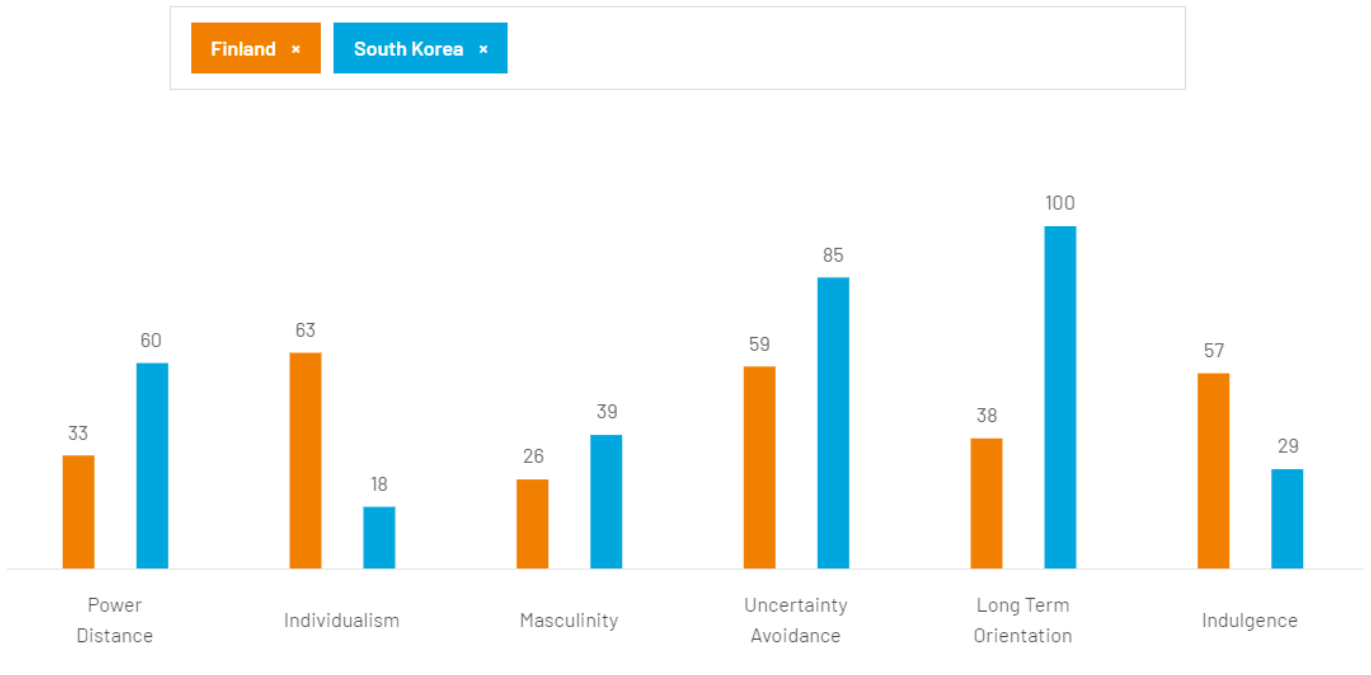


Figure 3. Hofstede country comparison of Finland and South Korea (Hofstede Insight, n.d.).

Confucian core value is maintaining harmony in social, moral, and political orders by self-cultivation (Chung, 2015, pp. 77, 83). This can be seen strongly in the country's Hofstede score. Social harmony comes from socio-political order in relationships, where people are responsible for each other in hierarchical order (op. cit. p. 77). In Hofstede's score, this translates to a relatively strong power distance score of 60 and a low score of 18 on individualism, which makes it a collective country (Hofstede et al., 2010, pp. 95, 97). Collectivist countries are more committed and loyal to their social groups and more hostile towards people from other groups. This is why they might be more hesitant on accepting non-Korean business partners. Finland, scores 62 in this aspect, making it noticeably more individual country. When communicating with Koreans, it is good to remember that they do not make decisions based only on their own opinions, but also consider the opinions and the effect their decisions will have on others. However, Buja (2016, p.175) states that the movement to big cities apart from their families has caused a shift towards individualism. Chung (2015, p. 79) recognizes this change for stronger recognition of self in the younger generation of Koreans.

Korea is the most long-term-orientated country in the study with a score of 100, with a great difference from Finland's score of 38 (Hofstede et al., 2010, pp. 255, 257). Highly long-term-oriented countries have a pragmatic approach to preparing for the future and they emphasize education and self-development as a way to promote growth. This is also the approach in Confucianism. In addition, South Korea is also a high uncertainty avoidance country with a score of 85, making them focus on working hard and steadily to secure their future (Hofstede et al., 2010, pp. 192–193). These both can be seen in the business environment as well, as Korean companies focus on long-term success rather than quarterly wins. Boja (2016, p. 181) sees uncertainty avoidance as the least changed attribute of South Korea, as it was the power that helped Korea to achieve success and development. Because of this uncertainty avoidance, they might be more hesitant to quickly jump into a partnership without evaluating it first.

When compared, Finland's most characterizing score is the low score of 26 in masculinity making it a feminine country, South Korea's score is slightly higher at 39, while still being feminine (Hofstede et al., 2010, p. 143). Feminine countries "work in order to live", and value free time, flexibility, and quality in working lives (op. cit., p. 167). Again, Boja (2016, p. 179) argued that South Korea has moved towards masculinity from the old values because Koreans spend a significant amount of time at school and the workplace compared to the other OECD countries. This is still true as in OECD's (2021) newest research, South Korea has the fourth longest working hours. Combined with South Korea's aim for accomplishment (Boja, 2015, p. 180) it seems that Korea's attitude towards work has changed to be more "live in order to work". Some of the feminine attributes remain unchanged in Korean, like the way to resolve conflicts, which focused on avoiding them and finding peaceful ways to resolve them (Gesteland 2012, p. 207). In addition to the Hofstede study, Confucianism can be seen in the etiquette and mannerism in Korea, which emphasizes politeness and propriety. They use honorifics in the language to show respect for each other's position in the relationship (Chung, 2015, 82).

Gesteland's (2012, p. 22) second rule is that international sellers should adapt to the buyer. While I have focused on the ways Finnish companies can adapt to South Korean buyers, it is good to note how South Korea has possibly adapted to their buyers. Most South Koreans trade is it with China, with a dominant 25.85% partner share and secondary with the United States with a 14.51% share (WITS, 2020). As they are the most accustomed to trading with

these countries, it is good to quickly check their country profiled too, to understand what kind of countries' cultures South Korea is most used to. These countries', South Korea's and Finland's Hofstede scores are compared in the Figure 4 below.

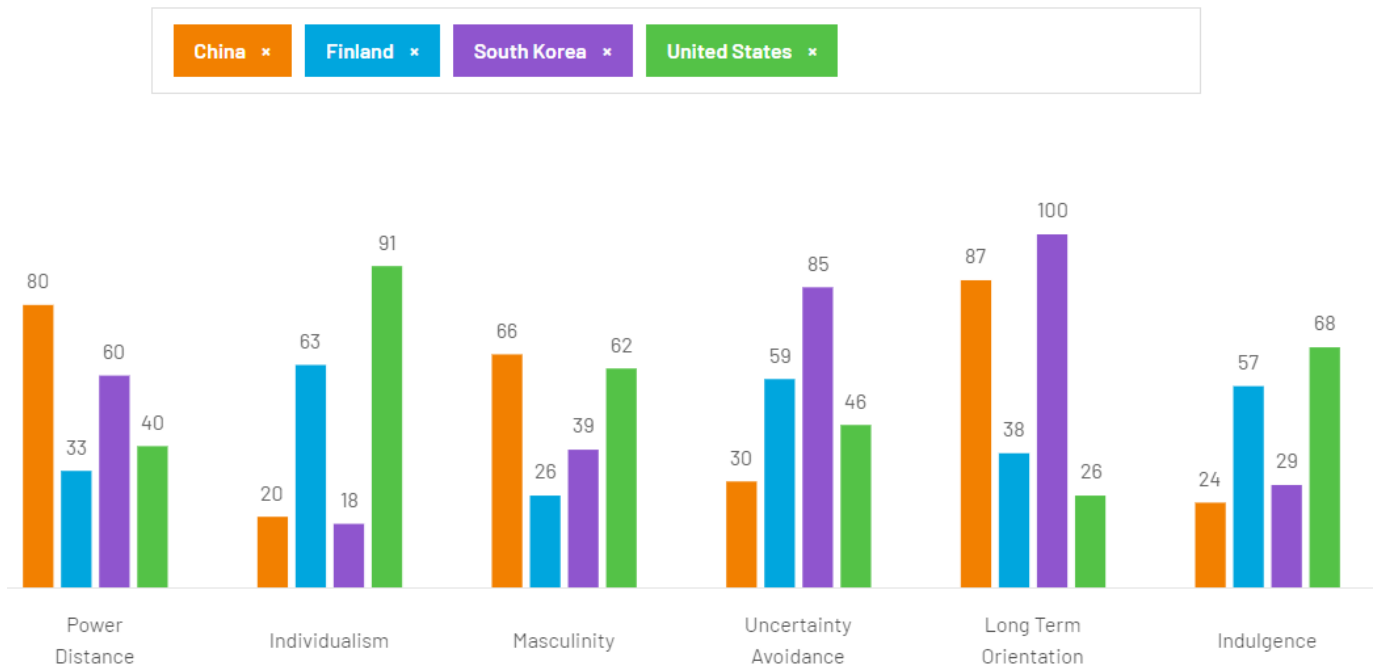


Figure 4. Country comparison of South Korea's closest trade markets and Finland (Hofstede Insight, n.d.).

From this table, we can see that South Korea is already trading with countries that are vastly different from itself. The biggest factor is that compared to the other countries, Finland is the most feminine country out of them all. Especially if we also consider South Korea's shift to a more masculine mindset. Outside of that, South Korea is already accustomed to trading with highly individualistic, and more short-term oriented and indulged countries, as the United States scores similarly to Finland in these categories. Just because they are used to trading with countries with similar characteristics to Finland, we cannot know how these relationships are working, and what kind of solutions they have created for the cultural differences.

2.4 Informal networks

Korean network ties are not widely studied even though Korea is one of the economically competitive countries (Horak, 2018, p. 208). With the quick rise in the South Korean economy, the interest in the effect of the informal network on business has risen and their

importance has been noticed. In this section, we will review what has been previously studied about this topic.

98% of responders in the KOSSDA survey in South Korea regarded informal ties to be important (Park, 2010 p. 102). This cannot be disregarded in the policies of Finnish companies looking to expand to the South Korean market as lacking network ties can affect companies' performance or survival. Communication is an important factor for working partnerships as OECD LEED (2006, p. 15) stated that "If the organizational structure of a partnership is the glue that holds it together, then communication is the grease which allows it to operate smoothly". This is still relevant on the current date, as the basics of relationships, which communication is, do not change. They continue by reminding of how complicated the process of communication between people is. If many aspects can go wrong, disturb, and create a misunderstanding between people who are from the same cultural background, the difficulty between people from different cultures cannot be overlooked.

The informal networks in South Korea's culture are complex, and some aspects of them are not accessible to outsiders. The informal ties are commonly categorized into Yongjo, Inmaek, and Yonjul (Horak, 2018, p. 207). Yongjo is a type of network that a person is born with and it cannot be chosen. This means people of the same regional origin, family, or education institute. Yonjul is a purpose-based connection network, that can be obtained. This type of network is often associated with unethical activities (op. cit., pp. 209–210), so it is advisable for Finnish companies to not get associated with Yonjul-ties. Lastly, Inmaek refers to all other networks that are created through life (op. cit. p. 210). These networks can vary from weak to strong ties, regarding the time and effort put into the relationships. This is the type of Korean network that is most achievable and beneficial for foreign companies. The first impression is important when being introduced to a Korean, the introducer should be a respected person, which is known by both parties (Gesteland, 2012, p. 201). This shows that the introduced person is trustworthy as they are introduced by someone, whose credibility is already confirmed. In Korean culture, status can be transferred to some extent between people (op. cit. p. 201) so being introduced by a person of high status will increase the introduced person's status as well as it shows that they are trusted by a high-ranking person. This is why it is especially important that trust is not broken in Korean relationships.

Some of the benefits that companies with good networks are that they can share information and keep transaction costs low (Yee, 2000, p.348). He shows in his study that with

modernization, the network ties in Korea are changing from strong ties to weak ones. This could mean that there is more room and acceptance for outsiders in Koreans' networking circles compared to before. Based on this, we can conclude that informal networks hold great importance in South Korea, and Finnish companies should try to utilize them while building their network there and maintaining them frequently. This maintenance can be done by frequent small talk or having lunch or dinner together over drinks (Gesteland, 2012, p. 201)

2.5 The framework

In this framework, we studied how the environment is for SMEs and start-ups in South Korea. From the history of large family corporations, South Korea has changed due to internationalizing to support a bigger variety of enterprises. Nowadays South Korea has a more suitable environment for starting a new business due to their sizable government support and changing views. This has made Korea attractive for new business ventures and resulted in the startup market being highly competitive and difficult for new start-ups to survive in. This is especially true for Finnish SMEs who come from a small, less competitive market that might not be prepared for the difference. To stay competitive in the fierce market, it is good for Finnish SMEs to form partnerships to complement their skills and resources, and to help with adapting to the local culture and etiquette.

To create and manage partnerships in South Korea it is important to understand the cultural differences to avoid mistakes and misunderstandings that could harm the partnership. Even though Korean culture has started to change from its Confucianism values to more individualist values, they still place a lot more value on relationships and dyads than Finnish people do. As South Koreans are more focused on long-term success, avoiding uncertainties, and maintaining harmony in their surroundings and relationships, they will appreciate partnerships that respect those values. This includes focusing on building long-lasting relationships with goals that will have a long-lasting effect. Because of uncertainty avoidance, they will prefer less risky partnerships. For this, I would advise Finnish companies to build their company profile and credibility. The formed relationships and networks should be maintained with respect and frequent contact.

3 EMPIRICAL RESEARCH

Based on the literature review, we concluded that networking and building informal relationships are important for the survival of new start-ups. In this empirical research, we want to study if the companies working in Korea have had similar experiences, and how the reality possibly differs from the theory.

3.1 Research methods

This empirical research aims to understand networking and partnerships from the company's perspective and find ways to utilize the available tools for networking. I wanted to focus on people's experiences and learn about the current situation in networking in Korea. For this, I used qualitative research to better understand people's experiences as it is the most suitable method for understanding people's opinions and practices. The methods selected are semi-structured interviews and participant observation.

3.2 Interview

For this study semi-structured interviews with selected candidates were conducted. To find people for the interviews, I selected people with related experience for the interviews by reaching out to my current network. Only people who work in a related field or with related experience were selected for the interview. That is also the reason why semi-structured interviews were selected as an interview type; It allowed me the flexibility to focus on each of their unique experiences more deeply (Kallio et al., 2016, p. 2955). The selected interviewees were from different situations to gain a wider understanding of the topic. The challenge with this selection method was that knowing an interviewee personally could form a bias. To avoid this, I asked people who I do not have close ties with. Only with interviewee 5 had I considerably spent time with before the interview, but I decided the value of having their narrative as a young Finnish person, who has recent experience working with Koreans, outweighed the challenges. I also met with Futurecode's, current business partner called CMNIX for an interview and meeting on behalf of the company. The company dubbed their previous television series DibiDogs in Korean language and distributed it for Korean channels. In the meeting, I got to ask them about the current partnership with Futurecode, and possible improvements

that could be made in the partnership as well as their opinion on networking for non-Korean companies.

I had a base of questions for each interview, which acted as a guide for the interviews, but I allowed and encouraged the interviewees to expand from the questions to their personal experiences. The questions were modified based to fit their experience and if they were Korean or non-Korean. The topics focused on the interviewee's experience of networking and working internationally in South Korea to better understand how applicable the theoretical framework is to modern South Korea, or if the people's experiences differentiate from the theory. Below the general information about the interviews are summarized.

Table 1. General information about the Interviews.

Participants with pseudonyms	Experience on the topic	Nationality	Date of Interview	Duration	Place	Language
Interview 1: Consultant	Consulting company and web store.	South Korean	21.04.2023	1h30 min	Phone interview - WhatsApp	Finnish
Interview 2: Networker	Networking business in South Korea	British (West African ethnicity)	29.04.2023	30min	Face to face interview in Seoul	English
Interview 3: Start-up employee	Start Up in fashion platform business	South Korean	09.05.2023	30min	Face to face interview In Seoul	English
Interview 4: Partner company	CMNIX – current partner company	South Korean	14.04.2023	30 min	Face to face interview in Seoul	English
Interview 5: Student	Previous exchange student, experience working with Koreans	Finnish	Sent 22.05.2023 Received 02.06.2023	-	Written interview over Kakao Talk	Finnish

3.3 Summary of the main findings

As expected, every individual has their own experience and reacts differently to working in international settings. There were repeating details that came up in the interviews. One thing common in all the interviews was the emphasize on understanding the Korean culture.

The topics interested in these interviews:

- How important they perceived networking to have been in their career and partnerships.
- Experience networking in Korea.
- Their experience doing a partnership with non-Korean/Korean partners.

3.3.1 Perceived importance of networking

The perceived importance of partnership and networking changed greatly between the interviewees. Commonly all the participants regarded networking necessity or a core of business for Koreans operating with Koreans, but when it came to relationships with non-Koreans, the feeling was different. Networkers considered it to be the most important aspect while operating in Korea while Consultant did not see it as crucial for the success of the company. Partner company stated that it was really important, after a pause to continue “especially for Koreans”. Both of the non-Korean interviewees saw it as most crucial to succeeding in the South Korean market. In the interview with the Student, one reason for this was said to be the cost of operating in South Korea without a partner. It seems that the importance of networking and informal ties for Finnish companies is not as easy to define as the theoretical framework suggested.

All the Korean participants saw networking as beneficial for the non-Korean companies, but not necessary for their success. Based on the interviews, the general idea of Koreans was that non-Korean companies can survive in South Korea without having large networks or close relationships with their partners. There was a feeling that mutual understanding would not be reached due to the cultural differences, so it is better to operate without involving

Korean ethics in the business with non-Koreans (Start-up employee). Despite that, the Korean language and cultural knowledge were emphasized in every interview to be the first thing that companies should focus on. If not by learning by themselves, then by hiring a Korean to work with them and handle the local procedures. For many Finnish SMEs, it is not possibility to hire new personnel to handle the operations in Finland, but this is useful to be in mind after the operations grow and it is possible.

The knowledge about Korean culture and language being the utmost important aspect is easily understandable because it rose to the most mentioned when asked for the biggest challenges working with other cultures. This was shown in an interview with the Startup employee as the interviewee said that it is almost like the foreign companies must do a cultural exchange at the same time, they are trying to enter the Korean market. It was said that many nuances from Korean culture might not translate, which might interfere with the partnership process. Student also mentioned that a mistake with the etiquette that causes disrespect for the partner can ruin the partnership, and second changes are rarely given after that.

Even if networking is not seen as important for non-Koreans as for Koreans, in every interview it was stated that it will only be beneficial for the non-Korean companies. As they place high importance on relationships, if they must decide between two companies, everyone asked would have to choose the one they know personally.

3.3.2 Experience on networking

The method mentioned in every interview to start reaching out to partners was by sending quotes online to interested companies. In the interview with Partner Company, he mentioned that in Korea all the major sections have open Kakao Talk groups that the entrepreneurs use regularly for networking. Kakao Talk is the main messaging app used in Korea, with over 85% of Koreans as its users (We Are Social, & Meltwater, 2023). He also mentioned that these groups are closely connected. Consultant mentioned Koreans are active fair and expo visitors, and Student also mentioned those as a possible way on finding networks and partners in the company's sector. In networking the importance of face-to-face meetings was emphasized in interviews with the Consultant, Networker, and Start-up employee. Meeting face-to-face requires the attended to physically be in Korea, so it could be seen that companies that operate directly from South Korea could be in advantage. We cannot make definite

conclusions based on this size sample, but the findings implicate that in South Korea, the social circles within the sectors are tight, and if you can find them and a way in, you can find numerous contacts at the same time.

Korean participants found networking to be a necessity in their companies while working with Koreans, but Start-up employee also mentioned it to be a big strain. She said that forming and maintaining relationships for business purposes can sometimes feel unnecessary.

3.3.3 Experience in partnership with Korean/non-Koreans

The expectations for non-Koreans in networking and partnerships seemed to vary. Consultant emphasized that companies who have more experience working internationally will naturally be more accustomed to different cultures, and they do not expect foreigners to know all the Korean etiquette and customs. Start-up employee mentioned this too, as according to them, their Korean company, which was used to working internationally, did not even try to have informal ties with their non-Korean partner company. With Korean partners, they would regularly go to karaoke or dinners, but with non-Korean companies, they solely focused on the business.

Some aspects of these Korean companies do not seem to fade even with international experience and this is the *ppalli ppalli* (in English this means “quickly”) culture. In this culture, everything needs to happen efficiently and quickly (Boja, 2016, p. 180). It is often related to the Korean's ambition to achieve accomplished life. This culture can be seen in the interviews with the Consultant, Networker, and Start-up employee, it was said that for a partnership it is crucial to have a clear sales format and pitch honed to perfection before starting networking. The Koreans were said to determine within the first five minutes if the partnership would bring them benefits or not. In case the Korean does not see the value in the partnership, they do not see the point of pursuing the relationship (Networker). This seems to be the most crucial thing, as Networker said that the foreigners who have stayed in Korea for a longer period, seemed to have adapted this type of thinking. It is not likely that they would adapt something that they would not need in their line of work if it was not necessary.

Even though Korean language skills were seen as one of the most important things, alongside cultural knowledge, it was mentioned by both Networker and Start-up employee that someone speaking Korean does not mean that there will be mutual understanding.

Sometimes the cultural factors cannot be translated into other languages. Networker and Student saw that then the best option is adjusting and being flexible to the Korean standards. Networker also mentioned that even though he can speak Korean, sometimes the Koreans do not seem to accept that and are still hesitant to communicate. Respectively he also mentioned that sometimes just speaking basic Korean will make the Korean counter partner so much more comfortable in communicating. Start-up employee emphasized the personality of Koreans by saying that they are always conscious. She said that being too forward when money is involved might ruin the business. This is why companies looking to network with Koreans should pay attention to their communication skills.

3.4 Participant observation

Participant observation was selected as one of the research methods for this thesis because it is the most convenient way to gain a better understanding of the topic by allowing one to feel the atmospheres, what type of people go to these events, and if the events are effective in networking. These were the main interest of the participant observations.

As I participated in the same events as someone actually trying to network in the area, the data is of predictive quality; Someone attending similar events trying to network will have a similar experience (Gaille, 2020). With participant observation, there is easily observation bias. I was mindful of this and all the aspects where I could be biased while conducting the observations. I also brought another observer with me to the events and compared the experiences to detect any abnormalities. I did not detect any bias through that method. The amount of event participated was small due to the lack of time and manpower, so it is not possible to do a reliable generalization based on the data.

The selected event was open to the public so written consent was not required. I still confirmed from the organizers that observing the event for this thesis was allowed.

3.5 Searching for networking opportunities

I was not only interested in the network event itself but the selection of international networking events in Seoul. To find events for participant observation I conducted internet study on the available options that are available for people looking to network in South Korea. Many business associations are active in helping newcomers to adapt to the South Korean market

and they have an important role in connecting businesses in the same sector. Their events were mostly only available for the association members or participation is charged, so I could not use them in my study. Active business associations that operate in South Korea are mainly concentrated in Seoul. There are also specific communities that focus on supporting entrepreneurs in Korea. One of them is Seoul Startups, which is solely operating in English. They organize events for their community to network and help them to advance in their career. Another one is a startup grind, which is a community for start-ups, founders, and creators.

The first networking event selected for this study was posted online on an event management and ticketing website called Eventbrite. On that website, there were some types of networking events at least once a month. For the second event, I decided to reach out to my current network and ask for their advice for events for networking. The event recommended for me was a lecture on Korea's culture products and their image abroad and in Korea. The attendants were both Koreans and foreign expatriates.

3.6 Findings

The participants in the first event were mostly people in their 20s who were just starting their journey with start-ups and were interested in the topic. A minority of them were Koreans. The event was marketed for both investors and entrepreneurs, but most of the attendants were entrepreneurs. For young entrepreneurs, it was a good place to network with people in similar situations. The attendants of the second event were on average older than the first event and had stayed longer in South Korea. The two events were different and offered their own advantages for people looking to expand their network in Korea. The first event allowed newcomers to connect and start building their careers together in Korea, and the second one allowed people to make connections with people already integrated into Korean society and learn from their experiences.

The second event was not an official networking event, so naturally the focus was not on networking. However, after the event, there was free time to connect and meet the other attendants. The people attending the lecture might not be as actively looking to expand their business, but many of them had years of experience working in South Korea or managing a business there, so it was an effective way to learn and connect with people from various sectors. Both of the two events had a welcoming atmosphere and people were interested in

newcomers. In the first event, people were more eager to network, which is expectable as was a networking event for start-ups, and the second hold more informative values to learn about Korean culture. There was also a higher number of Koreans attending.

As discussed in the theoretical framework, start-ups are on the rise in South Korea. This could be seen in the interest in different types of entrepreneurial events offered in Seoul and the amount of support available. There were many international networking events available and development workshops. Networking through events will require social skills and adaptability to find suitable partners. As mentioned in the interviews, it is important to have a solid sales pitch ready for your business to show that you are prepared and your enterprise can offer value for the counter partner. While networking at events, the importance of cultural knowledge increases, as there are more nuances to be read in face-to-face interactions.

4 DISCUSSION

During this thesis, we tried to determine how Finnish companies should approach networking and partnerships with South Korean companies. This discussion section includes a summary of the main findings of the study as well as practical recommendations lead from them for Finnish SMEs and the commissioning company.

4.1 Conclusion of the main findings

South Korea's business environment is changing to be more suitable for start-ups and SMEs, as the government tries to break the former power structure, where all the power is concentrated for the chaebols. With the new policies, which promote innovation and SMEs and start-ups, it has and continues to become and popular start-up environment. The selected partner depends on the Finnish SMEs' goals and characteristics, but generally one of the biggest challenges in expanding to South Korea is the high costs, which many of the SMEs do not have resources for. For this, collaborating with a larger company could solve that problem. The biggest challenges culturally could come from the differences in hierarchy and power structure, which are not something typical in Finland.

In the theoretical framework it was discovered that due to South Korea's Confucian values, which can be seen in the country's cultural profile, the networks and relationships hold a great importance in business culture. Even if based on the interviews, it seems that Koreans are already accustomed to international customs as a result of their internationalization and their expectations and attitudes towards non-Korean companies are different from the expectations of Korean companies. They do not necessarily expect them to know and follow Korean etiquette. This does not mean that the effort to understand the culture and the ethics behind it would not be beneficial and it is better for Finnish SMEs looking to enter the market to participate in the informal network where they can, especially when working with Korean companies that are not as used on operating internationally.

The value placed on personal ties, and long-lasting relationships implies that Koreans prefer partners that they have close ties with. The informal networks are intertwined with the business networks in South Korea, so Finnish SMEs should try to participate in *Imaek*-ties to their best abilities. These ties are all the connections made throughout life, and their strength depends on the time and energy invested in it so Finnish SMEs should strengthen the ties they

create. This is why when looking for partners, Finnish companies should network personally in Korea through fairs and networking events, in addition to sending email quotes. The connections made face-to-face should be continued and built after the connection is made. Understanding the culture behind the people reduce the amount of misunderstanding or miscommunication, making the ties easier to manage. To manage the formed partnerships Finnish companies should have more frequent contact with their partners, utilize soft values, and respect the cultural differences.

Networking should start with the evaluation of the company's needs and goals so that they can find a partner that compliments them, this includes the sales format and argument as well as thorough market study. This is also essential as Koreans are used to efficiency with the ppalli ppalli culture, there is no room for hesitation or uncertainty in the first meeting. The partnerships should be built strategically, long term-effect in mind, as the Koreans are highly relationship and long-term oriented. Because of the ppalli ppalli culture and South Korea's uncertainty avoidance, Finnish SMEs should build their company profile credibility, so that they can show through their accomplishments their trustworthiness and their value as a partner. Confucianism can be seen in every aspect of South Korea, in how it has shaped its culture and economy. It is also apparent in the strict etiquette rules, which differ from Finland's, where etiquette is relaxed and not as strict due to the small power distances. As being disrespectful is not tolerated because of the hierarchy in South Korea, the Finnish SMEs must learn about the etiquette rules and how to respect the power dynamics.

The Finnish culture differs from the Korean culture greatly in aspects of individualism, time orientation, and indulgence, and Finnish SMEs should be prepared to have challenges with these differences. As these differences exist in the core of the culture, it is not realistic to expect to understand them through theoretical research only. The enterprises have to learn to identify these differences in their ways of operating and communicating. This comes through experience, but having theoretical knowledge will help in the process as they can better know what to expect.

4.2 Development suggestions for the company

Futurecode aims to find a strategic Korean partner, who is interested to increase their own business in the Korean market. This partner should be knowledgeable of the education sector and have the possibility to market the products on social media. This is because their objective is to have someone who can localize the product and manage the local marketing, which would also increase their profit and expand distribution channels. The partner would also gain credibility by internationalizing and profit. They want to develop the partnership into a long-lasting one with additional projects in the same field. For this, they need someone, who is knowledgeable of the education section in South Korea as well as has ways to market the product on social media. Having a strategic partnership instead of a purely transactional partnership is better in the South Korean market because of the long-term orientation of South Korea and the value they place on relationships due to Confucian values. In case the partnership works for both of them, the plan is to extend it to future projects.

Based on the study in this thesis on the cultural and economic situation in South Korea, I would suggest that Futurecode would benefit the most by seeking partnerships with international kindergartens and early educational institutions in Seoul. Korean society is heavily invested in children's academic education, as it is seen to be the key to success. This comes from Confucianism promoting meritocracy through education, which surfaces as an intensive entrance examination (Chung, 2015, pp. 90–91). Because of the fierce competition, most parents focus on promoting their children's academic skills rather than social and emotional skills (Partner company). The international institutes as well as the parents sending their children there are more likely to have an open mind to international influence on the children's education, which would make them more open-minded for allocating resources on parenting courses, and social and emotional growth.

4.3 Suggestion for further research

The number of interviews and observation were limited, so for further study, a larger pool of participants could be included. The participated events were limited to the events that were held during the spring, in English, and open for anyone to attend. To get a better understanding of the different nuances of the networking pool, a bigger variety of events could be attended, especially fairs and expos. One of the limitations of this thesis was the lack of

understanding Korean language and utilizing the information available in Korean could provide new insight for this study.

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APPENDICES

Appendix 1. Questions asked in the interviews

Appendix 2. Interview 1 transcript

Appendix 3. Interview 2 transcript

Appendix 4. Interview 3 transcript

Appendix 5. Interview 4 transcript

Appendix 6. Interview 5 transcript

Appendix 7. Participant observation 1

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Appendix 9. Dibi dogs in Korea

1Appendix 1. Questions asked in the interviews

The interview questions for semi-constructed interviews.

- Basic information: Nationality, connection to South Korea, sector of expertise, years of expertise
- 1) Do you have experience working with foreign partners in your career?
 - a. Can you describe your experience?
- 2) How important do you think networking is for foreign companies looking to expand to Korea?
- 3) What are the most important qualities for international companies to have while trying to enter the Korean market?
- 4) (What are the challenges of working with Korean partners?)
- 5) What do you think are the best routes for international companies to network in South Korea for their business?
- 6) Advice for networking for companies looking to expand to the South Korean market?
- 7) Advice for international companies to manage their networks in Korea?

Appendix 2. Interview 1 transcript

Nationality: South Korean

Interview time: April 21st, 2023, 15:00-16:37 o'clock (GMT +9)

Place: Phone interview via WhatsApp application and Teams in Seoul

Interviewer: Emilia Koivisto

Expertise: Consulting firm for Finnish companies looking to export to South Korea, exporting to South Korea, and e-commerce companies in South Korea.

This Interview was conducted from South Korea through a Teams application as a phone call interview on 21.04.2023. The interviewer was Koivisto Emilia interviewee was a Company owner of a consulting firm for Finnish and Korean companies. The interview was conducted in Finnish. The interview was semi-structured. The relevant parts used in the interview are transcripts and other parts are summarized. The names have been edited out of the interviews. Before the interview, I explained the study and its purpose and got the interviewees informed consent for the interview and for recording it. Interviewees got the questions in advance of the interview so that they can prepare their answers.

Transcript:

When person develops a product, they have a lot of ideas. The person gets convinced of one of the ideas, which creates the sales format. This is what they start to sell. After the person has thought and searched for information of the product, market, and competitors to determine which is would work, they create a sales argument based on them. This includes what works for you, the product, and the customer; why the product is a good one. The third aspect is a sales route. The ways the same product can end up to the end consumer can vary vastly. The fourth aspect is the sales price. What usually happens is that the sales format that is the most competitive form. Sales argument, looks good, good price etc. who uses. Then there is lastly the sales route and place. Sales price is very psychological, these is no right price for a product but seller creates it for consumers as the consumer does not know the

right price for the product. Salespeople builds services and decides the prices for those. Your thesis goes over the sales route on how the product can be brought to the south Korean market. None of these four aspects are separatable but connected; for the sale to happen and everything to advance, these four aspects need to work together.

When we talk about the sales route, there is people and companies that are involved in the process. They could be partners, buyers, vendors, chief buyer, importers, or the final consumer. We are going to focus on the sales place (South Korea). When we converse, the practicality and the theoretical knowledge taught at schools' difference. It depends on which sector you're working in. The culture in these sectors is different. But these four things are always what are talked about. So, when you start to export, these four aspects need to be studied through market research. This is often the weak link for Finnish companies, that they do not do enough or know how to do market research and invest enough on it even though it is essential. Only the product is cared of and blindly shot into the market with hopes of someone getting interested, without proper market. This is the common way. Often it happens that if somebody succeeds, it is mainly based on coincidence. When asking from experienced people, based on what I have noticed, is that their success is partly due to a luck and coincidence. So, it is partly true that luck is one part of it, but you can still do it systematically. Then the four aspects that I have emphasized earlier, needs to be spent a lot of energy to. When you are confirmed that these aspects are in order due to the market research you should move to work on the practical level. That aspects many are lacking as they might not have the skills or knowledge that they need. When doing market research, the data is often already expired. For an example, if you go to a store and take a picture of the products on sale and gather data from wholesalers or google search words on what is trending right now. These all are the things that are trending right now. They are products that are already on the price competition and soon dying. So, there is no point on copying those products. Usually, product lifecycle end and it dies when it gets to the price competition. at least Finnish products because they are always more expensive. It is important to remember that those are dying products that have already had their best life, and there are left so many products that are only competing with only one argument, the price. And then there will soon be better, younger, and different products.

Okey so who does this work for small companies, no one if the entrepreneur does not do it. I have come to a conclusion that it is impossible to push your product to the market because

companies do not have resources. You would need millions of euros in your account to start marketing and leading the market and you need to lead the market to make your product profitable. Usually, companies do not have enough resources, skills, or knowledge of the competitors nor the trends. We are living in Finland, that is farther away, in small bubble. When you develop your product here, it might seem suitable, but when you go to the bigger markets, you can notice that the world is much quicker and harder than what we are used to. Usually, you push to the market with two elements, with brand or with price. In Finland it cannot be the price so it needs to be the brand, but how are you going to build that in Finland's small 5 million market? I have been thinking that problem, and tried all the standard pushing technics, and it seems that it does not work. It is only dreaming or coincidence. I have experience from two ways to do business, ecommerce, and tourism. I started in the 90's as a tourist guide in a travel agency and saw how the travelling business started. Until then I have kept track on what tourism creates, and I noticed that tourists are the ones who physically bring Finnish products to the international market which slowly brings them brand recognition. Afterwards the exporters activated to this and helped to increase the volume. This way products should be helped to get pushed to the market instead of pushing them. This is the agenda that I am currently leading and want to share.

Finnish companies should cooperate instead of everyone just concentrating on their own things. But I understand this could be because of the lack of the resources. My part is to build the sales route for companies, so the companies are left with only three aspects to handle, the price and building the product and the argument. If one is left out, it makes it lot easier. For pushing to the market, one company's format is not enough, there should be multiple of them. Then cooperation would be easier. Companies often like to focus on concrete things instead of daydreaming, they are practical people. When you get the sales route built, it is easier for other companies to follow the lead. This is what I have lately been doing.

For a company wanting to go to a South Korean market. Before building the contacts, company first needs to have the following things: Believable organization and background. So that the partner in Korea can see that what they are able to do. If they can manufacture products and how quickly.

Q: You are planning to bring the Finnish brand through tourism. Are there other ways for it?

Other route is international fairs. Fairs specific for the sector. South Koreans are one of the most active fair visitors so it is one surprising way to find Asian importers. There are also consults, like Business Finland, that are also a third route. But it is more dependable on your own effort, at least nowadays, to go to the fairs and build a network with your own face. Networking is its own skill so it also needs experience and skills.

It is difficult. I have been thinking about the challenges that Finnish companies face. Big South Korean businesses will not partner with small businesses (profit 1 million) when they are talking about 10- 100million profit, they get interested. The size and brand value are just not enough in Finland and their products are not attractive enough for bigger markets. When thinking of partnering with a smaller South Korean company, they need a lot of support, and their ability to push to a market is not high enough. Finnish brand products also need a lot of energy, so partnership is not beneficial for them. There is the possibility if you network enough, you might find someone who is coincidentally looking specifically for that Finnish product. Then what happens is that they get one or two product sales and the partnership ends there. Because after they get the first product, they will figure out where can they get it for cheaper. They can copy the products for cheaper better from Korean and cheaper and quicker from China. So why would they buy from Finland. The business world is cold and calculative world, where companies do not do charity. Numbers, speed, and quality of service resolves everything. Finnish brands have a lot of developing to do there, but I do think Finnish firms have potential if we would do things correctly. In my company, I realized that things need to be done through commercial routes. I believed that Finnish product are good, but the feedback said that they are just not competitive in the market. I have tried the standard methods, basic ways of doing business, and what we understand as commercial ways, and they did not bring results. The thing is that Finland is commercially weak country, even though positive with their imago. What can we then do?

Q: If you tried everything, what can we do? What new ways is there to try?

What we need to do in Finland. The private and public sectors need to do more cooperation with each other. Public health organization and economic life representatives with their resources needs to do more goal directed cooperation with the private companies. How they have tried to achieve this in the past, they have made trips to represent themselves, with

business Finland for an example, where the companies are included. But these have not really brought results as no one bring in money. It does not work out.

You know as you are in soul what is the atmosphere there? It is located between China and Japan. Japan is interesting travel destination because of it has samurai culture, anime culture, geisha, food. It has been the image of East Asia so many tourists chose it as a destination. And then in 90's 00' China opened. It was grand and had China wall. What about Korea? They have been able to brand themselves through culture. One of the most successful formats for this have been taekwondo. And it happened. Koreans strategically wanted to spread taekwondo throughout the world to make the country's brand more well known. Government supported the rise of taekwondo. I don't remember the exact number but there are tens of millions of people who practice taekwondo. And they tried to take it to Olympics. 20 years ago, they constructed an area near Seoul for taekwondo, for its history, teaching and they offer the black belt certificates. So, around the world people come to Korea for taekwondo, and stay there for couple of weeks. There are private studios where they practice, go to Kukkiwon, and enjoy Korea's culture, food etc. This is the mechanism and it was target orientally done together by private people and the government.

Q: But is there anything similar in Finland that we could take abroad?

Yes, we have, the culture, history etc. but the need to have intent and targets to execute it commercially. The global trend is changing right now. After the world became more industrial after the World War II in 70's 80'', which made people to move to cities after work. But the world is changing with working online and industries are getting located everywhere in the country, also outside of cities so people are moving out of cities. For an example, Seoul's population is shrinking. We should drive this model in Finland, that is possible to live in different parts in Finland. There is a lot of movement to cities happening, but in Finland, generally there is more appreciation to rural areas so the infrastructures are better for living outsides of cities.

What to do to go to Korea:

- You need a product through market research.

- You need to attend networking event and talk about your product.
- You need a reference behind it.
- Selling or networking is not difficult, that you can do for free.

Q: So, networking is easy if everything is ready?

Yes, if you have a good product, you will be contacted to the point you get tired. Sales argument, and format to be okay and networking is easy.

If one has a good product, I can immediately put it forward. But if we talk about the business culture, when introducing your idea, the products need to be easily understandable and the product easily understandable, the pricing easily understandable, and the presentation needs to be good. There is a certain presentation content.

Who you are, where you are from what background, product, and sales argument and what is costs. This needs to be flawless. Koreans like speed, so it needs to come without hesitation to convince the buyer.

Q: And this needs to happen face to face personally?

Yes, you need to tell the brand value, what you have achieved so far with what type of results. Koreans have a habit that Koreans have the upper hand in negotiations and it is something to be prepared for. They have also gotten used to that sellers work for the sales, that they change their working styles, and work for the sales. This is something they are used for. Koreans that have done business internationally understand that that cannot always happen. Korean importers do understand that products builders are in really important position for them as they will not have products without them, so they will try to keep up a good relationship and not overpower them to be slaves. Commerce is in the end a personality question. Good self-confidence is a good base. In business, we should encourage the good qualities of Finns, they are known to be reliable. In the conversation, it is good to bring forward any relations to Korea; any experience that have about Korea, also not related to business, boosts their self-confidence, and makes them flattered. The culture in Korean is really work focused, so they appreciate humanly gestures like this. Even though we talk about hard values, they

appreciate soft values too and work a lot on emotional level. Pragmatic but in the bottom is soft side. But networking is a skill that can be learned through commercial experience, good and bad. See if there is international expos and fairs.

Nowadays people are more careful, maybe because of media coverage bringing forward bad things. There needs to be a good mission for success.

You need to get you product to get naturally get pushed to the market. This is why I feel the tourism is the only way.

Partnership in Korea means sharing the profit 50/50. If there is commercial partnership, Koreans often expect the sole selling rights. Looking for the partners is not difficult. It may seem difficult because they are not known in Finland. You can find partners just by googling. The market research needs to be done on feet, not by sitting. The base rule is to have someone on car to drive to different stores to talk to people there. Sitting in front of computer is not going to produce good results. For me it seems that Koreans are all interested on entrepreneurship. At least with me they always talk about that.

This is my viewpoint, the people who are in big corporations and have people who do exporting. I represent small business consulting, what to expect etc. ecommerce, and own sports business. Consulting for small export 2016 and I have tried different routes. I have thought about this for a long time.

Appendix 3. Interview 2 transcript

Nationality: UK national, Nigerian ethnicity

Interview time: April 29th, 2023, 14:30-15:00 o'clock (GMT +9)

Place: Seoul, Hongdae

Interviewer: Emilia Koivisto

Expertise: Co-operates a networking organization for international entrepreneurs and expatriates in Seoul. Has lived in Korea for five years.

This Interview was conducted face to face in Seoul. The interviewer was Koivisto Emilia interviewee was an operator for networking organization. The interview was an unstructured interview that was hold in English. Transcript is edited for readability. The names have been edited out of the interviews as well as all identifiable information. Before the interview, I explained the research and its purposed and got the interviewees informed consent for the interview and for voice recording it.

Transcript:

Networking is the most important thing in Korea. There two things that could set any business apart: First one is networking skills and the second one is real estate. Real estate is the king in Korea because it allows you, well there are many people in Korea who are earning a profit right now just by renting out an empty space.

Q: Is it that important?

Having a space is important to establish your place in Korea. Remember when we joked about that burger place and how is it going to last. But why do we do that joke? Because they cannot afford the space to rent anymore, that is why we have so many star bucks right now,

three to four starts. Because most of the real estate is going up, even when it momentarily goes down at one point it goes up, it is still 20% more compared to 10 years ago.

Q: Is the product the most important aspect in success, or other way around?

I think that people do not really care about products. I think some people care, mostly retail users care, investors mostly do not care, they mostly care about how much return they can get. Obviously if it is a good product, there is a higher change of return. But that does not mean that there is no bad product. There are products that are lacking but they are better on networking side so they get further. Networking will make or break your product, but your product will not make or break your network. That's how I see it.

Q: You have a mostly worked with international people, and not so much with Koreans, is the environment different?

Really different, People in Korea are all about trends and age and conforming so there are some ways of thinking that do not just translate, like you can say them in Korean but they won't understand the actual concept that you are talking about - They are still like why do you not do this though - Koreans might listening and still ask why you do not do it this way even though you just explained why you do it the way you do. So, it is makes working with Korean partners much more difficult the more Korean they are.

Q: Do you have to be the more flexible?

Definitely. Not only in B to B but when you are an employee too. I will describe a situation from my last job; My last job required a lot of international hours, so working at night, so I thought that since I am working at night, I can be a little bit late in the morning – 15 – 20—30 minutes, whatever. If I am working until 2am, the 30 minutes in the morning does not make a difference. But the Korean companies still say that you have to be there on time. And will not budge even if you explain that you have to work until 2am. And the overtime is not even compensated. Mostly the compensation is taxi or dinner.

In Korea, in Korean company, it is about how the other people will see you and how they will complain. But I do not understand why they are complaining when they are going home and I

am the only one sitting there until midnight for like two weeks in the row. And no one is saying why does he get to stay, I want to stay too.

Q: International companies have their own communities, how are these divided?

Korean companies founded by Koreans, Korean companies founded by Korean Americans, who still have a different culture but still operate the same way as other Korean companies. Then you have like Korean companies that work with foreign partners and Korean companies who are trying to go abroad. These are all different. Then you have the same thing but on the international side. International companies that work with Korean partners but are not necessarily trying to enter Korea and then you got companies that straight up try to go to Korean retail customer, then you just got international people who got separate markets who might not operate the same way as a big diverse group of people, but mostly you just got the group of people who speak Korean and the others.

Q: Do they not mix with each other? So, the breaking thing is Korean language?

If you speak Korean, then you get to meet a lot of people and companies and to be like a bridge sometimes for the international companies coming in. So, speaking Korean opens more doors than if you do not.

Q. Do the face value matter, should you go meet people face to face?

Even if you speak Korean, sometimes people do not accept that I speak Korean. I start to speak Korean to them and they start to speak English to me, or when they straight up except that I cannot speak Korea, and I try to network, "no English" and I answer "no worries I can speak Korean" this puts them in an awkward position when they have to talk to me when they did not want to talk to me.

Q: You said that networking is the most important thing, make or break it? Can you open this bit more?

You find out that in every industry, there is basically only one company that is on the top. It is efficient to know those companies' people from those companies. You find in different industries that they are owned by big companies, so instead of finding a contract with individual

you want to speak to the person who owns them all, is not going to be as regulated. But they are not going to talk to you, so how can you get to that person, you must know this person who knows that person and. And you network your way to the top.

Q: What do you think are the important qualities for companies that are looking to expand to Korea?

Probably to understand Korean, also Korean people and I think a lot of foreign brands already have the appeal that they are international, so they already have that advantage. So, example, if you have a French bakery brand, it is automatically in advance. But you cannot rest on that alone. It is important to understand that it is a different market with different qualities.

Q: What set them apart from the others?

So, like understanding Korea, more than understanding trends. You might have great product but you cannot market it the same way to Korean as for Americans. Just being really aware on how different Korea is. That is what they need, but they already have an advantage on being international.

Q: What do you think is the best route for international companies to expand to Korea?

If I would start again, I would put a lot more effort into finding all the small groups. There are a lot of small communities, who have people who have already stayed in Korea for a long time – like expatriate communities. Really make a big push into that so you can meet the people. And quite not selling the information, just hearing it out and make the use of that. And find it the Korean person, it will make your life 300% easier. At least find someone to localize your website and so on. Even if you cannot speak Korean, you can know something about our company and then from there. Either hire a Korean person or learn Korean.

Q: So, the Korean skills are really important?

Yeah like 99% of it all That could be the difference between friendship or not. Not that there are no people who won't talk to you, but it is not seen like "oh you do not speak Korean, I am

not going to be friends with you” They are too shy to approach you. They have a lot to say but they do not know how to say that in English so they feel overwhelmed. But once they realize it is okay, I think it is not only Korea, but any country, the language but when you are in Europa you get away with it because most people speak Korean to some extent. Because of that fear, they are not going to come forward, but if you just come forward and speak little, it will make them so much more comfortable. That is why languages are in a big part and the next part is culture.

Do you know if you are working with international companies here versus the Korean companies, do the expectations differ? How close the relationships should be with you partners, and what you should do in that partnership.

You must keep contact and meet sometimes. – face to face – sometimes. The important thing is to remember that without money, there is no relationship. Without any benefit, almost no one is going to keep in contact. It must be beneficial from straight away; it is not going to work out. Korea does not work without money first. With international companies it is different. You have the people who have stayed in Korea for such a long time that they have almost adopted that Korean mentality. So they are really much like that if you do not have a benefit for me, then I don't even want to be your friend, but then you have the people who are like, “you might not be of benefit for me but I am going to keep you in my contacts anyway” and they are going to contact you every once in a while like every couple of months. And that is more common with international companies. I have never got that from Korean company and had them message me like “Hi how are you doing, just checking on you.”

- Internationally you keep the contact just in case you need it in the future.

But Korea is like ppali ppali – if there is no immediate benefit, goodbye. But I think that harms them because you have to be suspended. Because they are going to determine it from like 5 min conversation and after that they will stop paying attention. But there are many factors, like sometimes you might need it a little bit later or that might be the solution or you might have someone else that might benefit from it. So, I think it is not good to judge so quickly, it limits the options.

Q: Which one you think is more common? Looking for partnerships with same size companies or different sizes?

I think this is not only Korea, but I think that big companies, not just mega companies, but there are some big companies that are actually quite open for collaboration but nobody messages them because they think they are too big. But I guess that this a benefit that foreign people or international people have as they are braver to actually ask. For me there is no company that is too big. For me the worst thing you can do is to ignore my email. Like even if I get a reply it is going to be no. often, I have found a partnership by just asking. So do not limit yourself based on the company size.

Appendix 4. Interview 3 transcript

Nationality: South Korean

Interview time: May 9th, 2023, 19:30-20:30 o'clock (GMT +9)

Place: Seoul, Hongdae

Interviewer: Emilia Koivisto

Expertise: Has worked internationally, and is currently working in an start up

This Interview was conducted face to face in Seoul. The interviewer was Koivisto Emilia interviewee was from a fashion platform start-up. The interview was an unstructured interview that was hold in English. Transcript is edited for readability. The names have been edited out of the interviews as well as all identifiable information. Before the interview, I explained the research and its purposed and got the interviewees informed consent for the interview and for voice recording it.

Transcript:

I explain a little bit about my working experience. I started my career in the fashion field. So, I went to New York to learn and work at a fashion company at Manhattan so back in the time I was a production and sales department so it was about retail business or department stores in New York or other states. So, then I came back to Korea after one year and I started my career as a merchandiser, which is a wide reign of jobs. I was a fashion person, but three or four years after working in merchandising, I realized that this business is old and typical retail business. I have a lot of limits and borders to expand some potentials for new businesses or new business models. So, I wanted to work in platform businesses. I did not limit it as a start-up or other thing but I just needed and wanted to build my career in IT field. What I thought at the time, event thought it is really typica land traditional business industry, when it meets technical potentials, it just booms. But I had no experience on IT and I did not know about it at all. So, I applied for a position at a start-up company that was very small company, that just started their business. Just the CEO CTO and sales manager beside me. The company made fashion B to B platform. It was kind of retail but

also an IT and platform business so I did everything for the business for retail wise and platform wise because it was only the four of us so we needed to do everything. That was when I actually started my career in start-up. In couple months later my official position had been changed to product manager for the platform site and then that was when I became a product manager.

Q: So, platform business operated mainly in Korea?

It is a global business.

Q: I want to hear more about the start-up environment here, how it is for start-ups- is it easy?

Yes, I have many acquaintances that already built up their start up business or had any entrepreneur experiences before. So, it is not that thought or hard to own a start up, I guess.

Q: Does the startup you are in only employes Koreans? I do not know how it is for foreigners if they want to start-up?

I have never seen any foreigners in any of my companies even though I have always worked in international companies. I do not think they are generous about foreign workers because of the culture, not because of visa issues etc.

Q: I hear that the international workers are concentrates on specific companies that accept them, and then there are companies that only employe Koreans, is that right? Did I understand tight that you have not had foreign partners with your start up?

Not yet, but we are expanding to other countries, so we might get some international partners. My last company was a global business where we imported foreign fashion luxury goods from suppliers from Europe and America and sold the goods to the domestic buyers (In Korea). Then we had many partners in other countries.

Q: You were working abroad for a year and now you are working here, is it different and how?

Yes, it is different, especially the culture. Generally, start-ups are known for their free and open minds and culture. Compared to my work experience in New York, it is still totally different here (in Korea). Even though the start-ups are trying to make their own new cultural

frame and rules, we are still Koreans and have Korean culture so it is not easy to break out of them and build a totally new culture.

Americans are totally individuals; in my experience they do not care about others. She (late boss) did not even know my real name my name and we did not talk about anything else than what I was doing at work. It was really free in that way but in Korea, we do care a lot about others. Sometimes even too much, but when I need any help or anything, they always are there to help.

Q: Is the informal network important in Korea? Is it hard for international workers that come here to learn the informal networking?

They did not tend to hire foreigners.

Q: Do you think informal networking is still important for people wanting to expand to Korea?

I do not think so, in my opinion, let's say that I am a person in charge of an international partnership. What I care the most is what they have and what they can give us. But when they are Korean, I will probably try to make a good relationship with them first, that is super Korean thing. When they are internationals, I will probably be more straightforward about the business because I know that it will not click, we are not going to click with each other. Then what I have to concentrate on is just our business. Just the realistic things.

Q: So, the expectations are different for internationals and Koreans

Yeah

Q: You said that you first look what you can first gain from international partnership, what are the first things that you are looking for in the partnership?

I just said that networking is not the key between Koreans and internationals, but I do think it will be helpful when they start a brand-new partnership. In informal way, let's say that we meet each other at a conference or an informal networking party. When we talk about each other and the businesses, we can get really close in a short amount of time and I do think it will be really helpful to get to know about your business because otherwise I have no idea about you or your business. If we met at a casual occasion, it will be an

opportunity to. It is important to meet face to face, even though it is not the key, it can be an opportunity. I think.

Q: Do Korean companies do a lot of networking event between each other?

I do not think so, I try to remember the former experiences at the global company. We did not do it that much, in the beginning we just send emails or used partnerships we already had.

Q: To create new contacts?

yeah, so they would introduce new companies for us. I think that is what we did. But once we did build a partnership with an international company. That was when we really tried to develop the partnership or the relationship, we were talking and meeting, having a call or something. I think the most important thing for Koreans is meeting and talking in person and giving each other some. (It is hard to explain!)

How Italians do business is similar in the way of doing business. I worked in an Italian company before and was impressed about their attitude because it was really similar to ours. It is kind of opposite to the Germany, which is strict, a lot of space between people. Italians and Koreans are not like that, we try to develop our relationships enthusiastically in person and break the barrier. We try to give them something personally, give small gifts or something.

Q: Best routes for internationally companies to find partners here in the beginning when they are trying to look for partners

I do not know, but I think just sending out quote emails or LinkedIn – finding them online.

Q: I still want to go back to how you said it is more direct when working with international companies. Does it mean that you should have really clean idea on what you want to do or proceed, if you take contact to do business?

I think I mean that we try to be more accurate when we do business with them. I was trying to say that the international partnerships we just get rid of the Korean things of the relationships. We do not expect the Korean things from them or the typical things we do in Korea. it makes the relationship really clear as the only thing we have now is just the business.

When we develop the relationship with them, we would bring them to Korean karaoke or go to a Korean pup or bar together, but in the beginning, it is not like that because of the cultural differences.

I do not really like the Korean style where you have to go to karaoke with the partners and it is a lot of hassle. Sometimes it brings issues and it will definitely be challenging because they (foreign companies) also need to learn and try get used to the Korean culture even when they have no idea about Koreans or Korean culture. They kind of have to do their business and the cultural exchange at the same time. It is draining and exhausting. I do not want to put them through that.

Q: It is a lot to learn. What is the business etiquette one should follow in Korea, anything specific one should know?

I think we are picky in comparison to European countries (well there are a lot of countries in Europe but (For an example) Compared to Italy, France or America or Japan). I think we are more generous about etiquette because we are more enthusiastic and we are more eager to get to know you in person. The nuances the subtle vibes and atmospheres between people are important for us. Actually, it is the core or key to Korean culture so when they (foreign companies) have no idea about it, they might be misunderstood sometimes. I think. We are not straightforward, even in business emails or conference calls. We try to be nice and more generous and we do not want to hurt you. Sometimes it gets subtle and indirect and they have no idea about it so sometimes there might be some misunderstandings.

In business it is all about money so when we are being straight or ballsy, it might ruin the business (in Korea), so we are always conscious and nervous. I think this how Koreans are, not straightforward, not bold, not courageous.

Q: Any advice for international companies looking to expand to Korea?

Learning the culture is important. In every culture, when you are trying to expand your business to any country, the first thing is to learn the culture what they want. It is typical advice, but it is important. We have a lot of cases when international companies failed to

expand their businesses into other countries because the lack of understanding of the culture.

Korean people are diligent and try a lot. They ever take a break or chill. They always try to do something more and better so they are always hustling. It is inspiring and gives me a lot of inspiration, but sometimes I wonder “why are we like this”. Working too much and we don't even know that.

Appendix 5: Interview 4 transcript

Nationality: South Korean

Interview time: May 12th, 2023, 12:00-12:30 o'clock (GMT +9)

Place: Seoul, Gangnam-gu

Interviewer: Emilia Koivisto

Expertise: Dubbing company for international productions to Korean

This Interview was conducted face to face in Seoul. The interviewer was Koivisto Emilia. The interview was an unstructured interview that was hold in English. Transcript is edited for readability. The names have been edited out of the interviews as well as all identifiable information. Before the interview, I explained the study and its purpose for the interviewee. Notes were taken by hand. In this interview, we talked about private company matters, so only the relevant parts for this thesis are transcript.

Transcript:

Q: What should people/companies do when they want to expand to South Korea

When company is first starting to look to expand to South Korean market, they should look up all the government support they are entitled to. Afterwards they can continue to the communities. For an example, there are open Kakao groups for different sectors.

Q: How important do you think networking is for those companies and in Korea?

Networking is really important – especially for Koreans. For internationals as long as they have something that the partner company can profit from, they are okay. Even though networking is not necessity for international companies, in case they have to choose between two companies, naturally they will choose the one that they know.

Appendix 6. Interview 5 transcript

Nationality: Finnish

Interview time: Interview questions sent May 22, 2023; Response received June 2, 2023

Place: email interview via Kakao Talk

Interviewer: Emilia Koivisto

Expertise: Student who has experience working with South Koreans

This Interview was executed as an email interview due to reasons in the schedule. The interviewer was Koivisto Emilia and interviewee was Finn who has completed exchange studies in Seoul and has experience working with Korean after that. The interview was a semi-structured interview that was hold in Finnish. The questions were sent beforehand and the interviewee was introduced to answer freely on the topic of the questions. Transcript is edited for readability and translated for English. The names have been edited out of the interviews as well as all identifiable information. Before the interview, I explained the study and its purpose and got the interviewees informed consent for the interview.

Transcript translated in English:

Working with Koreans:

I worked with Koreans in two different projects. Regarding film editing, and antique trade for about a year. Due to cultural differences, working can sometimes be frustrating with them.

Working in Korea requires a foreigner to have some kind of network. It is almost impossible to work or do business as a foreigner without it. Expensive to say the least. Operating in Korea requires a foreign company to invest up to 100 million won, or about 60,000 euros, or a local business partner.

In Korea, as in other parts of Asia, trust is based on personal trust and honor. Understanding the culture is very important for working in Korea. For example, the honor of cooperation

partners must not be dishonored under any circumstances, and new opportunities are rarely given. The schedules are also very dynamic, which can create problems for the Finnish company.

The best way for a SMEs company to expand into the Korean market is to find a local partner. You can find a cooperation partners, for an example, at trade fairs in different fields or with the help of Business Finland.

Maintaining networks may require attending lunches or other company events. In Korea, it is not considered good if you fail to participate in joint activities even outside of working hours.

Appendix 7. Participant observation 1

Observer: Emilia Koivisto

Date: April 12, 2023

Location: 124 124 Yanghwa-ro Mapo-gu, Seoul 121-210, South Korea

Time of observation: 5:50pm – 9:10pm

Person involved: Organizer, Startups presenting and the visitors.

18:00-18:30 Networking and introduction

18:30-19:30 Pitches and feedback

Startups presenting: Examfy - Edutech

SojuDAO - Web3 coworkings

Olindias - Developing MVPs for other startups

mirrorboard - Final form of web communication

Coconut Silo - AI Mobility Startup from Hyundai

19:30-21:00 Networking

Observation memo:

The age of participants was approximately based on my estimate at 20-35 years old. There were around 70 participants, which was at the maximum capacity of the event. The event followed the event schedule closely. The organizer was a Spanish networking event organizer called Eventos Emprendedores or Entrepreneurship Events. Majority of the participants were also Spanish, and the event was partly organized with the Spanish school doing part of their studies in South Korea. The event was held completely in English, and all the participants could speak it to at least to a conversational level, but I could still sometimes detect a language barrier with the participant, but those issues were resolved every time. Three of the Start Ups presenting were by foreigners, and one by a Korean, but most of the Startups employed at least some Koreans. The presentations were both online and offline.

The people in the event seemed social and took contact to each other during the networking part. The conversations I hear were mostly casual and in a friendly manner.

Appendix 8. Participant observation 2

[Lecture] 'K-Invisible'

March 28, 2023

7:30 – 9:30

Insadong-gil 7, Jongno-gu, Seoul

Organizer, Lecturer, and the visitors

The event was held in an event room that could hold up to an estimate of 50 people. All the seats were taken, and some people were standing to listen to the lecture. When I asked the organizers, they were surprised of the turnout of the event, and had not been prepared for so many to show up. The participants were a mix of Koreans and other nationalities, with around 40/60 division. The people seemed to be mostly familiar with each other as they talked comfortably before the lecture started. When talking to the participants, many of them had lived in Korea for multiple years and had built a career there. They were welcoming and interested in newcomers, but because this was not an official networking event, there were no official introductions for other than the organizer and the lecturer. After the event, there was an opportunity for the participants to continue the night informally at the nearby café/bar. Estimate of 20 people stayed to converse after the event.

Appendix 9. Dibidogs in Korea

