

More than one type of “born global”: Findings from a comparative case study of Finnish rock and metal bands

Authors to be added after blind review

Abstract: A review the pertinent literature on international entrepreneurship research literature on born-global firms and new international ventures suggests that, taken as a whole, this literature has suffered from a lack of new kinds of research settings. In this study we contribute to filling this research gap by cross-pollinating our literature review of born-global firms with an analysis of the internationalization processes of six Finnish metal-music bands. Our analysis identifies commonalities and differences in the distribution strategies, on the one hand, and managerial and production support for the pro core offering of these born-global ventures, on the other hand. We find that these ventures can be grouped along what we call a business-orientation, on the one hand, and a focus on what we call an artist-orientation, on the other hand. At the end of the paper, we discuss why we believe these orientations to be generalizable also to other industries.

Key words: *Creative entrepreneurship, Born global, International new ventures, Cultural export, Music industry*

1. Introduction

The seminal study of Autio, Sapienza and Almeida (2000) explicitly builds on Miller and Shamsie's (Miller and Shamsie in Autio et al., 2000) study of the history of the Hollywood movie industries, a creative and cultural industry. Few studies have made explicit links between born-global ventures or other rapidly internationalizing new ventures, on the one hand, and the creative and cultural industries, on the other hand. Studies of born-global ventures and similar business ventures from such small and open economies as Sweden, New Zealand, Australia or Finland have not fed into research in the creative and cultural industries. While studies in the creative and cultural industries exist (e.g. Negus, 2002; Powell and Hadlercreutz, 2007; Jones et al., 2005; Falay et al. 2007, Statistics Finland 2009; Hauge et al., 2009) hardly ever have these fed into research on born-global ventures, international ventures or international entrepreneurship, either. While research on born global ventures has highlighted the importance of strong distributors, few scholars in any field have explicitly studied how the creative and cultural industries can be taken as a case of open innovation where large multinational entertainment and media corporations and small local operators coexist and co-evolve (see Jones, Anand and Alvarez, 2005).

Only one other study is known to the authors of this paper that tries to make an explicit link between the phenomena of born global ventures and the creative and cultural industries (Falay et al., 2007). However, this latter study makes no reference to Autio et al.'s study, for example. Yet, the seminal findings from the above studies in creative and cultural industries promise to specify why and how international marketing and distribution networks may be springboards for entrepreneurial success and entrepreneurial culture in any industry.. Thus, it is clear that the framework for born-global cultural ventures in the creative and cultural industries is far from mature. Oviatt and McDougall (2005) find that research on international entrepreneurship suffers from a lack of research designs that would provide for richer theory rather than only texts or apply existing theory. We take the creative and cultural industries as one answer to the call for research in international business made by Knight and Cavusgil (2004) to focus research on the global innovation ecosystems, where the operations of diverse forms of large multinational and small local firms coexist and co-evolve, often in complex ways.

The popular music industry provides an interesting research design setting for various approaches and disciplines, and thus one answer to the call of Oviatt and McDougall (2005) for new kinds of research settings and recognizing why there may not be a one best way to be born global. In this paper, we specify and make more explicit than so far how and why many artists in this creative and cultural industry can be construed as entrepreneurs that break through internationally soon after founding their particular “venture”, the band or music group. At the end of our paper, we provide implications for research and practice in other genres of music in both the creative and cultural industries and other industries.

2. Objectives and methodology

This study is part of a research project that investigates export and globalization structures and practices of Finnish rock and metal bands. The purpose of this paper is to identify generic approaches to cultural exports with a particular focus on music export and, furthermore, the management practices of the bands and the coordination of export activities around the core offering of music. In this paper, we focus on the international music market, paying particular attention to US markets, (i.e. the market leading the global markets) from which data has been collected between autumn 2007 and spring 2009.

For this study, six Finnish metal bands (Apocalyptica, Amorphis, Children of Bodom, HIM, Negative, and Nightwish) were studied through a qualitative in-depth case study approach. For the purposes of our analysis, we regard these bands as “ventures” within the framework of cultural export. We chose the case study approach because it is particularly suitable to the explorative and descriptive objectives (Yin, 2003). Qualitative case approach has an important place in the study of international business (Marschan-Piekkari and Welch, 2004), where data is collected from cross-border and cross-cultural settings (Ghauri and Pervez, 2004). The choice of the six case bands was purposeful, based on the international success of the selected bands beginning from the mid-1990s. Semi-structured interviews were chosen as the primary data collection method, while they provide the needed freedom and flexibility (Yin, 2003).

Research was carried out in two overlapping stages. The first stage started in 2005. Inspired by ethnographic methods the stage of inquiry involved understanding and describing what was happening in around the bands in the perspective of the people involved: band members, managers, distributors, merchandisers, promoters and so

on. While, generally, the caveat of the ethnographic approach is that the researcher threatens to lose the ability to see the group of people under study also as an outsider, this caveat was mitigated in our study by having more than one researcher and by comparing one group of people with another. One of the researchers followed two bands on tour for a month and a half, collecting ethnographic data, and gathered data from secondary sources such as popular press and industry reports. In addition, individual gigs or shows were followed in the case of also one other band. In the case of the tours and the gigs, the majority of the members of each band were always interviewed, as were the bands' managers, gig arrangers, and merchandisers.

The second stage started in 2007 and was purposeful in creating research settings when we started integrating the ethnographic and other data to make these systematically comparable across bands, as well as across points in time in the case of each particular band ([authors 1]; [authors 2]). All of the bands we chose to study have authentic products based on authentic intent to express high musical talent in terms of both song writing skills and technical skills. Most of these bands have also created an original concept that was novel to the industry at the time they broke through, and a first-mover advantage. These bands are ventures with cooperative networks and external resources in manufacturing and/or distribution, so that they have been able to globalize regardless of their limited resources. At the same time, they have nevertheless managed to hold on to artistic freedom in creating their music. We focused on what enabled these relatively successful ventures to compete against local established players in very challenging global music markets. We mapped out the coordination mechanisms that concern the management and business practices of these firms.

The choice of born globals as the theoretical approach for this study is justified while it seems that the selected case bands fulfill the main requirements of what international business research literature has named a born global firm (BG): their products have global market potential, they combine their potential with entrepreneurial capability to seek methods of accelerated internationalization, they have a global vision and, they are independent firms (Gabrielsson et al., 2008). They also depend on unique and tacit know-how to sustain their advantage (Schoemaker, 1990; Barney, 1991). Founders in these kinds of firms fund product development with their own money before sales take-off, build networks extensively with supportive firms and business associates, use the internet as one of their marketing channels, and often use Multinational Enterprises (MNEs) to distribute and license their products through at least some of the channels (Autio et al., 2000).

The research literature on born globals is reviewed in slightly more detail, below. Thereafter, we provide short ethnographies or out views of two bands with whom we have closely collaborated in the context of this research. This is followed by a replication of the research approach thus developed to describe also four other bands. Finally we present preliminary findings from historical comparative analysis of the six bands and draw conclusions and implications for further research.

3. Born globals as the theoretical basis

Research literature on born globals has found that born globals are young, small sized ventures that internationalize their business very early on and are usually originated in small and open economies (“SMOPECs”; Kirpalani and Luostarinen, 1999) such as Scandinavia or New Zealand. BGs have been studied in the field of international business since early 1990’s (Jolly et al., 1992; Rennie, 1993; Autio et al., 2000; Knight and Cavusgil, 2004). Luostarinen’s (1994) early review suggests that small and internationally oriented firms are a more important part of the competitiveness of small and open economy countries than they are that of large economies. This is because in and open economy countries, the domestic push factors (openness, smallness and location) dominate successful firms’ decisions to start globalization. Market size is almost without exception larger on the global market than close at home which, in turn, represents a pull force (Luostarinen, 1994). Countries such as Sweden, with 8 million inhabitants, and Finland, with only 5 million, are good examples of small and open economy countries. Due to the small domestic markets in these countries, fast and quick internationalization is a way to build up minimum efficient scale and thus to survive for many firms (Falay et al., 2007).

BGs have several characteristics that set them apart from other business organizations. In this chapter, we review four categories of these characteristics which Falay et al (2007), among others, have found to be key.

First, BGs are usually **small in size and young in age**. These characteristics provide the firms with greater flexibility and allow them to internationalize on a faster pace. When the venture is oriented toward international markets from the start, its learning will fundamentally be oriented to learning fast about international markets (Autio et al., 2000). This latter finding in born-globals research, in particular, is what makes it contrast with the traditional Uppsala school of internationalization, which has focused on the internationalization of firms with a

pre-existing history of business in their domestic business (Johansson and Vahlne, 1977). When a small and open economy has been a lead market in a technology that has spread globally, such as mobile telephony (Beise, 2004), smallness becomes an advantage: there are few players in the world that can authentically deliver the same offering to global markets (Jones, Anand and Alveréz, 2005).

Within this context of small in size and young in age, some born global ventures are much like what cultural studies have called a “piece of art”. The authenticity of a piece of art derives from its underlying idea that according to many cultural scholars cannot be decoupled from the artist that conceives the idea, and vice versa. Thus, the piece of art or its sale on the market effectively cannot be decoupled from the identity of the artist or person that conceived it, a relationship that in turn provides the piece of art with unique value. Outside cultural studies, others (North, 2005; [authors 3]) have found that of reliance on personalized rather than market exchange is often a cause of dependency on the energy of the founder(s) and is a challenge to the creation of economies of scale. On the other hand, born global ventures thrive in industries where new technologies appear in significant ways (Autio et al., 2000; cf. Jolly, Alahuhta et al., 1992). The Internet and other new technologies “blow up” conventional trade-offs between reach and richness of communication (Prasantham, 2005; Evans and Wurster, 1997) :

“[Earlier] a firm could either communicate intimately with a small audience (e.g. a salesman interacting with a prospective customer) or superficially with a large audience (e.g. a commercial on national television). The Internet however [is an example of a technology that] allows firms to, using a Web site, provide in-depth and interactive (i.e. rich) content to a potentially global audience (i.e. reach).... indeed as a consequence of this, one study found that small firms with Web sites perceived themselves to be engaging in ‘border-crossing’ (Walczuch et al., 2000)... internationalization is likely to be facilitated by the Internet (Berry and Brock, 2004; Prashantham and Young, 2004).

Second, the fact is that rapid changes in consumer demands cause the need in many parts of the world for products to be customized. Consumers’ desires to interact with producer firms are resources for the creation of small niche markets where relative economies of scale across individual consumers or other consumer may be achieved. BGs have an advantage over the larger firms that often are not able to adapt and adjust to the changing

demands in the international markets. Exploiting this advantage, born-global firms target their **innovative and unique products to global niche markets** (Madsen and Servais, 1997).

Third, physical distance from the markets is not considered a negative factor for BGs; in fact, they tend to specialize on finding and exploiting on **international networks and cooperation**, working through a combination of channels such as supportive firms, business associates, and/or the Internet, while outsourcing non-core competencies (Autio et al., 2000). Different from the nationally specific networks and cooperation (Djelic and Ainamo, 1999), BGs use networks that cut across national borders (Gabrielsson et al., 2008). BGs make a virtue of their willingness to adapt their internationalization strategy to the needs of the market as well as of the lack of fixed routines (Falay et al., 2007, Moen and Servais, 2002).

Fourth, entrepreneurial orientation is important in creating a path-dependency of international orientation (Autio et al., 2000). Since these new ventures typically have scarce resources to make their ambitions come true, they typically must have **strong distribution partners** such as MNEs as systems integrators or global customers to distribute or license the born globals' products or services (Aldrich and Zimmer, 1986, Autio et al., 2000; Gabrielsson et al., 2008; cf. Jones et al., 2005).

In sum, given the technological orientation, research on born global ventures can be characterized as a search for a one best way of going global from the very start of a venture's process of internationalization. The premise is that diverse kinds of BGs can be combined into the same data set in terms of management practice or research, without making distinctions between one and another kind of a unit of analysis. We take in this paper a slightly different approach. Falay et al. (2007) take it that born globals need not be first and foremost about technology but can also be about creativity and culture. Building on this insight, we report in this paper findings from our comparative case study of six rock and metal bands, construing each of these bands as a born-global venture. In the findings we specify different types of born global ventures.

4. Overview of selected Finnish bands in the context of the global music industry

In Finland, the share of music in cultural export grew at an annual rate of 30-40 percent between 1999 and 2005, thus growing five-fold, making it a notable contribution to the Finnish economy of the early 21st century (Statistics Finland, 2009). Much of the success has come from markets where competition is the hardest. For example, the U.S. is also the world's biggest music market and an extremely challenging one to enter for foreign artists (Power and Hallencreutz, 2007). Still, several Finnish metal bands such as HIM, Children of Bodom, and Nightwish have succeeded in this task (Mäkelä, 2008). According to a survey conducted by Musex (Music Export Finland), the United States music market accounts for fourteen percent of the export of Finnish popular music (Music Export Finland, 2007). It appears that somehow Finland's heavy music scene has produced bands as if Finland was one of the "lead markets" (Beise, 2004) for new generations of heavy metal music in 21st century U.S., Japanese, European, and other markets.

However, in studying these bands, we have found that the precise ways in which they have formed international networks differ from one another in ways that are significant with regard to the business operations of these bands as well as to similar creative and cultural enterprises in general. We first provide overviews of the six bands. Next we show how differences occur in terms of management, touring as well as distribution practices. Then we describe and compare all of the six ventures.

Children of Bodom (COB)

Children of Bodom (COB) was formed in 1993 in Espoo, by Alexi Laiho (guitars and vocals) and Jaska Raatikainen (drums). In late 1996 the band signed a three-album deal with Spinefarm Records. After their first album was released in 1997 they started touring in Europe and later in Japan on regular basis, starting as a support act for bigger bands and persistently working their way up the bill. COB played their first North American gigs in Montreal, Canada, and at the Milwaukee Metal Fest XIV, in the U.S. in 2000. COB was meant to be distributed in the US by Nuclear Blast America in 2000, but the company went bankrupt. Consequently, there appeared a delay in entering the U.S. market, as it was not until 2003 when Century Media licensed their fourth album *Hate Crew Deathroll* in the U.S. The following albums have been released by Fontana Distribution, a daughter company of Universal Music Group (that has a global record deal with the band). By 2009, COB has

sold 500.000 albums in the U.S. In the U.S., Alexi Laiho's guitar skills have been recognized in the music media, leading to his consecration in *Guitar World* magazine as the most promising young guitar player in 2006 and the best metal guitarist in 2009.

Nightwish

Nightwish was founded by Tuomas Holopainen (keyboards) in Kitee in 1997. Soon after recording their first demo, Spinefarm Records, the same company that signed COB, released the debut album *Angels fall first* (1997), after which Nightwish started touring in Europe, mostly as a headlining act. In fall 2001, Ewo Pohjola left Spinefarm and started to work as the Nightwish manager together with Toni Peiju. By then, Nightwish was already an established player in the European markets. In the years 2001 and 2002, 150 000 people saw the "Nightwish World Tour of the Century", and the band played their first ever shows in the U.S. in 2003. In the same year, Nightwish also signed a new record deal in the U.S. with Roadrunner Records. Their previous albums had been licensed in the U.S. by Century Media. Nightwish does not have a global record deal; instead they have different labels in different markets. In their fifth album *Once* (2004), Nightwish used a real orchestra and covered the recording costs themselves. By doing this, they took a conscious risk which, in the end, paid off. *Once* hit the top of the European album charts, something a Finnish band had not accomplished before. In 2007, the band released their sixth studio album *Dark Passion Play* with a new (Swedish) singer Anette Olzon. The album sold over one million copies world-wide, including 100 000 copies in the U.S. Altogether Nightwish has sold a bit less than 500 000 albums in the U.S. by April 2009 and over 3 million albums globally (2007).

Amorphis

In January 1991, Amorphis recorded their first and only demo which caught the attention of Relapse Records (an American underground metal label) who signed the band immediately. Two songs were released on their first 7" single and later an EP called *Privilege of Evil* in 1993. Frequent club gigs won the group a devoted fan base even before they entered in May 1992 Stockholm's famed Sunlight Studio to record their first full-length album. Their first album, *Karelian Isthmus* (1993)—like the four following albums—was distributed in Europe through Nuclear Blast Records. Their second album, *Tales from a thousand lakes* (1994), was a huge success. The stress of the touring and tough schedules led to changes in the line-up by the time the third album, *Elegy*, was recorded

in 1996. The band released *Tuonela* in 1999. *Am Universum* in 2001 was the last album with the American label Relapse Records. The next album *Far from the Sun* was produced by the band itself and it was only released in Europe, by Virgin/EMI. The US release was scheduled to be in 2004 with the support of a tour, which eventually got cancelled and the singer left the band. A new singer, Tomi Joutsen, joined for the recording of the seventh album *Eclipse* (2006), which was released by Nuclear Blast. *Silent Waters* and *Skyforger* came out in 2007 and 2009, respectively. In between these albums, in 2008, the band actively toured Europe and also did a small tour of North America.

HIM

HIM was founded in 1991 by singer and songwriter Ville Valo. They sent their demo tapes to several record companies and labels in Finland and abroad. Many turned HIM down, including Nuclear Blast, Roadrunner, Spinefarm and Stupido Twins. Kai Hynninen, who had his own small label called Zen Garden was and is a friend of a friend of Ville Valo, the band's leader. Finally, in 1996, Hynninen gave HIM's demo tape to Asko Kallonen at BMG, a large multinational record label, asking if BMG could use their music in some way. At this point, HIM had played only two live shows. The demo tape impressed Kallonen with its sound and vocals and he met with Valo. Still, Kallonen was not sure if the Finnish market was ready for this kind of Finnish rock with English language lyrics. He had not heard the band play live either. BMG published at first HIM as an EP called *666 Ways to Love* in fall 1996. The first album *Greatest Lovesongs Vol. 666* came out in 1997.

BMG tried to license HIM to Germany but the German office of BMG was not interested. When Silke Yli-Sirniö, who worked for a German label, heard HIM's EP and she immediately liked the band and contacted her boss in Germany and they agreed to release HIM in Germany. The album was released in Germany in November 1998. When the record deal was being negotiated, HIM contacted Seppo Vesterinen, who was a legendary rock music manager in Finland, working in the 1980s with Hanoi Rocks which, in turn, became the model Gun's 'n' Roses, an American band that sold millions in the 1990s with their *Appetite for Destruction* album. Vesterinen advised HIM on contracting. The collaboration with Vesterinen has continued ever since. He was for a long time totally dedicated to HIM. Recently, he has started to manage also other bands, such as Rasmus. Two months before the release the band played a couple of festivals in Germany. After the album was released the band toured Germany. The album sold 50 000 copies in Germany, and when the next album was released the debut album had already

sold 150 000 copies. HIM has never categorized itself as belonging to a particular genre, other than “love metal”, Ville Valo’s depiction of what HIM’s music is about and the essence of HIM. According to Vesterinen, if a band is considered a metal band, the audience will be prejudiced towards it. A metal band’s record sales in German speaking Europe are rarely more than 50 000 copies per album. HIM’s second album *Razorblade Romance* was recorded in Wales. The album sold 500 000 copies in Germany only. After the album *Deep shadows and Brilliant Highlights* (2001) the band paid their first visit to the America. Skateboarder and TV persona Bam Margera had become a huge fan of the band and started promoting them in the U.S. using his status as a teenage icon. The collaboration paid off: with *Dark Light* (2005) HIM became the first Finnish band to be granted a gold record in the U.S. (500 000 copies sold). Their latest album *Venus Doom* was released in 2007. By 2007 HIM had sold over 5,5 million albums globally (Statistics Finland, 2009).

Negative

Negative was founded in 1997 when singer Jonne Aaron and drummer Janne Himanen (aka Jay Slammer) met while still in high school. The band started off playing Nirvana cover songs. After recording a promotional single at Cosmic Studios, they were offered a record deal with GBFarm records. Jonne’s brother Tommi was already the band’s manager at this point. The lineup was finalized in summer 2003, after the release of the band’s debut album *War of Love*. The band’s style is “glam rock,” which would have allowed writing songs in Finnish but the band used English lyrics from the start because of an explicit intent to internationalize. *War of Love* (2003) was released in Scandinavia as well as in Japan, thanks to help from a Japanese visitor hearing and seeing the band in Finland that summer and relaying knowledge to Japan. Negative played their first shows outside Finland in the beginning of 2004 in Sweden, Germany, and Japan. The band’s second album *Sweet and Deceitful* (2004) was released more or less simultaneously in Scandinavia, Russia, Germany, Japan, Austria and Switzerland. The band toured all these countries soon after the release. After the release of their third album *Anorectic*, Negative also played some shows in China. Their fourth album *Karma Killer* was released in 2008.

Apocalyptica

Apocalyptica was formed in the early 90’s. Eicca Toppinen and the three other founding members were all fans of heavy metal and decided to form their own band using four cellos instead of the more typical duo guitar

arrangement. Toppinen arranged songs by Metallica, Slayer and other metal legends and the group embarked on a series of shows at student functions. As their services became more and more in demand, Apocalyptica took the bold step of playing a gig at heavy metal club Teatro in Helsinki in 1995. Kari Hynninen of Zen Garden Records instantly offered them a record deal and the chance to release their debut album, *Plays Metallica by Four Cellos* (1996). This album sold over one million copies worldwide. Apocalyptica were an overnight success in Finland, with a surprisingly large audience that contained both die-hard metal fans and fans of classical music. Apocalyptica spent the rest of the 90s earning themselves a formidable reputation as a live act. In 1998 they released their second album, *Inquisition Symphony*, featuring cover songs by Faith No More, Pantera and Sepultura. It also featured the band's first original material: three songs which revealed that there was far more to Apocalyptica than novelty. With their third studio effort, *Cult* (2000), they moved away from cover versions and towards recording their own material. The band had shrunk to a trio by this point. Apocalyptica released their fourth studio album, *Reflections* (2003), followed by *Apocalyptica* (2005), which featured HIM frontman Ville Valo, The Rasmus frontman Lauri Ylönen, and Dave Lombardo of Slayer. The next album, *Worlds Collide* (2007), featured even more famous guest vocalists: Corey Taylor (Slipknot, Stonesour), Cristina Scabbia (Lacuna Coil), Adam Gontier (3 Days Grace) and Dave Lombardo. Apocalyptica has sold over 2,5 million albums globally.

5. Ethnographic study of two bands

When we moved to the second stage of our research (i.e. 2009), we began this with an intensive period of ethnography study of the two bands, COB and Nightwish. We paid attention to their international business operations and to commonalities and differences in their management, touring and distribution practices. The three themes of management, touring and distribution derived from what we interpreted during the pilot stage of our research (i.e. 2005 to 2008) as important and meaningful in all the six bands Finnish rock and metal bands that we had analyzed in the pilot stage. In the intensive second-stage ethnographic phase of study, we used these themes that derived from talk and discussion and discourse about international business in Finnish rock and metal music as anchors in the collection of both in terms of deepening and growing our data base.

5.1 Management practices

In terms of generic management approaches, a focus on two cases suffices to show that these involve rather different practices. Since 2007, COB has used a separate management company that is specialized in the U.S. markets, for example. Nightwish, in turn, has used a global management team that manages relationships with local actors e.g. booking agents and distributors.

In more detail, Children of Bodom is managed by a German management company Continental Concerts & Management GmbH, a management and booking company that manages 6 other “hard ’n heavy” music artists and bands and books live performances and tours for 17 bands. In the U.S., COB has assigned a different management company, Channel Zero Management that has sixteen other clients. COB keeps official meetings with both managers on a regular basis, but the relationship between the band and their management is strictly professional. In sum, Children of Bodom is part of two different management networks; one in the Europe and another one in the U.S.

In contrast to Children of Bodom, Nightwish is managed by only one music management firm, King Foo Entertainment, with whom the band interacts closely in a mere friendship-based than professional fashion. Like Nightwish, King Foo is a Finnish company. It was formed by Ewo Pohjola and Toni Peiju in 2000. The managers in King Foo Entertainment were close friends with Nightwish members already before they became the official managers of Nightwish. King Foo later formed a sister company in the U.S., which was done for legal reasons. King Foo has since developed into a full-fledged management and booking agency representing 18 bands. The same personnel are still handling all the Nightwish management issues globally. The management also follows the band to all the gigs, which is not typical in the COB case, and the two managers still have very personal relationships individually with each of the band members, as well as with each other. Thus, the management and networking practices of Nightwish take the form of a nationally embedded and an intimate social network. The relationships of the artists and their managers are not clearly defined but blended on an ad hoc basis, at least when it comes to social interaction on non-professional affairs.

5.2 Touring practices

Touring is the most important marketing activity in the field of heavy metal music. Record sales usually increase significantly after each tour. The U.S. is a challenging market to tour because the geographical distance between the concert spots are usually very long. It is often impossible to cover all the important cities even through a six or seven week tour. The tours are arranged and booked by local booking agents and agencies.

COB started touring in the U.S. after the release of their fourth album in 2003. Their first headline tour took place in 2005. In the spring of 2009, COB did their tenth North American tour. The band has always toured with other metal bands including some of the largest acts in the heavy metal genre, such as Slayer, Megadeath and Lamb of God. Hooking up with bigger acts is a financial risk and, therefore, considered an investment in the future. The band might not get compensated for their work, but the exposure a band gets from playing in front of larger audiences may increase the record sales dramatically and, consequently, pay off in the long run. In the U.S., COB is the client of a large booking agency, the Agency Group, which is one of the world's biggest booking agencies with over 1000 artists and 50 agents.

Differing from COB, Nightwish uses an independent booking agent in the U.S., John Finberg, who is also a partner of King Entertainment Ltd, the U.S. management company of Nightwish. Due to artist related reasons, such as the fragility of the first singer's classical singing voice, Nightwish has toured lesser times in the U.S. than COB. The band paid their first visit there in 2003. After that, the band has toured there four times from two to five weeks at a time, all of which have been headlining tours with increasing turnouts each time. Some of their tours have had supporting acts, but only bands that are also clients of King Foo Entertainment (booking agency in Finland), such as Finnish Sonata Arctica and Danish Volbeat.

5.3 Distribution practices

Children of Bodom was introduced to the U.S. markets by Century Media, who got interested in the band after the release of their fourth album. COB had a global record contract with Universal Music through Spinefarm Records (owned by Universal Music) but Universal was not interested in releasing the record in the U.S. at that point. Century Media made then a licensing contract with Universal Music regarding the *Hate Crew Deathroll*

album that was released and distributed in the U.S. Century Media also arranged tours for COB and invested effort in marketing the band. The band was well accepted by the audiences in the U.S., and Universal Music put out the following albums through the Fontana Distribution, an independent distribution company that Universal owns. Fontana also works closely with Spinefarm Finland, Channel Zero Management and ESP (brand that manufactures Alexi Laiho's signature model) in creating marketing campaigns for example with Amazon (2009) and Guitar Center (2009). Children of Bodom have also got their songs to videogames such as NHL 09 (EA Sports), Rock Band (Harmonix/MTV Games) and Guitar Hero V (upcoming).

Nightwish was licensed in the U.S. markets immediately after the release of their first album by Century Media, thus Nightwish is nowadays distributed in the US by Roadrunner Records, their label in the U.S. The first four albums are nowadays licensed in the U.S. through Fontana Distribution, which is COB's label in the U.S. According to a Roadrunner records representative, touring and press are the only sensible means of marketing a foreign metal band in the US markets. Roadrunner is a global record label and they distribute Nightwish only in the US and Australia. Because Nightwish has not toured much in the U.S., they have not fully exploited their potential in that market.

Hence, the management, touring, as well as distribution approaches of Children of Bodom and Nightwish differ remarkably. On the basis of these differences, we propose that the bands have used two alternative generic strategies; business-driven (COB) and artist-driven (Nightwish). The rapid internationalization of Children of Bodom has been "strictly professional", business-driven, while the internationalization of Nightwish has been more "social", artist-driven. Both of these bands have successfully entered the challenging U.S. market and managed to create there a functioning network of companies and individuals. Therefore, it is suggested that both strategies, when properly implemented, can lead to success.

6. Six bands analyzed as born global ventures

All of the Finnish rock and metal bands that we have analyzed are international ventures in that they are **small in size and young in age**. These characteristics provide these bands with greater flexibility and allow them to internationalize on a faster pace. It is typical that heavy metal bands are originally established by teenage friends or other acquaintances. Emergently or by design, musicians often enter the business of metal before experiences

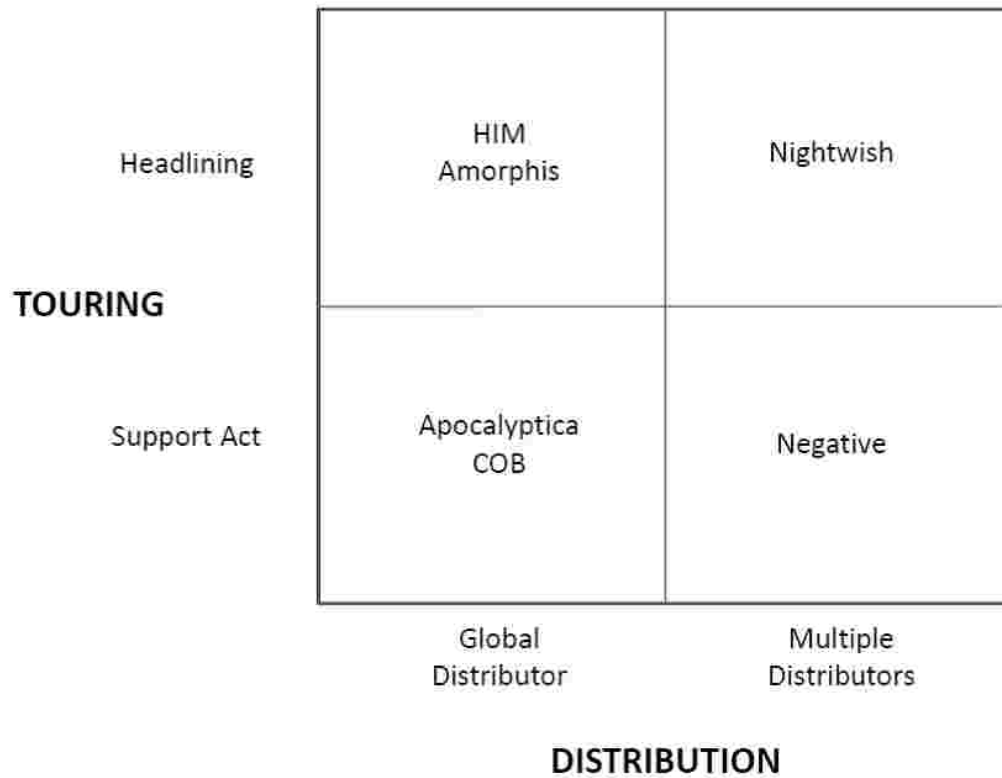
or expertise in any other field. Starting a band involves similar activities as starting a new venture. (Valtanen 2007) Before getting the financial and administrative support from a label or a manager, the band starts the product development process, acquires or rents the equipment and facilities and starts marketing the venture (band) to different stakeholder groups, such as record labels (venture capitalists) and audiences (customers). When a band's success takes off to any significant degree it will typically take steps to organize and manage its business more professionally, usually by hiring an outside management agency and incorporating the band. Once the band is incorporated all monetary transactions of the band will go through the company. The bands are usually responsible for merchandise sales and a hired management company takes care of other financial agreements and contracts with e.g. record labels and booking agencies. Nightwish (incorporated) was chosen as a growth company of the year by *Talouselämä*, the dominant business weekly in Finland and the drummer Jukka Nevalainen, who is mainly responsible for their business operations, was granted the Young Entrepreneur 2009 award by the Foundation of Private Entrepreneurs of Finland. He has also had his own business since 2005, running the operations of a large German mail-order company E.M.P. Merchandising in Finland. (Pohjois-Karjalan Yrittäjät, 2008) HIM's (general) manager is Seppo Vesterinen, the undisputed old wizard of Finnish rock and metal who took Hanoi Rocks to the brink of stardom in the 1980s. Children of Bodom has a general manager (a German management agency) and a regional manager in the U.S., Apocalyptica has also a German management agency and Amorphis has the same Finnish management agency as Nightwish, King Foo Entertainment, thus a different manager. Negative's general manager is the brother of Jonne Aaron, the lead singer and songwriter.

Characteristic for this cadre of Finnish bands appears to be to target global **niche markets with innovative products**. Heavy metal is a highly international yet fragmented category of music, where global niches are often created out of nationally-specific labels such as "New Wave of British Heavy Metal", "Bay Area Thrash Metal", "Norwegian Black Metal", "Swedish Death Metal", "German Speed Metal", and "Finnish Metal" (Christe, 2004, Sharpe-Young, 2007). Furthermore, despite its current mainstream popularity in countries like Finland and Sweden, metal music is still a niche product in the global popular music markets. In our study, we find that the six bands that we analyzed all made some degree of a breakthrough. Amorphis was the innovator of new sounds in death metal music in the early 1990s, and made a breakthrough in the U.S. metal music markets already in 1994 with their album *Tales of a thousand lakes*. In the 21st century, Amorphis has rejuvenated its concept, with the help of their new singer, towards a more melodic rock sound. A key ingredient in the success of HIM has

been the insight of Ville Valo, the lead singer and songwriter, to call HIM's music with the label "love metal". In practice, HIM's music has been a blend of a rich blend of foreign rock and heavy music influences, topped with influences from Finnish schlager music. Children of Bodom combine technically challenging melodic guitar and keyboard solos in death metal songs. Nightwish has combined symphonic elements, classical vocals, and complex song structures with the traditional guitar- and riff-based heavy metal. Apocalyptica made their international breakthrough with an album where they versioned songs of Metallica, the American metal band, playing these songs with four cellos, instruments usefully confined to the stages of classical music. Negative has songs that build maybe the least on Finland's high-level of system of music education but still has song that sound authentically Finnish. It has made up for shortcoming in terms of technical skills or intellectual composition with a few classic rock songs.

Targeted for international markets from the start, physical distance from the markets has not been considered a negative factor for the Finnish metal bands; in fact, they tend to specialize on finding and exploiting on **international networks and cooperation**. However, we find surprisingly large differences in how the international networks and cooperation are managed. Children of Bodom has a global distribution contract with Universal Music Group. Nightwish, on the other hand, has chosen a specific construction of international network of partners and distributors that enables them to nurture complete artistic freedom as it comes to their musical concept and therefore they have different distributors for each regional market. Nightwish's general managers travel with the band to all the gigs. Thus, the general managers are always available when Tuomas Holopainen, the band leader, wants to consult them. HIM has a very clear concept architecture whereby decision making is centralized with Ville Valo, the band leader, who consults on virtually everything with Seppo Vesterinen, the general manager and his mentor. However, in a way an even extreme version is Negative, where the general manager is the brother of Jonne Aaron, the lead singer. Children of Bodom's management agency manages six other bands, including another Finnish band Sonata Arctica, thus operates as a booking agent for seventeen different bands.. Amorphis has the same management agency as Nightwish, and interestingly, Children of Bodom's management agency as their international booking agent. Apocalyptica has a different German management agency that curiously manages two other Finnish bands also, 69 Eyes and Turisas as their only clients.

Figure 1. Comparison of the marketing and distribution strategies of the six Finnish bands.



All of the six bands we have analyzed use **record companies as distributors, and as systems integrators or global customers** in the ways they sell their music offerings and related offerings, such as merchandising. The primary revenue streams of the bands come from music recordings (royalties), from merchandising, and from live performances. The core offering and core competence of these bands are their skills in creating and performing the music. Management, booking of live shows and manufacturing and distribution of (physical and digital) products is outsourced to specialized companies globally. All the bands have endorsement contracts with instrument and equipment manufacturers, but the intensity of the collaboration depends on the virtuosity of the musicians, and also the display of these skills in their music. HIM is very particular of the visual display and constant repetition of their “love metal” logo but, like the other bands, is very liberal in how merchandising is carried out. Negative is essentially a family-business, where the manager is part of the group so that the band can concentrate on being artists rather than having to appear business-like. The role of distribution is significant,

since the distributor makes the decisions on e.g. marketing efforts (press, radio, advertising etc.), which is crucial in music industry, especially in the demanding U.S. markets (Power and Hallencreutz, 2007).

7. Conclusions

This paper presents an application of the theory of “born global” ventures in a novel research setting: Finnish rock and metal bands. Our findings resemble those of others who have found that business models in the creative and cultural industries need to support the unique characteristics of these industries. The role of an artist or other creative individual in making the product authentic or unique belongs to those characteristics (Jones et al. 2005), as do long-term partnerships of the artist as cultural entrepreneur and marketing and other business professionals as business entrepreneurs (Falay et al., 2007; Djelic and Ainamo, 1999). Our findings strengthen findings in the born-global stream in international business research. Strong international distribution networks are necessary for a venture to go global, especially when the strategy is to do so at a rapid pace, soon after start-up (Autio et al., 2000).

The contribution of this study is threefold. First, we find that all of the six bands we have analyzed share the fact that the band as a group of artists is the scarce resource in terms of creating economies of scale in touring, distribution and business. They differ in that three of the bands (Negative, Nightwish, and HIM) have had relationships based on personalized exchange with their general managers, the booking agents responsible for negotiating the tours, and distributors. In contrast, two other bands (Children of Bodom and Apocalyptica) have had relationships based on market exchange with these business partners in their venturing. Nightwish has sought to straddle the two logics. We call for further research on what we on the basis of our literature review may call “business-driven”, “artist-driven”, and “hybrid” logics of born-global cultural entrepreneurship.

Second, international-business studies on the creative and cultural industries as of yet has been few (Hauge et al., 2009; Powell and Hadlercreutz, 2007; Falay et al., 2007; Jones et al. 2005). Thus, first, continuing a research stream of earlier papers in the research project of which it is part ([authors 2]; [authors 3]), this paper has developed a framework specifically for international-business research on born globals on how to be an international cultural entrepreneur. Most specifically, building on the seminal paper by Autio et al. (2000), this paper enriches understanding of the commonalties and differences in the management and coordination of

activities of born-global and other international ventures in the creative and cultural industries (Falay et al., 2007; Jones et al., 2005). This framework can be further developed in this research project, by scholars in other research projects, and applied into other parts of the creative and cultural industries, as well as into other industries.

Third, with its focus on management, touring, and distribution practices, this paper contributes to international business research on born-global ventures and international entrepreneurship more generally. Touring is a key part of marketing in popular music and such marketing can be carried out collaborative as a “support act” or independently as “the headline act”. Thus, we find that strong distributors can be distributors that the born-global entrepreneurs find globally best for their needs or the key distributors can be picked out on the bases of various local optima – hence, our findings suggest that a born-global firm need not have a global distribution arrangement but can also have a distributed operations, as suggested by the traditional Uppsala school of internationalization (Johansson and Vahlne, 1977).

In sum, when Oviatt and McDougall (2005) find that these have suffered from a lack of research designs that would have enriched rather than tested theory, the contribution of this paper is to present a more nuanced view of what, precisely, are “collaboration and social networks” or “strong international distributors” (Autio et al., 2000; cf. Falay et al., 2007; Gabrielsson et al., 2008), discussed in many previous studies of born-global ventures. Given that Autio et al. (2000) find that technology industries have something to learn from the creative and cultural industries, we believe also the converse to be true. Many insights generated from the music industry practices may have relevance for management of international business in also other areas than popular music, and vice versa. The framework and approaches developed in this paper ought to be applicable for study of also other cultural exports and creative fields, such as those in design, fashion, film, and beyond. Thus, we call for also other international business researchers to study rock and metal music and other international-business phenomena in the creative and cultural industries.

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