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**DISENTANGLING THE DETERMINANTS OF THE
INTERNATIONALIZATION OF ENTREPRENEURIAL
SMALL AND MEDIUM-SIZED ENTERPRISES 'ON ONE'S
OWN TERMS'**

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Abstract

The global economy involves enormous internationalization activities that provide untapped opportunities for entrepreneurs and businesses. In a rapidly evolving economic environment, it is inevitable to adopt an integrated policy for presence in global markets (Chichilnisky & Heal, 1986). Internationalization is the most intricate strategy that can be undertaken by enterprises (Fernández & Nieto, 2005). While, in recent years, accelerating changes in the international business environment created complex circumstances for firms to enter the global markets (Acs, Dana, & Jones, 2003; Dana & Wright, 2009; Etemad, Wright, & Dana, 2001), development of technologies and reduction of barriers across borders through regional trade agreements have facilitated the market globalization (Leonidou, 2004; Maignan & Lukas, 1997; Zou & Stan, 1998). In this context, entrepreneurship can play the role of mediator in propelling ventures into global markets and thus facilitating the country's growth in the economy (Acs, Audretsch, Braunerhjelm, & Carlsson, 2012).

The objective of this research is to assist the international entrepreneurs in considering what entrepreneurial characteristics are needed for the internationalization of SMEs in different places. It is further intended to determine (i) which of these characteristics are universal, and (ii) which ones are context (place/people) related? Hence, the research questions developed for exploration are; ***Q1. What are drivers needed for the internationalization of SMEs in the different locations that have various characteristics? In addition, how do these determinants influence the international performance of SMEs? Q2. Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.*** Further, it is expected to differentiate the context-based drivers that are seen only in the process of international entrepreneurship in the specific place with those determinants that have the same impact IE processes regardless the nature of people/ place, differentiating the universal factors that influence on SMEs internationalization regardless the location of the firm from the context-based characteristics.

Consequently, ten case studies of Italian and Iranian SMEs were chosen to explore the international entrepreneurship characteristics by particular people ‘on their own terms’. In this regard, the final conceptual model addressed six general categories of determinants encompassing thirteen environmental, organizational, and individual constructs for successful SME internationalization, such as 1: Institutional proxy including 1.1:Competitive pressure; 1.2: Market standardization, 1.3: Local resources, Cultural, geopolitical, and economic players; and 1.4: Export compliance; 2: International network; 3: International vision; 4: International business experience; 5: Motivation and core competence including 5.1: International entrepreneurial motivation; and 5.2: Production/ service distinctiveness; 6: International entrepreneurial orientation including 6.1: International entrepreneurial proactiveness; 6.2: International entrepreneurial risk-taking; and 6.3: International entrepreneurial innovation. As such, the results of interviews lead to the 78 determinant for international entrepreneurship of SMEs. Among all variables, 18 factors recognized universal determinants, as they were evident in both context of Italy and Iran, 9 factors only contributed in Italian cases, Italian context-based, and 16 factors were Iranian context-based determinants, as they were effective only in Iranian businesses.

Keywords

International entrepreneurship; SME internationalization; Universal factors; Context-based determinants, Institutional theory, resource-based view.

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Chapter One “Introduction”

1.1 Introduction

In a rapidly evolving global economic environment, it is inevitable for countries to adopt an integrated policy to support the participation of firms from the country presence in global markets (Chichilnisky & Heal, 1986). But internationalization is among the most intricate and challenging strategies that can be undertaken by enterprises (Fernández & Nieto, 2005). In part this complexity is created by accelerating changes in the international business environment in the international marketplace (Acs, Dana, & Jones, 2003; Dana & Wright, 2009; Hamid Etemad, Wright, & Dana, 2001), compounded by development of technologies and reduction of barriers across borders through regional trade agreements (Leonidou, 2004; Maignan & Lukas, 1997; Zou & Stan, 1998). These changes have facilitated the internationalization of small and medium ventures (Knight, 2000). The increasing trend of this category of firms in the international arena has led scholars to identify pushing and pulling factors for their success (Acs, Audretsch, Braunerhjelm, & Carlsson, 2012; Dana, 2017). Theories such as those of born-globals (Madsen & Servais, 1997) and international new ventures (Oviatt & McDougall, 1994) have been developed in this context. However, empirical firms serving as a reference to these theories were essentially located in developed countries where the pushing factors suggest the market saturation and needs for moving to low-cost production environments. Little is known about factors facilitating the success of internationalization of Small- and Medium-Sized Enterprises (SMEs) originating from developing countries and indigenous context where these conditions are not generally present. The current study intends to fulfill this gap by examining the factors of internationalization of SMEs in developed as well as developing countries.

Chapter One initiates with the argument of the research background such as the significance of the field of international entrepreneurship (IE) as well as the of experience of entrepreneurship and internationalization in Italy and Iran. The theoretical foundations and research problem are discussed. Consequently, the research gaps and following questions are recognized. The methodology to address the research questions is then discussed and the research contributions, as well as the outline of the thesis, are presented. Eventually, the limitations of the research in this dissertation are explained. An overview of Chapter One can be seen in Table 1.1.

Table 0.1 An overview of Chapter One

1.1 Introduction

1.2 The significance of international entrepreneurship

1.3 The experience of international entrepreneurship in different places

1.3.1 Context One: Italy

1.3.2 Context Two: Iran

1.4 Theoretical frameworks

1.4.1 Institutional theory

1.4.2 Resource-based view

1.4.3 International entrepreneurial orientation

1.5 Research problem gap and questions

1.6 Methodology

1.7 Research contributions

1.7.1 Theoretical contributions

1.7.2 Managerial contributions

1.8 Outline of the dissertation

1.9 Limitations

1.10 Conclusion

1.2 The significance of international entrepreneurship

In recent decades, the business environment has been characterized by, among other phenomena, the liberalization of emerging nations and their increasing contribution to the global economy (Aulakh & Kotabe, 2008). In line with this increase in globalization (Kiss, Danis, & Cavusgil, 2012), the interest in the field of international entrepreneurship has grown (Dana, 2017; Dana & Wright, 2009; Etemad, 2005; Hisrich, Honig-Haftel, McDougall, & Oviatt, 1996; Jafari Sadeghi & Biancone, 2017a; Knight & Cavusgil, 2004; McDougall & Oviatt, 2000a, 2003; Zahra & George, 2002). Oviatt and McDougall (2005, p. 540) defined IE as the “discovery, enactment, evaluation, and exploitation of opportunities across national borders to create future goods and services”. It is at a crossroad of internationalization and entrepreneurship and considers judgmental decision-making regarding the coordination of rare resources within international arena (Dana, Hamilton, & Wick, 2009). The emergence of IE as a distinct field of research has led scholars to deeply investigate this phenomena through diverse approaches (Andersson, 2003; Dimitratos, Buck, Fletcher, & Li, 2016; Etemad & Lee, 2003a; Fernhaber, Gilbert, & McDougall, 2007; McDougall, Oviatt, & Shrader, 2003). The significance of this field of research has been also reflected in academic journals such as *Journal of International Entrepreneurship* and

International Entrepreneurship and Management Journal as well as ‘special issues’ in *Academy of Management Review* (2000) and *Entrepreneurship Theory and Practice* (1996).

More recent literature has developed through the focusing on the role of international entrepreneurs in the internationalization of firms (Bell, McNaughton, Young, & Crick, 2003; Johanson & Vahlne, 2003; Loane, 2005a; Oviatt & McDougall, 2005; Welch & Welch, 2004). This interest signals the crucial influence of international entrepreneur as being the central decision-maker for internationalization of SMEs in opposition to the larger multinational firms, in which management team has the power of decision-making (Bhuiyan, Menguc, & Bell, 2005). In small and medium ventures, the international entrepreneurial founder or/and the owner is often willing to be the first person and to be in charge of making decisions for internationalizing of the firm. The prior research also stresses that being entrepreneurial and internationally market-oriented can improve their international performance of the enterprises (Bhuiyan et al., 2005). For instance, Frishammar and Andersson (2009) highlight that international business outcomes like percentage of total sales as international profit and number of international markets positively impact on the international entrepreneurship. Consequently, researchers have asserted that a meaningful shift in IE research is assured through an examination of how international entrepreneurial ventures identify and obtain international market performance outcome (Zahra, Korri, & Yu, 2005). Considering that international entrepreneurial firms are the primary sources for investigation in this thesis, the economic background and experience of international entrepreneurship in the context of Italy and Iran are discussed next.

1.3 The experience of international entrepreneurship in different places

In studying the determinants influencing the successful international entrepreneurship, some factors depend on the place that the firm operates (context-based factors) while some others are general (universal factors) and do not depend on the context but are influential in all places. In order to differentiate the context-based and universal determinants of IE and to broaden the understanding of how particular people in different contexts contribute in business creation and IE, it is important to consider the economic characteristics and background of the context in international entrepreneurship. Thus, this research provides information about two countries with different characteristics but both evolving: Italy as a

reference of European advanced country, and Iran as a reference of Asian developing country (Figure 1.1). Each nation has a particular culture and economy features that influence the creation of the new ventures. For this reason, the process of entrepreneurship and IE is different from a place to place.

Figure 1.1 Targeted countries for international entrepreneurship of SMEs

1.3.1. Context One: Italy

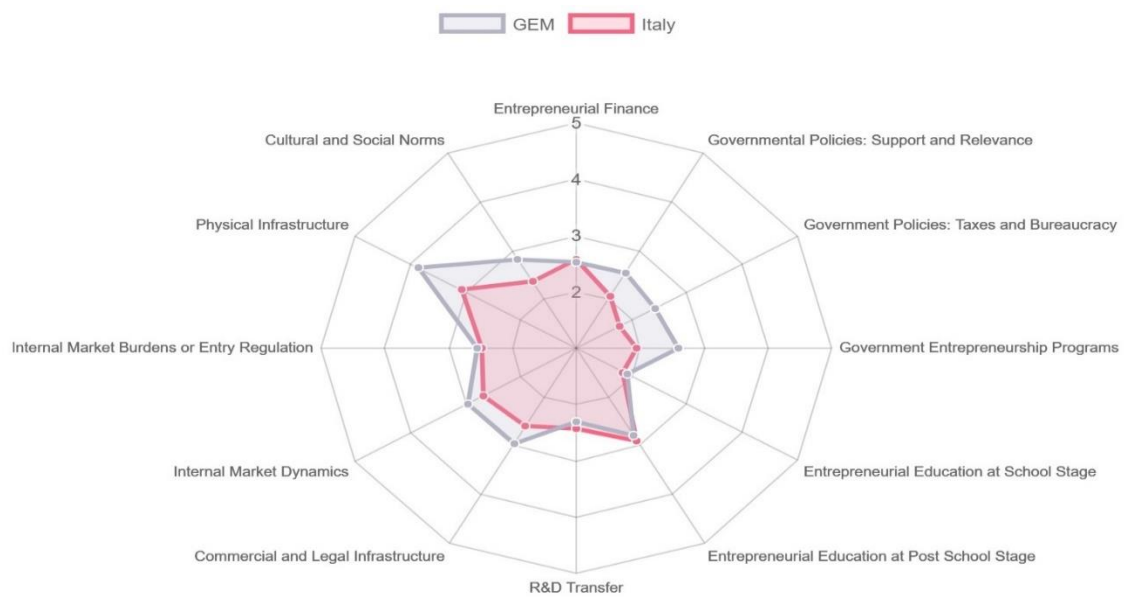


Italy is an innovation-driven economy with 60.8 million population, which is located in Europe. According to the World Bank (2016), GDP in Italy is \$1,821.5 billion (GDP Per Capita: \$29,867). The participation of SMEs in the economy of Italy stands at a high level of about 60% to the GDP (GEM, 2017).

Italy has a history of entrepreneurialism. In 2008, 4.6% of the adult population in Italy was involved in early-stage entrepreneurship, as a nascent or new entrepreneur (Corbetta, Dawson, & Valentini, 2008). Entrepreneurial activity in Italy does not significantly vary from the other European nations, although it has not highly developed in the recent few years. According to National Experts interviewed by GEM, early-stage business is often restricted by inadequate physical infrastructure, a lack of financial resources for new entrepreneurs, as well as lack of effective government programs and little attention by government policy. However, there are other structural problems, as highlighted by the World Economic Forum, which has still not been dealt with (Bosma, Acs, Autio, Coduras, & Levie, 2008).

Italy ranks lowest of all the big European countries (and some emerging economies) across almost all aspects of the entrepreneurial ecosystem, with government policies and programs and entrepreneurial education singled out as particularly lacking. While Italy's TEA rate has improved since the economic downturn in 2008, when it was measured at 5%, SME value-add in 2014 was still about 10% lower than in 2008 (GEM, 2017). Figure 1.2 represents twelve crucial determinants of Italy's entrepreneurial ecosystems and its comparison with the average of the world (GEM, 2017).

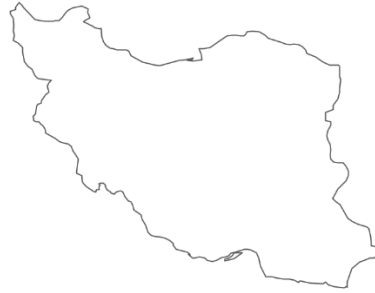
Figure 1.2 Entrepreneurial ecosystem of Italy



Source: GEM (2016)

Corbetta et al. (2008) emphasize that most of the entrepreneurial activities in Italy do not export (55.3% of established and 55.0% of early-stage). It means that the level of international entrepreneurship is very low. This is similar to other innovation-driven countries: for example, with regard to early-stage activities, 52.2% in France do not export, 56.4% in Spain, 50.7% in the UK. However, the situation is different in Germany and the US, where respectively 59.8% and 51.1% have between 1% and 25% of their customers abroad (Corbetta et al., 2008).

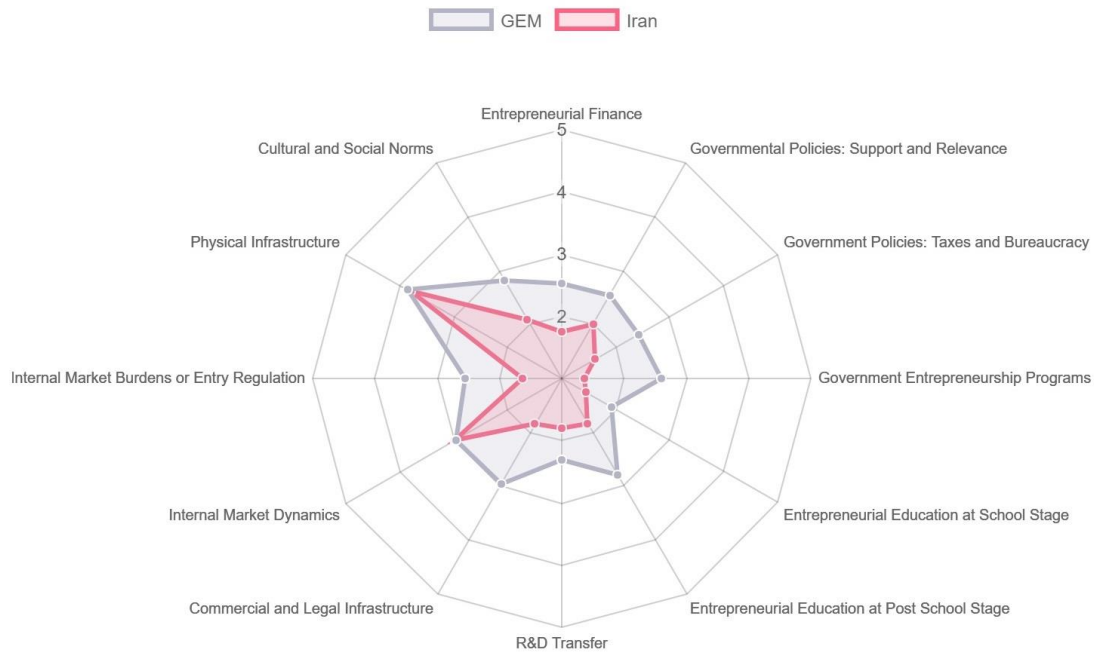
1.3.2. Context Two: Iran



Iran is a factor-driven economy with 80 million population, which is the Middle East. Based on the World Bank (2016), GDP in Iran is \$387.6 billion (GDP Per Capita: \$4.877). The participation of SMEs in the economy of Iran stands at a medium level of about 30% to the GDP (GEM, 2017).

While Iran has faced with difficulties for having trade with other countries due to export compliance regulations (Biancone & Jafari Sadeghi, 2016), it has benefited from technological inventions of foreign countries, since statistics in Iran confirm that approximately 85 percent of total imports are intermediate and capital goods during the last decades (Moradi, 2011). However, in recent years Iran has witnessed an increasing interest in various fields of entrepreneurship such as policymaking, higher educational settings, and business (Karimi, Chizari, Biemans, & Mulder, 2010). Accordingly, measures and mechanisms have been proposed to develop entrepreneurship in the public and private sectors (Karimi et al., 2010). To do so, policymakers and planners have started giving attention to entrepreneurship as a possible solution for economic development via the Third (2000–2005) and Fourth (2005–2010) Development Plans (Analoui, Analoui, Mohammad Moghimi, & Khanifar, 2009; Keyhani & Jafari Moghadam, 2008). Thus, a plan called "KARAD" became an important driving force for promoting entrepreneurship in universities, establishing entrepreneurship centers, and introducing entrepreneurship courses into undergraduate education by the Ministry of Sciences, Research and Technology (Keyhani & Jafari Moghadam, 2008). Figure 1.3 displays twelve crucial determinants of Iran's entrepreneurial ecosystems and its comparison with the average of the world (GEM, 2017).

Figure 1.3 Entrepreneurial ecosystem of Iran



Source: GEM (2016)

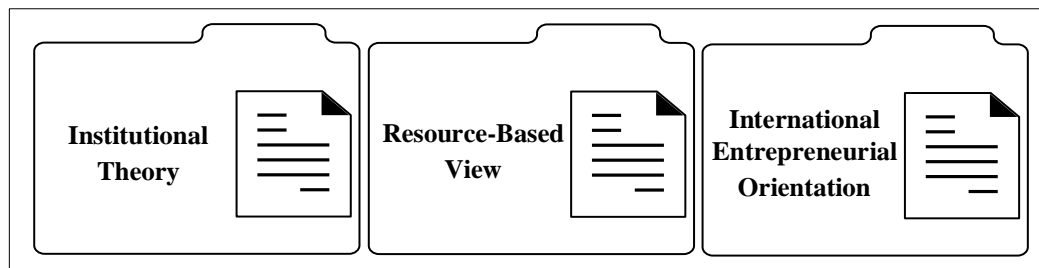
Moradi (2011) emphasize that Iran has taken steps to encourage foreign direct investment flows by setting up foreign investment promotion agencies, or even by offering tax and fiscal incentives to foreign ventures that invest in the country. However, it can be said that Iranian entrepreneurs who try to internationalize their products or services are the rare breed. No less than 89% of the early-stage entrepreneurs and 87% of established entrepreneurs in Iran do not export anything to foreign countries (Razavi et al., 2008). A small 3% of the early-stage entrepreneurs and nearly 4% of the established entrepreneurs export anything between 25% and 100% of their goods. However, Iran proves not to be an export country (Razavi et al., 2008).

1.4 Theoretical framework

In the IE literature, scholars have focused on factors that facilitate internationalization: some on the individual attributes (e.g., Manolova et al., 2002), others on firm attributes (e.g., Zahra and Garvis, 2000), and there were scholars who have identified environmental attributes (e.g., Bruton et al., 2010; Busenitz et al., 2000). Concerning the first two streams, the field of entrepreneurship is surrounded by micro-level analysis, in which the ‘firm’ or

the ‘individual’ level of analysis have been utilized (Wiklund & Shepherd, 2005). As Davidsson and Wiklund (2007) discuss, the desire of using the ‘firm and individual’ level studies among scholars has a positive signal, in which individual behavior is systematically connected to firm-level outcomes rather than just describing individuals who run businesses that is not a wise strategy. Those in the last group have tried either to identify the consequences of entrepreneurship on the country or to identify institutional factors that facilitate international entrepreneurship. As such, the international entrepreneurship can result from the interaction of all these three components. Taking advantage from the interaction among individual, environment, and organization, this study is informed by three theoretical frameworks; the resource-based view, international entrepreneurial orientation, and institutional theory, as seen in Figure 1.4.

Figure 1.4 Theoretical foundations in this research



Thus, institutional theory covers the environmental components of IE whereas resource-based view investigates the organizational components and international entrepreneurial orientation discusses the individual components.

1.4.1 Institutional theory

Traditionally, the concept of the institutional theory was used to discuss how different organizations secured their legitimacy and positions by complying with the norm and rules of institutional environment (Meyer & Rowan, 1977; Scott, 2007). Scott, (1995) classifies the institutions into three general categories: regulative, normative, and cognitive. Extant research provides an understanding of the country institutions on the entrepreneurship (e.g., Baughn and Neupert, 2003; Bowen and De Clercq, 2008; Hayton et al., 2002; Stephan and Uhlaner, 2010). Prior research regarding the intuitions of entrepreneurship commonly investigates different contributors at the country level (e.g., Baughn and Neupert, 2003;

Beugelsdijk, 2010; Grigore and Dragan, 2015). According to Hoskisson et al. (2000), the institutional theory provides understanding for emerging economies, demonstrating for example that some emerging countries rely on economic liberalization to promote growth (Nasra & Dacin, 2010). This argument confirms that the institutional environment can promote the entrepreneurial activities or make a negative impression on the business creation in a country (Aldrich & Wiedenmayer, 1993).

When looking at entrepreneurship in an international business context, the institutional theory has been used to explain the significant role of international rules and norms that establish the environment or setting in which the entrepreneurship takes place (Nasra & Dacin, 2010; Wright & Ricks, 1994). Use of this theory has resulted in concepts such as “institutional distance” among various nations (Gaur & Lu, 2007; Kostova, 1999; Phillips, Tracey, & Karra, 2009) and country-based institutional profiles for entrepreneurship (Busenitz et al., 2000; Kostova, 1997, 1999). Therefore, institutional arrangements are considered to be socio-environmental determinants that contain social, political and legal rules in macro-level that creates the foundation for creating and promoting the internationalization (Arregle, Miller, Hitt, & Beamish, 2016; Cuervo-Cazurra, Ciravegna, Melgarejo, & Lopez, 2017; Gaffney, Cooper, Kedia, & Clampit, 2014; Sally, 1994).

As Lindsay et al., (2017) argue, the institutional theory has been found to be one the most relevant foundations for clarifying how ventures enter the foreign markets. As such, building on the concept of institutional distance, Gaffney et al., (2016) contribute to the internationalization literature by indicating the tendency of emerging market multinationals (EMNEs) to participate cross-border activities when the foreign location is more developed and more protective of knowledge assets. Felício et al., (2016) incorporate cultural institutions and investigate how individual and corporate global mindset influence the internationalization of the firms. In another research, Matanda and Freeman (2009) address the contribution of the perceived environmental uncertainty on the export performance of international firms.

1.4.2 Resource-based view

In recent years, although many theoretical frameworks have been asserted to explore the international firm performance, RBV has been discussed as one of the predominant perspectives (Barney, 1991; Barney, Wright, & Ketchen, 2001; Wernerfelt, 1984). The foundation of the RBV has been preliminarily created by Wernerfelt (1984) and Barney (1991, 1986). In order to understand comprehend how competitive advantage within ventures is attained and how this advantage can be sustained, researchers utilized the RBV (Barney, 1991, 1986; Nelson & Winter, 1982; Penrose, 2009; Wernerfelt, 1984). Similarly in the field of international business, researcher leverage RBV to recognize how ventures achieve and sustain international market performance.

One important criterion for the existence of a venture is the business performance. Performance is such important for firms that without a satisfactory and sustainable performance outcome they cannot survive in the market (Knight, 2001). This phenomenon covers both financial and nonfinancial performance indicators (e.g., Murphy, Trailer, & Hill, 1996; Wiklund & Shepherd, 2005). More recent literature has added capabilities approach to RBV to address how ventures obtain performance in the rapidly changing markets (Eisenhardt & Martin Jeffrey A, 2000; Makadok, 2001). Following this stream, Teece, Pisano, and Shuen (1997) proposed the dynamic capability perspective to include changing markets.

In the process of the international opportunity recognition, dynamic capabilities are crucial drivers to respond the need for change that can involve the allocation of resources and operations (Easterby-Smith, Lyles, & Peteraf, 2009). The allocation of resources and the nature of change is a vital element of the capability perspective (Easterby-Smith et al., 2009). As such, the international performance of a venture is dependent initially to a portfolio of capabilities and then the to the potential of the firm to diversify, deploy and reconfigure capabilities (Prange & Verdier, 2011). Literature also highlights that firms mostly accumulate resourced to develop their performance in international markets (Barney, 1986; Barney et al., 2001).

Prior research asserts that firm-level resources are unique and specific as they cannot be traded (sold or bought) or cannot be readily assembled within markets (Teece, 1982). As Barney (1991) states, the superior international market performance can be obtained through the inimitable, valuable, non-substitutable and rare resources. These resources are inputs for the firm's strategy or production process (Barney, 1991; Wiklund & Shepherd, 2003). According to the RBV, international performance and strategy of a venture are highly influenced by an endowment of firm-level resources (Knight, 2001). As such, firm-level resources can contribute to the creation of a unique resource bundle, which can assist the firm in achieving superior international market performance.

1.4.3 International entrepreneurial orientation

One of the most important theories for the development of the entrepreneurship is an entrepreneurial orientation (Slevin & Terjesen, 2011). Lumpkin and Dess (2001) highlight that entrepreneurial orientation provides support for the processes of strategy-making for entrepreneurial ventures. Literature has proposed that entrepreneurial orientation can be expanded and significantly employed to the area of international entrepreneurship as an approach to explain and examine the cross-border internationalization of businesses, as either an individual-level or a firm-level construct (Calabrò, Campopiano, Basco, & Pukall, 2017; Covin & Miller, 2014; Hernández-Perlines & Mancebo-Lozano, 2016; Hernández-Perlines, Moreno-García, & Yañez-Araque, 2016; Jantunen, Puumalainen, Saarenketo, & Kyläheiko, 2005; Kuivalainen, Sundqvist, & Servais, 2007; Mostafa, Colin, & Jones, 2005; Slevin & Terjesen, 2011). Therefore, international entrepreneurial orientation (IEO) is a multidimensional field that explores the overall aggressiveness and proactiveness of ventures in their international market activities (Knight, 2001). IEO takes advantage from the being more proactive than rivals regarding the new international business opportunities and taking the risk of international environments as well as leveraging of international market offerings (Covin & Slevin, 1991; Jantunen et al., 2005; Wang, 2008). Slevin and Terjesen (2011) state that if ventures intent to persevere and to have a thriving performance in global market there have to participate in the in internationalization behavior. Firms can also recognize and exploit the internationalization opportunities leveraging the international entrepreneurial orientation.

Knight (2001) defines three dimensions of the international entrepreneurial orientation that involves the tendency of ventures to incorporate in international markets in proactive, risk-taking, and innovative manner to hit the internationally oriented and competitive objectives of the firms. First, according to Knight (2001), international proactiveness associated with the offensive positioning relative to rivals with a strong underscore on the achievement of the enterprise's global market goals. Moreover, it has been recommended that with a 'forward-looking' insight, proactive businesses have the tendency to be pioneers, and then take advantage of the novel and existing global business opportunities (Wiklund & Shepherd, 2005).

Second, international risk-taking orientation designates the tendency of the international entrepreneur to commit resources and make investments to projects that have abnormal high profits/ losses or major risk of success/ failure (Lee, Lee, & Pennings, 2001; Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). Third, for the achieving competitive advantage rather than international rivals, firms can benefit the international innovative behavior. International innovativeness is related to the willingness of firms to adventure into novel global ideas, experimentation, and get away from initiated practices (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). Knight (2001) introduced the technological perspectives of global innovativeness through the making initiative and development of the services and products including advanced technologies for enhancing the global organizational processes of the business. Altogether, it can be proposed that an IEO is a critical resource for firms that strongly contributes to their international market performance.

1.5 Research problem, gap and questions

In recent years, the determinants for the participation of small and medium ventures in international business has been increasingly considered as a subject of international entrepreneurship (IE) research (Boehe, 2013; Etemad & Wright, 2003; Jones, Coviello, & Tang, 2011). The present IE research stresses on the explanatory variables related to the specific subject like internal characteristics of firms (Zhang, Ma, Wang, Li, & Huo, 2016). Manolova et al. (2002) explored the individual attributes, Zahra and Garvis (2000) investigated firm attributes, and other scholars, such as Bruton et al. (2010) and Busenitz et al. (2000), identified institutional attributes of international entrepreneurship. Unger et al.

(2011) for example highlight that for being successful in entrepreneurship, human capital attributes are critical resources. As Bell et al. (2003) claim, a domestic market with unpropitious circumstances can provide the motivational impetus for the internationalization of the domestic ventures which mostly stem from necessity (e.g. the desire to increase the profitability of venture against unfavorable home country environment). However, numerous studies that examine the SME globalization issues fail to pay attention to the extent of how particular people in particular place leverage their unique recourses and capabilities to enhance their international activities. These resources, capabilities, beliefs, and practices that vary from place to place, culture to culture can be utilized for the development of entrepreneurship in the international context (Anderson, Dana, & Dana, 2006). Similarly, there is still gap to differentiate how particular environmental characteristic of different context can facilitate or harden the process of internationally business creation.

As such, the objective of this research is to elucidate the empirical definitions of international entrepreneurship and to examine the entrepreneurial characteristics are needed for the internationalization of ventures in different places. It is further intended to determine (i) which of these characteristics are universal, and (ii) which ones are context (place/people) related? Hence, the research questions developed for exploration are;

Q1. What are drivers needed for the internationalization of SMEs in the different locations that have various characteristics? In addition, how do these determinants influence the international performance of SMEs?

Q2. Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.

Further, it is expected to differentiate the context-based drivers that are seen only in the process of international entrepreneurship in the specific place with those determinants that have the same impact IE processes regardless the nature of people/ place.

1.6 Methodology

This research benefits the multiple case studies, applying non-probability purposive selection criteria (Yin, 2003). Multiple case studies provide a comprehensive insight of an intricate topic, namely the SME internationalization and the influence of nature of characteristics for successful IE in different places; therefore, building a theoretical standpoint where no standards or procedures are in applied (Gummesson, 2000). For this research, a total of ten in-depth, structured 90-minute to two-hour case interviews is conducted with Italian and Iranian international entrepreneur. In order to unify the interviews, an interview protocol was provided, the length of which restrains its inclusion into this study. However, a remarkable part of the questionnaire discussed to what extend internationalization process was influenced by various determinants. Direct questions regarding the founder, owner, or central decision-makers, IE drivers, along with the nature of this determinates within the context were argued. A comparative data mining on the results of interviewed cases in different places differentiates the universal IE characteristics that were important regardless the place from the context-based determinants that exclusively have seen in one country. Thus, a holistic view of factors needed for successful SME internationalization in different places as well as its differences and similarities can be obtained from findings of this research.

For the purpose of the inquiry international entrepreneurs in different contexts, five cases of Italian firms as well as five of Iranian businesses were selected; from which eight cases were good-oriented and two firms were service-oriented ventures. The level of analysis in this research has adapted to the survey conducted by Loane (2005) who performed interviews with SME decision-makers for a firm-level analysis of the internationalization of SMEs. Literature of internationalization confirms that the international entrepreneur can be considered as the representative of the venture, in conjunction with the process of internal decision-making for SME internationalization (Jantunen et al., 2005; Loane, 2005a; Mostafa et al., 2005). Therefore, through a process of the data collection, this research addressed the individual international entrepreneur. However, the findings of this study apply also to the firms as well.

The individual international entrepreneur is the unit of data collection unit for this research. However, questions of the case study covered information of both the international entrepreneur and the venture as a collective. In this regard, as Reid (1981) discussed, it is suggested to analyze the individual level first rather than a collective because the power in small and medium firms mostly concentrated in the central decision maker/s. This is due to the significant role SME's founder/ owner in the initiation and development of the process of internationalization (Chetty & Hamilton, 1993; Hutchinson, Quinn, & Alexander, 2006).

As for the case selection, ten international entrepreneurial ventures involved in both manufacture and services sector in Italy, as a representative of advanced countries, and Iran, as a representative of developing countries, were selected for close examination in this research. Four out of five cases selected in each country are good-oriented, and one is services oriented. Service-oriented ventures in this study were selected from the advisory sector regarding the international business. However, firm size of the selected cases adapted to SMEs (Jafari Sadeghi & Biancone, 2017a), ranged between 1 to 250 employees, from the Italian and Iranian international firms. Small ventures employ not more than 50 employees, and medium-sized firms between 51 and 250 employees (OECD, 2005).

1.7 Research contributions

This research makes some important theoretical and managerial contributions. The theoretical contributions will be addressed first.

1.7.1 Theoretical contributions

In recent years, the research in international entrepreneurship has highly assisted in the development of theory and, this is the reason that IE theory remains fragmented and suffers from the unified direction in theory (Coombs, Sadrieh, & Annavarjula, 2009; Peiris, Akoorie, & Sinha, 2012; Zahra & George, 2002). Literature in the field of IE highlight that at the macro level clarification and unification of methodologies are still remote (Coviello & Jones, 2004). Therefore, the main theoretical contribution of this research depends on the possibility of the research to lead the researchers' thought to the importance of theory development in IE. As such, this dissertation stresses on two challenges on the way of

understanding the internationalization of entrepreneurial SMEs. Research investigating IE often do not provide a comprehensive insight of SME internationalization from the perspective of entrepreneurs, firms, and environment and usually stick to only the singular dimensioned theoretical construct. For example, Manolova et al. (2002) studied individual attributes, Zahra and Garvis (2000) explored firm attributes, and Bruton et al. (2010), as well as Busenitz et al. (2000), investigated environmental attributes. This thesis contributes to the IE theories by combining institutional theory, RBV, and international entrepreneurial orientation, in which the SME internationalization is considered to be influenced by the individual, organizational and environmental perspectives.

Given the constraint of the characteristics required for internationalization of entrepreneurial SMEs, it is assumed that this research will assist to identify the nature of the people/ place shaped characteristics that can contribute to successful international entrepreneurship by particular people ‘on their own terms’. Therefore, the findings of this research discussed on two kinds of determinants. First, the universal factors that influence on SME internationalization regardless the location of the firm. Second, the context-based factors, which are dependent on nature of the people/ place of the firm and differentiates the performance of the SMEs in the global markets. By doing so, it can be distinguished that what kind of these multidimensional determinants are exclusively dependent on a specific context and which factors are influential in any places.

1.7.2 Managerial contributions

The findings of this thesis identify various variables affecting the internationalization-performance of the small and medium firms. Managers of the international entrepreneurial SMEs can take advantage of the key outcome of this research as a tool for reconfiguring their firm’s processes so as to increase their competitive advantage and eventually international performance. For instance, the crucial resources needed to obtain performance in outside of the borders are the elements of the international entrepreneurial orientation such as international proactiveness, risk-taking, and innovativeness. The outcomes of the study highlight that these components of ventures are important for international business strategy.

Similarly, other recognized determinants such as international vision, motivation, etc. are critical for international market success.

While the final model identified in this research represents a number of variables are needed for ventures to obtain optimal performance outcomes, managers should pay attention to the characteristics of the place that they want to make business. For instance, in order to have a successful international business in Italy developing relationships with industry relevant authorities is crucial while it is not necessarily required for the business creation in Iran. As such, this research assists international entrepreneurs and managers in identifying the most pertinent factors for establishing an internationally oriented SME in Italy and Iran. These variables that are listed as universal factors, which contributes in both countries, or Italian-, Iranian-context-based will help managers to identify which characteristics are required for creating an international business in addressed nations.

1.8 Outline of the dissertation

Chapter One of this dissertation represents the introduction for the research through briefly bolding the background to the research, an evaluation of the research gaps and research questions, and an overview of the methodology employed for the conducting this research. In this chapter, the limitations of this research investigation have been also presented. Similarly, there is still gap to differentiate how particular environmental characteristic of different context can facilitate or harden the process of internationally business creation.

Chapter Two provides an in-depth discussion of the literature relevant to the recognized research problem. Although numerous studies that examine the SME internationalization, scholars have not yet thoroughly explored the extent of how particular people in particular place leverage their unique recourses and capabilities to enhance their international activities. Similarly, there is still gap to differentiate how particular environmental characteristic of different context can facilitate or harden the process of internationally business creation. To address this gap in the literature of international business, two research questions were proposed and three theoretical constructs in the literature were recognized to

facilitate in responding the research questions. The proposed theoretical model developed from the literature review is also presented in Chapter Two.

Chapter Three gives an in-depth explanation of the methodology employed for this thesis. This research methodology is a hip-and-thigh investigation that explains the suitability of the methods utilized for this research. The logic behind of using the qualitative approach as well as data collection and analysis procedures are presented. In addition, the philosophical underpinnings and ethics consideration for this thesis is presented in Chapter Three.

Chapter Four provides an analytical review of the findings from the data collected from 10 information-rich international entrepreneurial firms in Italy and Iran. The findings of the 10 case studies are provided with reference to key determinants identified as influencing the firm's internationalization performance. The context-based drivers and those that have the same influence (universal factors) are distinguished.

Chapter Five represents the discussion of the key findings of this research investigation. In this section, theoretical and practical contributions, along with limitations of the research are discussed. Then, suggestions for future lines of research are proposed, which not only look for fulfilling the existing limitations but also to promote the understanding or current scope of IE. The comprehensive model broadens the thoughts in the field of IE by addressing the gaps recognized within the literature pertinent to the determinants of internationalization of firms in different places with various characteristics.

The five chapters included in this thesis are presented in Table 1.2.

Table 1.2 Outline of chapters included in this thesis

Chapter One	Introduction
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Chapter Two	Literature review
Chapter Three	Research methodology
Chapter Four	Findings of the qualitative study
Chapter Five	Discussion and conclusion

1.9 Limitations

The sample of this dissertation was initially restricted to the international entrepreneurs. The selection of the interviewees was performed following the guidelines in selecting suitable interviewees (e.g. international entrepreneurs or founders/ owners or central-decision makers) presented by Huber and Power (1985). Hence, a pre-screen process of international entrepreneurs was conducted to make sure whether they were the founder, owner or at least central decision-maker in the firm. Similarly, another pre-screening was performed to distinguish entrepreneurs from non-entrepreneurs in the process of data collection.

This research is also limited to the investigation of goods and service firms only. According to the World Bank (2016), the annual export value of goods and services combined is 29.8% of GDP in Italy and 22.4% of GDP in Iran. In 2008, 4.6% of the adult population in Italy was involved in early-stage entrepreneurship, as a nascent or new entrepreneur (Corbetta et al., 2008). Iran also has witnessed and shown an increasing interest in various entrepreneurship fields, in higher educational settings, policymaking, and business (Karimi et al., 2010). Considering the entrepreneurial theme of this dissertation, exploration of key informants from the Italian and Iranian region was deemed appropriate.

The findings in this research are drawn only from SMEs, ranged between 1 to 250 employees, from the Italian and Iranian international firms (Jafari Sadeghi & Biancone, 2017a). Small ventures employ not more than 50 employees, and medium-sized firms between 51 and 250 employees (OECD, 2005). In the European Union, SMEs provide about 75 million jobs and represent 99% of all enterprises (ETSI, 2018). Specifically, SMEs make a significant contribution to the Italian economy (the first context of this study), representing 99.9% of enterprises and accounting for 80% of the industrial and service labor force

(Eurostat, 2011; OECD, 2005). In the second context of this research, SMEs contribute to the 94% of Iran's industry sector and account for 70% of job opportunities and 50% gross domestic product (GDP) across the economy (AGAH, 2018). These statistics represent the importance of small and medium ventures to the economic prosperity of the studied countries, Italy and Iran.

1.10 Conclusion

This chapter has given an overview of the whole dissertation. The chapter has outlined the research background and has explained the three theoretical foundations underpinning the research. This chapter also discussed the key gaps identified from the literature and referenced from the research problem. The explanation of research questions to address the gaps in the literature are provided. Chapter One also corresponded the theoretical and managerial contributions of the research and outlined the structure of the thesis. The limitations of the study are also addressed. Next, Chapter Two presents a comprehensive review of the literature related to IE and the determinants identified for the internationalization of SMEs. After identifying the research gaps and discussing the derivation of the research questions, literature review forms the basis for the research investigation.

Chapter Two “Literature Review”

2.1 Introduction

The literature review that is conducted in this thesis explores deep insight of the variables studied into the field of SME internationalization in different places and by people ‘on their own term’. This chapter explores the international entrepreneurship and its foundation in general. Firstly, taking advantage of the wealth material of the institutional theory, the environmental determinant will be investigated and explained. Further, a review and discussion of the crucial function of the organizational factors that are mostly derived from the RBV will also be explored. This discussion is then followed by a review of the individual characteristics of international entrepreneur including the influence of international entrepreneurial orientation along with the entrepreneurial resources and capabilities. The review of research gaps and questions is also presented, which followed by the suggested conceptual model. Concluding comments for Chapter Two are also given. An overview of Chapter Two can be seen in Table 2.1.

Table 2.1 An overview of Chapter Two

<u>2.1 Introduction</u>	
<u>2.2 The field of international entrepreneurship</u>	
<u>2.3 Environmental determinants</u>	
	<i>2.3.1 Institutional proxy</i>
<u>2.4 Organizational and individual characteristics</u>	
	<i>2.4.1 International networks</i>
	<i>2.4.2 International vision</i>
	<i>2.4.3 International business experience</i>
	<i>2.4.4 Motivation and core competence</i>
	<i>2.4.5 International entrepreneurial orientation</i>
<u>2.5 Review of research gaps and questions</u>	
<u>2.6 Suggested conceptual model</u>	
<u>2.7 Conclusion</u>	

2.2 The field of international entrepreneurship

The foundation of the ‘international entrepreneurship’ in academia backs to the research by Morrow (1988), in which he highlighted that U.S. entrepreneurs are challenged by the increasing global competition and technological advances to become increasingly ‘international’ (Zahra & George, 2002). This study created the conceptual basis for other research exploring the international nature of ventures that desire to enter the international

business markets. As such, IE has derived from the intersection between the field of entrepreneurship and field of international business (Hisrich et al., 1996; McDougall & Oviatt, 2000b; Zahra & George, 2002; Zahra et al., 2005). As IE is a multidisciplinary field, it benefits from the wide range of fields as economics, entrepreneurship, management, marketing, international business, and sociology (Gamboa & Brouthers, 2008; Hisrich et al., 1996; McDougall & Oviatt, 2000b; Oviatt & McDougall, 2005; Zahra & George, 2002).

Stressing that IE is an emerging field in the academic research, Wright and Ricks (1994) claim that this subject not only covers the attributes of entrepreneurs in different cultures and countries but also examines the entrepreneurial behavior of firms engaged in the cross-border business activities. This argument has 'set the scene' for the further IE studies (Zahra & George, 2002). However, the definition of the IE is a continuous debate and is developing at the time (Oviatt & McDougall, 2005). As such, the definition of the IE remains in nascent form studies (Zahra & George, 2002), stressing on the inconsistency and the lack exists a unifying theoretical direction (Jones et al., 2011).

This research is adapted to the definition of IE presented by Oviatt and McDougall (2005, p. 540), in which they describe international entrepreneurship as 'the discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services.' The phrase 'across national borders' indicates the critical importance of ventures, groups, and individuals who discover, enact, assess and exploit international opportunity (Oviatt & McDougall, 2005). This definition is also compatible with the description of entrepreneurship to be 'the processes of discovery, evaluation, and exploitation of opportunities' presented by Shane and Venkataraman (2000, p. 218). All these definitions bold the significance of opportunity recognition and highlight the importance international entrepreneurs (individuals), their attributes and behaviors as well as the environments that they are embedded (Shane & Venkataraman, 2000).

As international entrepreneur is said to be a person who takes the risk of exploring opportunities in cross-border (Zahra & George, 2002; Zahra et al., 2005), understanding how they make judgmental decisions to recognize and exploit new opportunities in international markets is important for the development of this field (Shane & Venkataraman, 2000; Zahra

et al., 2005). Similarly, explaining the determinants that direct to differences in international market performance has been known as an essential but under-researched issue in the field of international entrepreneurship (Abouzeedan & Busler, 2004; Frishammar & Andersson, 2009; Jantunen et al., 2005; Zahra et al., 2005; Zucchella, Palamara, & Denicolai, 2007). This thesis, therefore, explores the SME internationalization (successful pursuit of international opportunities) in different places and in three classifications of environmental, organizational, and individual elements.

2.3 Environmental determinants

2.3.1 Institutional proxy

Researchers in the field of IE (e.g., Bruton et al., 2010; Busenitz et al., 2000) have tried either to identify the consequences of entrepreneurship on the environment or to identify institutional factors that facilitate international entrepreneurship. As such, entrepreneurship is considered as one of the drivers of the economic development of countries (Acs, Autio, & Szerb, 2014; Acs, Desai, & Hessels, 2008; Beugelsdijk, 2007; Grigore & Dragan, 2015; Wennekers, Sander; Thurik, 1999). Acs et al. (2012), Bruton et al. (2008), and Kiss et al. (2012) emphasize the critical function of entrepreneurship in propelling ventures into global markets and thus facilitating the country's growth in the economy.

As Bruton et al. (2010) highlighted, the institution is referred to several concepts such as less formal shared interaction sequences (Jepperson, 1991), ex-ante agreements (Bonchek & Shepsle, 1996), taken-for-granted assumptions (Meyer & Rowan, 1991), and formal rules (North, 1990). However, it is expected that organizations respect to institutions and appropriately consider them in their actions (Bruton et al., 2010; Meyer & Rowan, 1991). Thus, institutions determine the appropriate actions based on the objective sense and distinguish what is not unacceptable (DiMaggio & Powell, 1991). By this means, institutional theory covers the cultural and social as well as regulatory pillars that make an impression on the legitimacy and survival of an organization (Roy, 1997).

Similar to the other economic fields, entrepreneurial activities has been discussed to be incorporated with informal institutions (social mores and norms) and formal institutions like

regulations and rules (Baumol, 1996; Muralidharan & Pathak, 2017). In this regard, North (1990) and Scott (1995) categorized the informal and formal institutions into three different classifications: cognitive pillars (informal) that refer to the axiomatic beliefs about the expected appropriate behavior that are specific to the culture; normative pillars (less formal), which normally evident in commercial and standards conventions such as those established by professional and trade associations; and regulatory pillars that are formal structure of laws in a community, society, or nation (Bruton et al., 2010; Manolova, Eunni, & Gyoshev, 2008).

Most empirical IE studies regard the host country specifications (e.g., Delios and Henisz, 2003; Meyer et al., 2014) or the institutional distance between different countries (e.g., Estrin et al., 2009; Tihanyi et al., 2005); in this vein, Estrin et al. (2016a) state that the function of home country institutions need to be studied, as it was neglected in the literature (Henisz & Zelner, 2010; Morck, Yeung, & Zhao, 2008). Home country environments are often highlighted to be one of the significant pushing drivers for the international entrepreneurship (Etemad, 2009). According to Bruton et al. (2010: 422), institutions considered in terms of either regulatory, social, and cultural influences, either in terms of organizational and individual behavior, or in terms of the cognitive pillar, define “what is appropriate in an objective sense, and thus render other actions unacceptable or even beyond consideration”. Some scholars have examined the country regulatory, cognitive, and normative dimensions that give some countries a competitive advantage in entrepreneurial activities over others (Busenitz et al., 2000). Others have examined the importance of some country factors such as the governance (Grosanu, Bota-Avram, Rachisan, Vesselinov, & Tiron-Tudor, 2015), information asymmetries (Klapper & Love, 2011), and human and intellectual capital (Ugalde-Binda, Balbastre-Benavent, Canet-Giner, & Escribá-Carda, 2014; Unger et al., 2011). Unger et al. (2011) for example highlight that for being successful in entrepreneurship, human capital attributes are critical resources. Human capital resources are not only perceived to be the most important element that an entrepreneur can bring to an emerging business (Becker, 1993; Brush et al., 2017), but also as crucial contributors to the outcomes in international activities of the firms (Ruzzier, AntonciC, Hisrich, & Konecnik, 2007).

As Bell et al. (2003) claim, a domestic market with unpropitious circumstances can provide the motivational impetus for the internationalization of the domestic ventures which mostly stem from necessity (e.g. the desire to increase the profitability of venture against unfavorable home country environment). Oviatt & McDougall (2005) develop a model of the forces affecting the speed of internationalization. They argue that speed is motivated by competition, enabled by technology, and moderated by the knowledge level of the opportunity and the venture's international networks. A more general discussion is that entrepreneurial internationalization involves a self-reinforcing and time-sensitive cycle of relationships (Jones & Coviello, 2005). More recently, researchers have started studying the types of knowledge competencies that influence the entrepreneurial internationalization (Jones et al., 2011). Spence & Crick (2009) found that knowledge, market knowledge to be more precise, is crucial to shaping the initial and subsequent internationalization of new ventures; they also represent that knowledge and experience help fine-tune the firms' existing strategies, and market penetration is facilitated by experiential, buying and network knowledge.

As such Kibler et al., (2014) find that entrepreneurial intention to create a business is positively linked to the social perception (an institutional norm or value) of the entrepreneurship as a legitimate and valued activity. In another study, Vaillant and Lafuente (2007) highlight that social traits or norms such as the reactions towards the failure of business creation are an important driver of entrepreneurship in the initial stages. It confirms that societal institutional environments are crucial for entrepreneurial activities within countries. In another stream of the research, education level perceived to be an important institutional factor that affects the individual's likelihood towards creating their own venture (Lafuente, Vaillant, & Rialp, 2007). In this vein, some studies indicate the fostering impact of schooling on the venture creation in countries (e.g., Peterman and Kennedy, 2003) while others reveal the opposite (e.g., Oosterbeek et al., 2010). Further, in line with this study, other contextual institutional norms such as entrepreneurial intention (Tiago, Faria, Couto, & Tiago, 2015), ease of doing business (Stenholm, Acs, & Wuebker, 2013), and readiness towards venture creation (e.g., Schillo et al., 2016) has been studied in entrepreneurship.

2.4 Organizational and individual characteristics

Resource-based view and international entrepreneurial orientation are of the most pertinent foundations for exploring the organizational factors and individual characteristics of international entrepreneurship. As such, this thesis explains the theories, RBV and IEO, and the relevant elements studied in this research.

In studying the firm's resources Penrose (1959) was one of the first researchers that explained the influence of resources on the international performance of the ventures. She, initially, defined a firm as 'collection of productive resources' and then suggested that resources will only make an impact on the competitive international position of firms (Penrose, 2009). She stated that 'a firm with resources available for expansion over and above those required to maintain its position...may well find that opportunities for expansion into new areas look more promising than further expansion into existing areas' (Penrose, 2009, p. 136). This resource description by Penrose (1959) has built the conceptual basis of how specific ventures look to exploit global opportunities exceeding those that exist in the domestic environment. In recent years, although many theoretical frameworks have been asserted to explore the international firm performance, RBV has been discussed as one of the predominant perspectives (Barney, 1991; Barney et al., 2001; Wernerfelt, 1984). The foundation of the RBV has been preliminarily created by Wernerfelt (1984) and Barney (1991, 1986).

The RBV is a substantial theoretical foundation formed to understand how competitive advantage within ventures is achieved and how it will be sustained (Barney, 1986; Barney et al., 2001; Nelson & Winter, 1982; Penrose, 2009; Teece et al., 1997; Wernerfelt, 1984). Wernerfelt (1984) examined the value of investigating ventures from a resource rather than a product view. Explaining that 'for the firm, resources and products are two sides of the same coin' (1984, p. 171), he discusses that a venture can recognize the minimum required resource essential for growth through specifying a resource profile. According to Wernerfelt (1984), resources are crucial antecedents for developing products and eventually for the performance of venture. Accordingly, following on the Wernerfelt's (1984) arguments,

Barney (1991) represented what has been discussed to be as the ‘most detailed and formalized depiction’ (Priem & Butler, 2001) of firm-level RBV.

Most of the empirical studies on the RBV have based on what Barney (1991) found in his research. As Barney (1991, 1986) argued, sustainable competitive advantage and its consequence successful international performance are obtained from the firm's resources and capabilities, which are rare, precious, difficult to duplicate and non-substitutable (Barney, 1991, 1986; Barney et al., 2001). He (1991) reserves two fundamental considerations to the RBV: First, the business-level resources are heterogeneously spread out across ventures, and second, these resources are not possible to be transferred from venture to another (Barney, 1991; Priem & Butler, 2001). In the literature, the firm-level resources are said to be unique as they neither can be purchased or sold nor can they be quickly accumulated through markets (Teece, 1982). These resources and capabilities, in the firm-level, have been acknowledged as a collective of intangible and tangible assets, which includes managerial skills, organizational routines and processes, and the knowledge that a venture obtains (Barney et al., 2001).

The findings of Wernerfelt (1984) and Barney (1991) are centrally related in which both discuss that specific resources will lead to a sustainable competitive advantage that no rival has the capability to use the same type of resource. From the perspective of value-creative resource, ventures are distinguished to be heterogeneous with respect to their resources (Barney, 1991) as well as capabilities (Teece et al., 1997). As such, each venture has unique resources and capabilities that vary from other firms whether they operate in the same context or in different environments. These competencies and capabilities are designated by venture's resources that will consequently to better performance in both domestic and international markets, especially for ventures working in a competitive environment (Teece et al., 1997).

Literature in the field of IE recognized many resources and capabilities for the international entrepreneurial firms that might have an influence on the performance of a venture in its international activities, including international networking capabilities, international vision, international business experience, and international motive.

2.4.1 International networking capabilities

According to the network theory, markets are characterized by the interconnection of relations among various players, including not only customers but also competitors, private and public support agencies suppliers, and distributors (Coviello & Munro, 1995; H Etemad, Wright, & Dana, 2001; Loane, 2005a; Oviatt, McDougall, & Loper, 1995). Hence, entrepreneurial ventures that are looking forward to starting their activities in international markets or are attempting to internationalize can take advantage and benefit from these networking opportunities. Various studies have highlighted that networking is a crucial practice that facilitate the process on internationalization, specifically by assisting ventures to overcome resource restrictions (Coviello & Munro, 1995; Dana, 2001; Etemad & Lee, 2003b; H Etemad et al., 2001; Kontinen & Ojala, 2011; Lee et al., 2001; Oviatt et al., 1995; Poon & Swatman, 1997).

Using the case study methodology, literature confirms that firm internationalization will be relatively faster and more successful for the ventures leveraging extensive international networks (Mort & Weerawardena, 2006; Oviatt et al., 1995). Moreover, literature has acknowledged the importance of international networking as an indispensable component of the international entrepreneurial success (Coviello & Munro, 1995; Dimitratos & Plakoyiannaki, 2003; Loane, 2005b; Loane & Bell, 2006; Zahra, Neubaum, & Huse, 1997). In this regard, building on IE theory, Mort and Weerawardena (2006) Mort and Weerawardena (2006) discovered that worldwide networking capabilities promote utilization of opportunities in the international markets. For example, in the study on international entrepreneurs, Andersson and Wictor (2003) found that they all had high international experience, either in business, as students or via informal links, and they all also had a vision for their strategy to be enacted internationally. In this vein, with the dictation on the ‘internet’, recent literature highlighted the influence of technology on promoting the networking capabilities of entrepreneurial SMEs (Aspelund & Moen, 2004; Bell & Loane, 2013).

2.4.2 *International vision*

Prior studies in international entrepreneurship emphasize on the importance of the international vision of an entrepreneur, which increase the performance of the firm in their international activities (Andersson & Evangelista, 2006; Aspelund & Moen, 2004; Johnson, 2004; Tesar & Tarleton, 1982). The international vision of managers/ entrepreneurs has been discussed to be a dominant determinant in SME internationalization (Johnson, 2004), stressing on the role of vision on the in the development of international strategies for small firms (Andersson & Evangelista, 2006). For example, literature implies that high technology and small ventures are usually driven by the vision to be global at or near inception, and mostly engage in early internationalization exercises so as to keep their competitiveness, success, and growth (Johnson, 2004; Loane & Bell, 2006).

As a significant factor in international performance and market expansion, the vision enables international entrepreneurs and their firm to look for new opportunities in the international arena (Autio, Sapienza, & Almeida, 2000; Nummela, N., Saarenketo, S. and Puumalainen, 2004). Aspelund and Moen (2004), for instance, discovered that the international vision and customer orientation in the international market enable small ventures to create international competitive advantages. They also highlighted that the combination of technology with an international vision of entrepreneurial managers help SMEs to obtain competitive advantage and to promote niche international strategies (Aspelund & Moen, 2004). Literature state that international market expansion of firms is influenced by the international vision as an element of manager's drive, which assist ventures to identify new opportunities (Andersson & Evangelista, 2006; Aspelund & Moen, 2004; Autio et al., 2000; McDougall, Shane, & Oviatt, 1994).

2.4.3 *International business experience*

Following the previous findings, it is argued that the performance of a firm in the international markets can get influence from the former worldwide experience of managers or entrepreneurs (Dyer & Handler, 1994; Fischer & Reuber, 2003; Hutchinson et al., 2006; Loane & Bell, 2002; Wang, 2008). This international experience is considered to have a significant influence on the decision-making processes for the maintaining and expanding of

the venture's international strategy (Dyer & Handler, 1994; Fischer & Reuber, 2003; Hutchinson et al., 2006; Loane & Bell, 2002; Wang, 2008). In this regard, entrepreneurial SMEs with management having a notable international experience might undertake more promising competitive opportunities in global market rather than rivals (Westhead, Wright, & Ucbasaran, 2001).

Knowledge, as derived from the prior experience of the international entrepreneur (Reuber & Fischer, 1997), also have a crucial impact on the venture's resource garnering for internationalization. Two types of international experience have found to be related to the ownership of former businesses. They incorporate prior experience in an entrepreneurial business and cooperation with former start-up experience (Busenitz et al., 2003; Dyke, Fischer, & Reuber, 1992). Loane and Bell (2002) also highlight that entrepreneur's family is an additional source of experience. Hisrich and Brush (1984) argue that the likelihood of entrepreneurship among the people who have seen a business manager in their family is higher than who have not.

2.4.4 Motivation and core competencies

In general, motivation explains the effort and persistence through a given action (Latham & Pinder, 2005). Entrepreneurial motives play a crucial role in the creation of new organizations (Herron & Sapienza, 1992; Segal, Borgia, & Schoenfeld, 2005), whereas it affects the decision's taking, including the one referring a new business creation (Shane, Locke, & Collins, 2003). Motivation affects the entrepreneurial behavior in three harmonious manners: first, it influences on the choice of the individual and on the priorities, i.e., the direction of the action; second, it influences the intensity of the action, based on the importance or value that the action has for the entrepreneur and the third, it impacts the persistence of action, based on the clearness of the path to achieving this value (Braga, Proença, & Ferreira, 2014; Locke, 2000).

Researchers have been interested the motives to become self-employed as an entrepreneur, distinguishing between two distinct kinds of entrepreneurship: opportunity and necessity entrepreneurship (Reynolds, Bygrave, Autio, Cox, & Hay, 2002). On one side, opportunity-oriented entrepreneurs are those who establish a venture so as to seek an

opportunity, instead of being forced to do so. They normally create a business to make more money or to become independent. On another side, in necessity-driven entrepreneurship, business creators appear forced to create their own firm because of the lack of job vacancies. As a consequence, entrepreneurship is not a voluntary decision but is relatively a force as all other employment alternatives are unsatisfactory or absent (Angulo-Guerrero, Pérez-Moreno, & Abad-Guerrero, 2017). Jafari Sadeghi and Biancone (2018) focused on the different motivational aspects of entrepreneurship assessed by GEM - greater independence, Increase personal income, maintain income and other motivation. They found that monetary and financial motives have less influence on the intention of women, in comparison with men, to become an entrepreneur and men tend to start a new business regarding the priority to keep the current income and to increase their income. The next preferences of men are to be more independent and other motives (like family business etc.) while on the opposite side, the sense of being more independence is significant enthusiasm for female entrepreneurs. Afterward, women try to keep their current income, and finally, they look to the entrepreneurship as an opportunity to increase their income for their last option. Fossen & Büttner (2013) examined the relationship between formal education and the productivity of becoming self-employed, differentiating between opportunity- versus necessity-oriented entrepreneurs.

Motivational-based entrepreneurship is also important for the nations for their social development and also for economic growth. taking advantage from the conceptual model of institutional economics, Aparicio, Urbano, & Audretsch (2016) examined the impact of the number of procedures needed for starting a new venture (formal institution) and the corruption and confidence level among skilled persons (informal institutions) on opportunity-oriented entrepreneurship, which consequently lead to the economic growth. They observed a positive association between economic growth opportunity entrepreneurship. In another study, Fuentelsaz et al. (2015) investigated the function of formal institutions on the opportunity- and necessity-oriented entrepreneurship, using the panel data of 63 nations between 2005 and 2012. In fact, they explored the impact of business freedom, property rights, and labor freedom, and discover that opportunity-based entrepreneurship takes advantage from an development of these institutions (Fuentelsaz et al., 2015).

Angulo-Guerrero et al. (2017) examined that to the extent of which economic freedom is linked to the entrepreneurial endeavors, and found that economic freedom influence on the motives for entrepreneurship. Although economic freedom was negatively correlated to necessity-oriented entrepreneurship, this relationship with opportunity-oriented entrepreneurship was positive (Angulo-Guerrero et al., 2017). As such, higher economic freedom can stimulate entrepreneurs to take advantage the potential business opportunities. All these discussions regarding the motives behind of entrepreneurship applied also for the establishing the international-based businesses. Consequently, it can be said that motivation is one of the determinants of the international entrepreneurship, specifically for internationalization of SMEs.

2.4.5 International entrepreneurial orientation

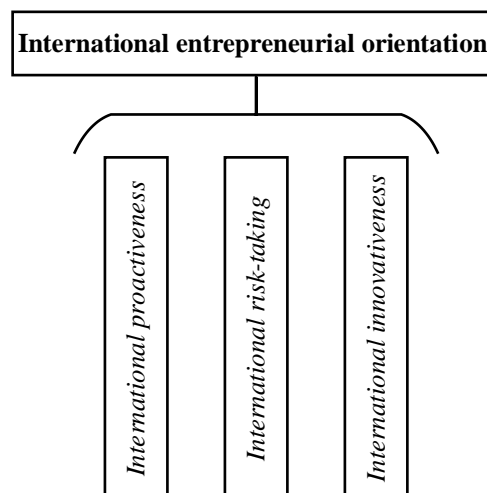
According to Wiklund and Shepherd (2005), entrepreneurial orientation is said to be the strategic orientation of ventures to seize entrepreneurial-oriented methods and systems of decision-making. Entrepreneurial orientation also the venture operates (Lumpkin & Dess, 1996). Although it is about thirty years from emergence of entrepreneurial orientation, this concept is still one of the core foundations of strategy and entrepreneurship research (Slevin & Terjesen, 2011) such as those seminal studies by Lumpkin and Dess (1996), Covin and Slevin (1991), Covin and Wales, (2012) Covin and Slevin (1989), Miller (1983), and Miller and Friesen (1984). Entrepreneurial orientation is described as the strategic orientation of firms, comprising particular entrepreneurial elements of decision-making practices, styles, and methods (Wiklund & Shepherd, 2005). Talking about entrepreneurial orientation, Miller (1983, p. 771) addresses the entrepreneurial ventures to be the firms that ‘engages in product market innovation, undertakes somewhat risky ventures, and is first to come up with proactive innovations, beating competitors to the punch.’

In the last two decades, this concept has been entered into the field of IE through the research firstly conducted by Knight (2001), in which he proposed that entrepreneurial orientation can be expanded into the international market arena. In a research on the international manufacturing SMEs, Knight (2001) found that particular factors for the international success of SMEs, such as the international orientation of entrepreneurs, strongly influence on the performance of the firm in international markets. As such, he

introduces special determinants impact the firm's international success such as ‘international proactiveness’, ‘international risk-taking’, and ‘international innovativeness’, which represent the ‘international entrepreneurial orientation’ (Knight, 2001).

International entrepreneurial orientation is a multi-dimensional subject (Covin & Slevin, 1991), employed in both an individual and business-level analysis, indicating the overall aggressiveness and proactiveness of firms in their international opportunities-seeking process (Knight, 2001). International entrepreneurial orientation comprises taking advantage of offerings exist in international markets through the taking risks to be more proactive rather than rivals to obtain new international market opportunities (Covin & Slevin, 1991; Jantunen et al., 2005; Wang, 2008). Following the Knight (2001) and Knight and Cavusgil (2004), this thesis investigates three dimensions of international entrepreneurial orientation, such as international proactiveness, international risk-taking, and international innovative that entrepreneurial firms leverage for internationally oriented objectives (Figure 2.1).

Figure 2.1 Conceptualization of international entrepreneurial orientation



Source: Knight and Cavusgil (2004) and Knight (2001).

2.4.5.1 International entrepreneurial proactiveness

Knight (2001) defines the international proactiveness, the first element of international entrepreneurial orientation, as the firm’s aggressive positioning rather than rivals with the stress on the firm’s fulfilling of ongoing responsibilities to seize the international market

goals. Researchers admit that proactiveness incorporates a ‘forward-looking’ view, in which ventures are likely to be pioneers (Lumpkin & Dess, 1996; Miller, 1983; Ripollés-Meliá, Menguzzato-Boulard, & Sánchez-Peinado, 2007; Wang, 2008; Wiklund & Shepherd, 2005). Also, it has been proposed that with this ‘forward-looking’ insight, proactive businesses have the tendency to be forerunners, consequently taking advantage of the business opportunities of the global market (Wiklund & Shepherd, 2005). Literature, however, argued that international proactiveness inspired to the ability of international entrepreneurs to prospective needs of the business and even to obtain the competitive advantage due to leveraging the new prospects of the international market (Jantunen et al., 2005; Knight & Cavusgil, 2004; Lumpkin & Dess, 1996; Mostafa et al., 2005). Moreover, prior studies found that a proactive global strategy improves the international capability of the entrepreneur to predict the expected necessities of the business and to develop its performance through seeking new international opportunities (Jantunen et al., 2005; Knight & Cavusgil, 2004).

2.4.5.2 International entrepreneurial risk-taking

Literature considers the international risk-taking, the second element of international entrepreneurial orientation, as correlated to the preparation and the followed implementation of projects that involve meaningful probabilities of the financial loss (Knight, 2001; Miller & Friesen, 1984). Risk-taking has different dimensions. It encompass not only the dissociation from earlier discovered methods and attempt toward the unknown (Wiklund & Shepherd, 2005), but also expresses the enthusiasm of an entrepreneur to invest in international projects and allocate resources to those that do not have certain results (surprisingly extraordinary success/ failure) (Knight, 2001; Lee et al., 2001; Lumpkin & Dess, 1996).

Research in field of IE (Jantunen et al., 2005; Oviatt & McDougall, 2005; Ripollés-Meliá et al., 2007; Şahin & Gürbüz, 2017) as well as one in entrepreneurship study (Covin & Wales, 2012; Lumpkin & Dess, 1996; Moreno & Casillas, 2008; Mostafa et al., 2005; Wang, Thornhill, & De Castro, 2017) found that the risk-taking propensity, as an element of entrepreneurial orientation of ventures, have positively influenced the international business endeavors (such as SME internationalization). In the research on the proactiveness, risk-taking and innovativeness behavior of the exporting SME managers, Mostafa et al. (2005)

discovered that those having more entrepreneurial orientation characteristics were more willing to peruse the international market opportunities. Overall, it can be said that an international risk-taking propensity will be fundamental to the firm's international business process.

2.4.5.3 International entrepreneurial innovativeness

International innovativeness, the third element of international entrepreneurial orientation, is related to the willingness of firms to adventure into novel international ideas, experimentation, and get away from initiated methods (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). Knight (2001, p. 160) introduced the technological perspectives of international innovativeness by discussing that ventures are likely to 'pursue creative or novel solutions to challenges confronting the firm, including the development or enhancement of products and services, as well as new administrative techniques and technologies for performing organizational functions'. Some studies have shown that in order to make an innovative practice to the international entrepreneurial activity, it is essential to conduct an inquiry for finding new connections between the products and actual resources, expanding the resources of the venture in the global environment (Ripollés-Meliá et al., 2007).

One of the most important reasons that firms follow the innovative operations is they are looking for being successful in the internationalization of firms as an international-oriented and competitive objective. Literature explains it as an antecedent to phenomena including successful international outcomes (Jantunen et al., 2005; Wiklund & Shepherd, 2005), technology leverage (Knight & Cavusgil, 2004; Mosey, Guerrero, & Greenman, 2017; Wang, 2008), and internationalization (Knight, 2001; Lomberg, Urbig, Stöckmann, Marino, & Dickson, 2017; Ripollés-Meliá et al., 2007). Therefore, the international innovation, as an important factor of international entrepreneurial orientation, is expected to facilitate the IE process of firms. Lumpkin and Dess (1996) propose that entrepreneurial orientation as an endeavor of business creation process develops the innovative exercises aimed to increase the firm's achievement in distinct markets. Literature also highlights that three fields of innovation, entrepreneurship, and internationalization interlocked together, as innovation is

a necessary component that assists entrepreneurial managers for directing their firms in the intricate international environment (Onetti, Zucchella, Jones, & McDougall-Covin, 2012).

2.5 Review of research gaps and questions

The present IE research stresses on the explanatory variables related to the specific subject like internal characteristics of firms (Zhang et al., 2016). Numerous studies that examine the SME globalization issues fail to pay attention to the extent of how particular people in particular place leverage their unique recourses and capabilities to enhance their international activities. These resources, capabilities, beliefs, and practices that vary from place to place, culture to culture can be utilized for the development of entrepreneurship in the international context (Anderson et al., 2006). Similarly, there is still gap to differentiate how particular environmental characteristic of different context can facilitate or harden the process of internationally business creation.

As such, the objective of this research is to elucidate the empirical definitions of international entrepreneurship and to examine the entrepreneurial characteristics are needed for the internationalization of ventures in different places. It is further intended to determine (i) which of these characteristics are universal, and (ii) which ones are context (place/people) related? Hence, the research questions developed for exploration are;

***Q1.** What are drivers needed for the internationalization of SMEs in the different locations that have various characteristics? In addition, how do these determinants influence the international performance of SMEs?*

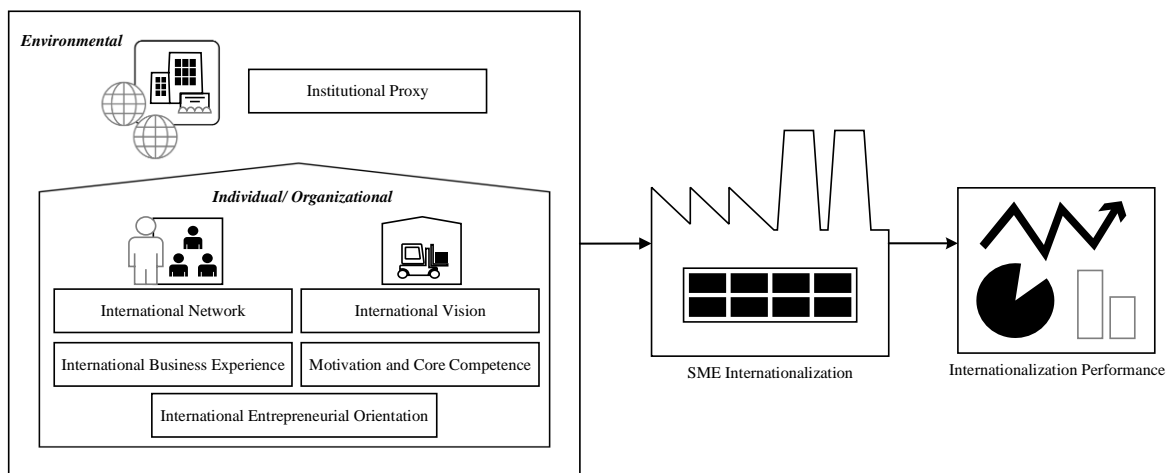
***Q2.** Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.*

Further, it is expected to differentiate the context-based drivers that are seen only in the process of international entrepreneurship in the specific place with those determinants that have the same impact IE processes regardless the nature of people/ place.

2.6 Suggested conceptual model

Research investigating IE often do not provide a comprehensive insight of SME internationalization from the perspective of entrepreneurs, firms, and environment and usually stick to only the singular dimensioned theoretical construct. For example, Manolova et al. (2002) studied individual attributes, Zahra and Garvis (2000) explored firm attributes, and Bruton et al. (2010), as well as Busenitz et al. (2000), investigated environmental attributes. This thesis contributes to the IE theories by combining institutional theory, RBV, and international entrepreneurial orientation, in which the SME internationalization is considered to be influenced by the individual, organizational, and environmental perspectives. Based on the IE literature, Figure 2.2 represents five individual/ organizational dimensions that are expected to have a positive impact on the successful SME internationalization, such as *international networks, international vision, international business experience, motivation and core competence, and international entrepreneurial orientation*. The environmental determinant in the model discusses the *institutional proxy*. The proposed theoretical model will be utilized as the foundation for the case study investigation.

Figure 02.2 Proposed conceptual model of individual, organizational, and environmental elements for SME internationalization



2.7 Conclusion

Chapter Two has given a synthesis of the literature concerning to the multidimensional perspective of the SME internationalization. Particularly, this chapter has reviewed the factors influence international entrepreneurship of small and medium ventures from the perspective of individual entrepreneurs, organizations, and environment that firm operates. Specifically, this chapter explored the institutional proxies of firm internationalization. Moreover, the chapter has addressed the literature related to international network, international vision, international business experience, and motivation and core competence. This chapter has also explained the international entrepreneurial orientation, including international proactiveness, the international risk-taking, and international innovativeness of entrepreneurs. Subsequently, two research questions were developed to assist in filling the research gaps. In the following chapter, the qualitative research design will be discussed.

Chapter Three “Qualitative Research Design”

3.1 Introduction

This chapter gives an in-depth explanation of qualitative study and methods for data gathering and the followed analysis. The objective of the qualitative study is to correspond the research question one (Q1: *'What are entrepreneurial characteristics needed for the internationalization of SMEs?'*), question two (Q2): *'how do these determinants influence the international performance of SMEs?'*, and question three (Q3): *'Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms?'* The aim of this study is to recognize the determinant of international entrepreneurship in two contexts of Italy and Iran via taking advantage from the multiple case study methodology.

Chapter Three provides an information regarding the philosophical consideration in which the research is conducted. Furthermore, this chapter addresses other required concepts for the methodology including the unit of data analysis, selection strategy, sources of the data, data collection and sampling, analysis of the data, coding, and criteria of evaluating the quality of case studies such as internal validity, construct validity, external validity and reliability. An overview of Chapter Three can be seen in Table 3.1.

Table 3.1 An overview of Chapter Three

3.1 <u>Introduction</u>	
3.2 <u>Philosophical consideration</u>	
3.3 <u>Level of analysis</u>	
3.4 <u>Methodology: Multiple case study</u>	
	3.4.1 <i>Selection strategy</i>
	3.4.2 <i>Sources of the data</i>
	3.4.3 <i>Data collection and sampling</i>
	3.4.4 <i>Interview protocol</i>
	3.4.5 <i>Analysis of the data (Within- and cross-case)</i>
3.5 <u>Criteria for evaluating the quality of case studies</u>	
3.6 <u>Ethical reflections</u>	
3.7 <u>Conclusion</u>	

3.2 Philosophical consideration

A research paradigm as (Guba, 1990, p. 17) state is argued to be as a ‘set of beliefs that guide action’. Considering that, a paradigm is a collection of correlated assumptions regarding the facts that are shared by those investigating the universe (Deshpande, 1983), scholars work with these research paradigms. Researchers usually rely on their research philosophy by examining their epistemological, ontological, and methodological premises or assumptions, and consequently employing research method consistent with these assumptions (Guba, 1990). According to Denzin & Lincoln (2011), a research paradigm, in general, explores four areas: epistemology, ontology, ethics, and methodology.

Epistemology explores the linkage between the reality and the researcher, or the known and the inquirer (Denzin & Lincoln, 1994). In fact, epistemology determines defines how knowledge can be generated and discussed for (Eriksson & Kovalainen, 2015). Ontology asks the basic inquiries regarding the nature of the human being as well as the nature of the reality in the world (Guba, 1990). For example, it investigates the existence of relationships between individuals, community and the world as a whole. Ethics rise question about “How can be a moral individual in the world?” (Denzin & Lincoln, 1994). As Eriksson & Kovalainen (2015) highlight, ethics cover all research dimensions from the start of research to the final report. Corresponding to the ethical issues also increase the credibility of the research (Eriksson & Kovalainen, 2015). Lastly, methodology addresses the best means of obtaining knowledge about the world (Denzin & Lincoln, 1994).

This study adopts the statement of Denzin & Lincoln (1994), in which they declared that the basic beliefs of alternative inquiry paradigms bond along with a continuum, and includes constructivism, positivism, post-positivism, and critical theory. According to Denzin & Lincoln (2011), a research paradigm can be seen as a continuum ranging from evolving less structured directives at one side to precise design principles at the other side. The first paradigm to be discussed is constructivism. Constructivism facts are understandable as multiple, elusive psychological constructions that are socially and experimentally based (Denzin & Lincoln, 2011). Guba & Lincoln (1994) suggest that the objective of constructivism is to comprehend the intricate world of lived experience from the point of

view of individuals who live it. Researchers commonly take advantage from constructivism paradigm in qualitative data collection, where the scholar is looking for understanding the social world as perceived by others (Malhotra, Kim, & Patil, 2006). This paradigm was considered to be unsuitable for this research as it suggests that the facts are understandable in the shape of intangible mental intangible structures that are based on the social and experimental foundations (Denzin & Lincoln, 2011).

Positivism, as the next studied paradigm, supposes that a research measures independent realities regarding a specific apprehensible fact is commonly engaged for hypothesis testing of quantitative research (Guba & Lincoln, 1994). In this line, Kvale (1996) reveals that positivism paradigm is a philosophical reservation that has mostly ignored qualitative analysis as a scientific research method. Positivism-framed research has mostly employed for quantitative methodologies and for this reason, adopting this approach was found deemed unsuitable for investigating the phenomenon of IE determinants in different institutions. To obtain information of the SME internationalization in different places a mixed research methodology was regarded suitable to assure of the quality of data received from the informants.

This thesis is adapted to the post-positivist paradigm, which as a paradigmatic approach, is not only a contrast but a modification of the many central assumptions of positivism (Onwuegbuzie, Johnson, & Collins, 2009). This paradigm is based on the multiple methods as a way of gathering as much as possible of real information with the accentuation on the exploring and verification of theories (Denzin & Lincoln, 2011). By this means, the post-positivist paradigm keeps the idea of objective truth but crosses the borders of relativism (Denzin & Lincoln, 2011). More precisely, it is grounded on the fact that knowledge of individuals is not based on constant foundations but rather speculations that can change by passing time (Denzin & Lincoln, 2011). Post-positivism paradigm followers assume that the reality can be independently studied, but in the meantime, they believe that imperfect theories can be modified and developed (Onwuegbuzie et al., 2009). They also state that humans are biased in their cognition of the facts based on their experiences (Denzin & Lincoln, 2011; Onwuegbuzie et al., 2009). Although post-positivisms mostly employ

quantitative methodologies in their research, they also take an advantage of the qualitative approaches to improve the quantitative analysis (Onwuegbuzie et al., 2009).

Critical theory has been opposed the positivisms in the social sciences (Denzin & Lincoln, 2011). The followers of the critical theory stand against the relativist, antifoundational epistemologies, and logical positivist (Denzin & Lincoln, 2011). Critical theorists employ a historical realism that facts as result of cultural, economic, political, social and ethnic drivers which transformed to the structures that are now named ‘real’ (Guba & Lincoln, 1994). Although critical theory benefits the mixed-method approaches, this paradigm is not deemed to be appropriate for current research as its assumptions are dependent on the historical and social understanding and are subjective to the researcher (Guba & Lincoln, 1994). Table 3.2 represents a summary of the basic beliefs introduced by Denzin & Lincoln (1994).

Table 3.2 A summary of the basic beliefs

	Epistemology	Ontology	Methodology
Positivism	Dualist/ objectivist; findings are true	Naive realism; “real” reality but apprehendable	Experimental/ manipulative; verification of hypothesis; chiefly quantitative methods
Post-positivism	Modified dualist/ objectivist: critical tradition/ community; findings are probably true	Also known as critical realism; ‘real’ reality but only imperfectly and probabilistically apprehendable	Modified experimental/ manipulative; critical multiplism; falsification of hypothesis; may include qualitative methods
Constructivism	Transactional/ subjectivist; value-mediated findings	Historical realism. Virtual reality shaped by social, political, cultural, economic, ethnic, and gender values; crystallized over time	Dialogic/ dialectical
Critical theory	Transactional/ subjectivist; created findings	Relativism/ interpretivism. Local and specific constructed realities	Hermeneutical/ dialectical

Source: Guba and Lincoln (1994, p. 109).

3.3 Level of analysis

This study has aimed to disentangle and investigate the firm level institutions and characteristics that are contemplated to have an impact on the internationalization-performance of the small and medium ventures in different contexts. To this end, the international entrepreneurs from SMEs in Italy, as a European country, and Iran, as an Asian country, were selected, from which five in-depth interviews with the owner/ founder/ central decision makers of each context were conducted. The level of analysis of this thesis is adopted the research done by Loane (2005), in which for examining the function of the internet in SME internationalization she conducted interview methodology with the key decision makers. Scholar in the field of international business highlighted that the international entrepreneur for the intention of internal decision-making processes can be regarded as the single representative of the venture (Jantunen et al., 2005; Loane, 2005b; Mostafa et al., 2005). Consequently, for the purpose of this research, interview methodology with an international entrepreneur at the individual level is employed.

In this research, the unit for the data collection is individual international entrepreneurs. However, questions of the case study covered information of the international entrepreneurs as well as the ventures as a collective. In this regard, as Reid (1981) discussed, it is suggested to analyze the individual level first instead of a collective because the authority in small and medium firms mostly concentrated in the central decision makers. This is due to the significant role SME's founder/ owner/ key decision makers in the initiation and development of the process of internationalization (Chetty & Hamilton, 1993; Hutchinson et al., 2006). In this line, literature also suggests that the decision of internationalization of ventures is related to not only technology privilege but also to the manager's international orientation (Loane, McNaughton, & Bell, 2009). Recent studies in this regard investigated the factors influencing the international opportunity identification, with focus on the application of capability perspectives such as the firm-level resources and capabilities (Mostafa et al., 2005; Zahra et al., 2005). Thus, analysis of the findings of this research in the individual international entrepreneur level as well as the venture level as a collective is important.

3.4 Methodology: Multiple case study

Multiple case study method has been used for the data collection of this research. The most frequent and technical definition of the case study is presented by Yin (2003, P. 13):

“A case study is an empirical inquiry that;

- *investigates a contemporary phenomenon in depth and within its real-life context, especially when,*
- *the boundaries between phenomenon and context are not clearly evident. Case studies can include, and even be limited to quantitative evidence, however, are primarily qualitative in nature.”*

Using of case study method, such as web documents, print media, and interview transcripts have empowered researchers to correspond the wider range of behavioral phenomenon (Patton, 1990). Multiple case study methodology has been suggested as a comprehensive logical research approach that is unique as it deals with a broad range of evidence including interviews, documents, observations, and artifacts (Eisenhardt, 1989a; Yin, 1981). This methodology has been accepted as a frequent and widely utilized research method in the field of international business and entrepreneurship. For instance, scholars have recently have employed the multiple case study methodology on firm internationalization studies (Andersson & Wictor, 2003; Gorynia, Nowak, Trapczyński, & Wolniak, 2013; Loane, 2005b; Urbano, Toledano, & Ribeiro-Soriano, 2010).

Case study research can be conducted as a single embedded case or multiple case studies (Yin, 1981). This thesis has benefited from the multiple case studies to obtain a comprehensive insight on the addressing the research gaps and on identifying the characteristics of the IE constructs. Multiple case study methodology has been argued to have a better understanding in the field of international entrepreneurship (Eriksson, Hohenthal, & Lindbergh, 2006; Wright & Dana, 2003; Zahra & Dess, 2001). Similarly, this approach can give a better insight on the institutions that influence the SME internationalization in different contexts. As such, it was deemed that multiple case study methodology is one the most appropriate method to answer the ‘how’ and ‘why’ questions being proposed in this research (Yin, 2009). Instead of the of a single case study of an

individual business, the aim of this research is to broaden the thoughts IE characteristics in the various locations through multiple case studies.

Case studies can be differentiated from other approaches. For example, an experiment intentionally gets distance from the full intricacy of a phenomenon, dealing with a limited number of variables in a controlled environment (Yin, 2009). A history deals with the inter-linkage between the context of research and the phenomenon but usually deals with non-contemporary events (Eisenhardt & Graebner, 2007). Although the ability to inquire context is limited, a questionnaire strives to get along with a context and phenomenon (Mason, 2006; Yin, 2009). As for this study, it is crucial to initially investigate the phenomenon of the determinants of SME internationalization in various places before recognized concepts can be verified via a quantitative questionnaire.

Notwithstanding the fact that case studies are a peculiar kind of empirical examination, investigators have proceeded to bold the shortcomings of the methodology. The highest solicitude for researchers has been over the lack of precision in case study methodology (Yin, 2009). This is primarily because of scholars' weakness to employ rigorous and valid cases that follow systematic procedures and are free from biased perspectives affecting the direction of the research, or its findings (Eisenhardt & Graebner, 2007; Yin, 2009). Nevertheless, designing questionnaires the can be influenced by the bias of researcher. In order to assure that the case design of this research is rigorous, the peer-reviewed case study research publications were taken advantage from. Furthermore, the argument that case studies give some basis for scientific generalization is another common challenge among the research scholars (Marshall & Rossman, 2014; Mason, 2006; Yin, 2009). This challenge is mostly concerned with the research that depends only on a single embedded case while this thesis has taken advantage from the multiple case studies.

3.4.1 Selection strategy

The sample in qualitative section of the thesis was obtained via the use of a purposive sampling strategy. According to this method, the investigator selects participants who can 'purposefully inform an understanding of the research problem and central phenomenon in the study' (Creswell, 2013, p. 125). The advantage of purposive sampling is in selecting

cases with high information for in-depth analysis related to the phenomenon under study (Patton, 1990). This means that the selection of data sources is inspired mainly via the conceptual questions, not by a concern about the representativeness of the data (Miles & Huberman, 1984). In general, the purposive sampling is meant to simplify the process, in which a research is conducted and the theory is examined according to the analysis of the research data (Mason, 2006).

Therefore, the purposive sampling strategy can be justified as the objective of the qualitative section of this study is to explore the relatively less explained the unique institutions of different context on the successful SME internationalization. In order to decrease the bias of desirability and assure that international entrepreneurs were being interviewed in terms of their job description, each interviewee had to qualify two criteria. First, the international entrepreneur needs to be a founder, owner or central decision maker of the SME, which this question was asked during the interview. Second, international entrepreneurs were required to satisfy a screening process utilized to assess international entrepreneurial individuals confirming risk-taking, innovative, and proactive behaviors (Mostafa et al., 2005; Wang, 2008). This process is a filter to recognize the international entrepreneurs from non-international entrepreneurs.

3.4.2 Sources of the data

As Perry (1998), there is no exact standpoint regarding a number of the cases that should be taken into consideration in the research. In fact, the literature has spaciouly explained how many cases need to be incorporated. For instance, Patton (1990) confirms that there is no determined quantity of cases that should be in a case study inquiry. Similarly, without mentioning the numbers, Eisenhardt (1989) highlights that the case studies should be continued until we can make sure that theoretical saturation is reached. However, literature advice that it should be minimum four cases in any case study research methodology (Eisenhardt & Graebner, 2007; Perry, 1998). Research with less than four cases will be challenging for the credibility of the theory development (Perry, 1998). Considering these reservations, the use of ten cases from of both the good and service sector from Italian and Iranian SMEs (five cases in each context) was considered appropriate. Four out of five cases selected in each country are good-oriented, and one is service-oriented. In this research, the

service-oriented ventures were selected from the advisory sector regarding the international business. Yin (2009) argues that careful selection strategy of cases within the goods and service sectors not only ensures that the research meets the criterion of literal replication but also contrasts the findings among industries for robustness to meet the validity via theoretical replication. In addition, multiple cases help in generating analytic generalizability (Yin, 2003, 2009). However, firm size of the selected cases adapted to SMEs (Jafari Sadeghi & Biancone, 2017), ranged between 2 to 250 employees, from the Italian and Iranian international firms. Small ventures employ not more than 50 employees, and medium-sized firms between 51 and 250 employees (OECD, 2005). Table 3.3 proves the multiple case study used in this research.

Table 3.3 Classes of design in case study inquiry

	Single-case designs	Multiple-case designs
Holistic (single unit of analysis)	Class 1	Class 3
Embedded (multiple units of analysis)	Class 2	Class 4

Source: Yin (2003, p.40).

3.4.3 Data collection and sampling

One of the best tools for obtaining case study information and for the success of research design is interviews (Malhotra, 2008; Mason, 2006). Thus, in-depth interviews have been chosen as the data collection methodology for this research. For each case, a structured and single setting interview in about 90 minutes took place, in which the international entrepreneur addressed questions regarding their international proactiveness, risk-seeking propensities, and innovativeness. Further inquiries about the international entrepreneurial motivation, environmental factors, competitive pressures, international market standardization, product/service distinctiveness, international vision, international business experience, international network capabilities, local resources, and export compliance were also discussed. In this vein, ten in-depth interviews followed two considerations: firstly, asking interviewees unbiased manner conversational questions; secondly, following the line

of the interview as reflected in the case study protocol (Malhotra, 2008; Marshall & Rossman, 2014; Mason, 2006; Yin, 2009).

In order to ensure a more accurate record of the interview rather than observer notes alone, the whole process of the interview was recorded by an audiotape device. Recordings notes along with observer notes of the ten in-depth interviews guarantee the accuracy of the gathering information. As for obtaining the secondary data about the focal ventures, an internet search was utilized. The internet derived data was collected from the website data, brochures and industry publications and mass print media. Due to the data abundance on the internet, the interviewer had to acquire the only the most appropriate material pertinent to the research questions keeping the case study inquiry.

A database for the case study was also created to develop the reliability of documenting and organizing information. Instead of being restricted to the written case study reports, this database assists other researchers to evaluate the evidence and represent independent conclusions directly (Marshall & Rossman, 2014). However, the case study notes created the basis of the case study database. Apart from the challenging process of the transferring data to the database which took a huge amount of time, this process itself is fundamental in building readily retrievable documents for later inspection (Yin, 2009). Therefore, the principle of keeping a chain of evidence to strengthen the reliability of information is achieved through the establishment of the case study database (Yin, 2009).

3.4.4 Interview protocol

This research has benefited from the interview protocol that helps the researcher through the bolding the discussion with the interviewee to issues concerning to the research area (Perry, 1998). The inquiries involved in the interview protocol are of critical relevance to the creditability of the research. The interview protocol employed in this study can be seen in Appendix 1. One important characteristic of the open-ended questions is to address the unexpected or unpredicted responses (Yin, 2009). Another importance of the interview protocol is that it increases the creditability and reliability of the collected data (Malhotra, 2008; Perry, 1998). The interview protocol utilized in this research is described below.

The interview protocol was initiated with the introduction to thank interviewees for their contributions to this research. This section briefly described to interviewees why they were chosen as suitable participants for the research. Next, the objective of the research, expected outcomes, and important information pertaining to the research are described for participants. Furthermore, the process of the interview, including information regarding the ethical issues and the research institution is explained. Part A of the interview protocol was used to collect general business information and interviewee details. These inquiries were designed to obtain the general background information of the firms. Part B used a mix of multiple choice and probing questions to capture the knowledge and earlier experiences of the international entrepreneur for investigating their international entrepreneurial orientation. Questions in this section were developed to address the level of proactiveness, risk-taking propensity, and innovativeness in international business decision making international entrepreneurs.

Probing questions in Part C were used to explore the international entrepreneurial opportunity of the businesses. Part D seeks to explore the related international vision of the international entrepreneur. Part E used probing questions to explore the international experience as well as networks of international entrepreneurs. Probing questions in Part F were used to address the local resources of the international firms. Part G used probing questions related to the challenging issue of export compliance that international firms may face during their activities. Part H used probing questions to evaluate the international performance of the ventures, including all export markets in which they were operating. Table 3.4 represents the protocol questions and corresponding questions in the interview protocol.

Table 3.4 Cross-case analysis

Research question	Protocol section	Corresponding question	Research focus
<p><i>Q1. What are drivers needed for the internationalization of SMEs in the different locations that have various characteristics? In addition, how do these determinants influence the international performance of SMEs?</i></p> <p><i>Q2. Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.</i></p>	PART A	Q: 1, 2, 3, 4, 5, 6	Opening questions
	PART B	Q: 7, 8, 9, 10	International entrepreneurial orientation
	PART C	Q: 11, 12, 13, 14, 15, 16	International entrepreneurial opportunity
	PART D	Q: 17, 18, 19, 20	International vision
	PART E	Q: 21, 22, 23, 24, 25, 26, 27, 28	International experience and network
	PART F	Q: 29, 30, 31, 32	Local resources
	PART G	Q: 33, 34, 35, 36, 37	Export compliance
	PART H	Q: 38, 39, 40, 41, 42	International performance
	PART I	Q: 43, 44	Closing questions

3.4.5 Analysis of the data (Within- and cross-case)

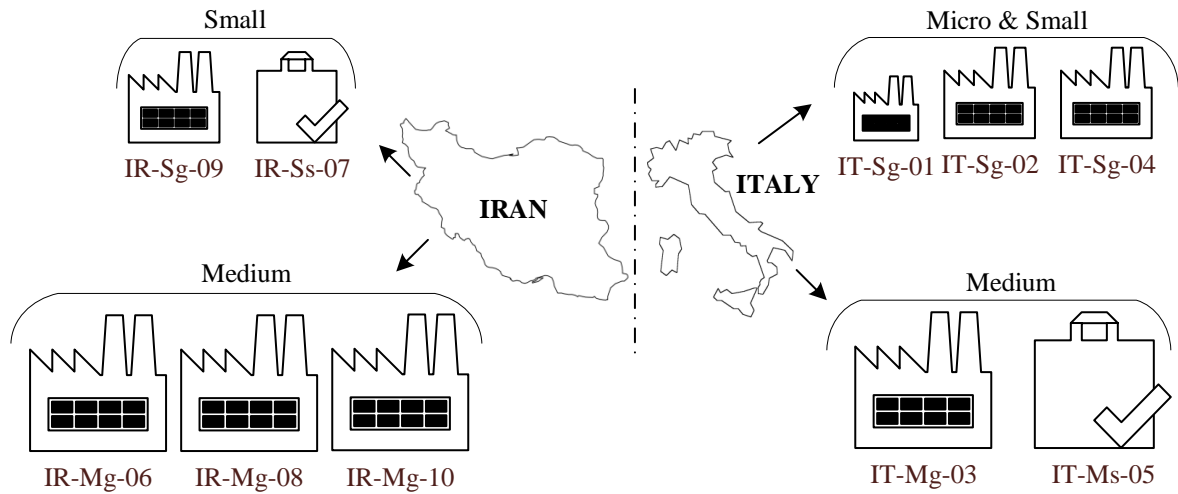
As Stake (1995, p. 71) states, the analysis of data ‘is a matter of giving meaning to first impressions as well as final compilations.’ Data analysis incorporates categorizing, examining, tabulating or recombining the information to evoke empirical findings and conclusions (Yin, 2009). Collecting case study evidence is one of the most intricate and less developed processes of conducting case studies (Yin, 2003) as interviewers usually conduct the case studies without the initially considering how to analyze the evidence (Marshall & Rossman, 2014). It is appreciated that the interviewer becomes well versed with all steps of the case study methodology before the coding the data. Yin (2003) highlights that the analysis of the data for case studies include two processes of within-case and cross-case analyses. By doing so, the investigator is able to extrapolate and test crucial information useful for the problem-solving.



The objective of the within-case analysis is to get acquainted with the single case by in-depth testing of the case study data and by a comprehensive and descriptive case write-up (Eisenhardt, 1989a; Perry, 1998). Therefore, the multiple cases in this research were seen separately before cross case-analysis took place. The pattern matching or cross-case analysis

is a logic corresponding empirically based patterns with foretold ones (Yin, 2009). It is argued that the findings will help in strengthening the study's internal validity once the patterns coincide (Patton, 1990). This research conducts both theoretical replications (predicting contrasting results for predicted reasons) and literal replications (predictions of similar results) (Mason, 2006; Yin, 2003). For instance, predicted similar results, as shown in Figure 3.2, are expected in cases IT-Sg-01: Italian goods-oriented micro-sized firm; IT-Sg-02, IT-Sg-04 Italian goods-oriented small-sized firms; IT-Mg-03: Italian goods-oriented medium-sized firm, IT-Ms-05: Italian service-oriented small-sized firm; IR-Sg-09 Iranian goods-oriented small-sized firm; IR-Ss-07: Iranian service-oriented small-sized firm; IR-Mg-06, IR-Mg-08, IR-Mg-10: Iranian goods-oriented medium-sized firms.

In this study, the predicted contrasting results are viewed between small- and medium-sized firms and between the goods and services industries (See Figure 3.1). These replications contribute influential support for theory development and assist in providing analytical generalizability. In this research, the analytic strategy depended on the research inquiries for guidance to ensure that evidence was treated fairly (Yin, 2009). It means that analytic results are compelling. Following the fact that research questions have formed the data collection plan, the data analysis will be employed by testing case inquiry data and the research question. Consequently, the research questions will aid in preparing the case study and describing explanations to be tested. A comprehensive explanation of the coding process, including the classification of theory-driven and data-driven codes, will be addressed in the next section.

Figure 3.1 Representation of cases in the different context

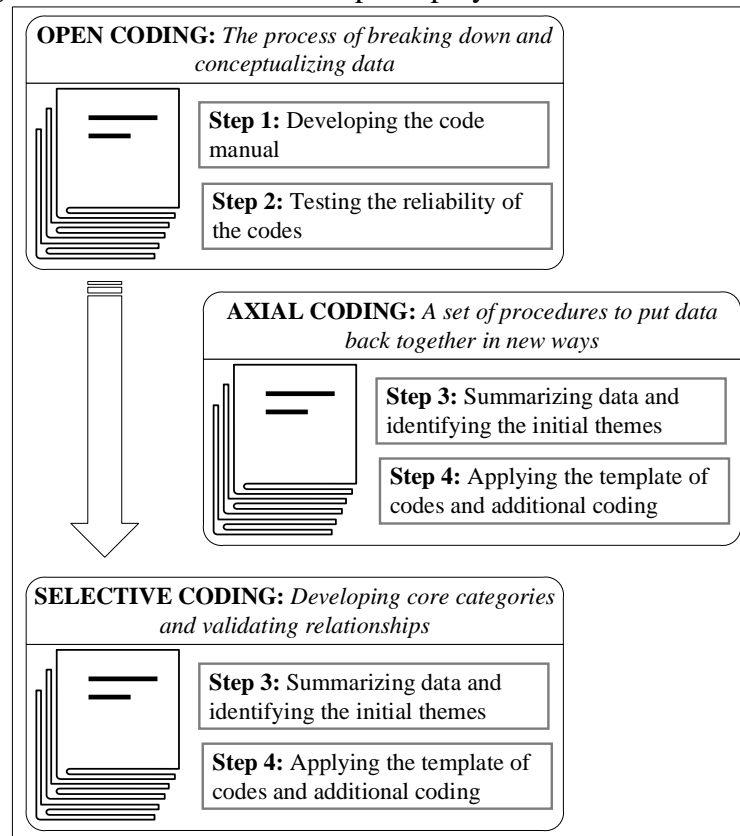


Note. **Micro**= micro-sized firm < 10 employees, **Small**= small-sized firm < 50 employees, **Medium**= medium-sized firm < 250 employees, **S**= Small-sized firm, **M**= Medium-sized firm, **g**= Good-oriented firm, **s**= Service-oriented firm.  indicates good-oriented firm, and  indicates service-oriented firm.

3.4.6 Coding

One important step of the data analysis process is collecting the raw information and transforming it to the conceptual level (Strauss & Corbin, 1990). The coding process includes synthesizing and examining transcribed data to contrast between sections due to securing speculations regarding the interrelationships within the information (Miles & Huberman, 1984). Furthermore, this operation is highlighted by the process in which the data are conceptualized, broken down, and reconstructed again in new ways (Strauss & Corbin, 1990). The coding procedures of this thesis are consistent methods of Strauss and Corbin (1990) and Fereday and Muir-Cochrane (2006). Taking advantage from the qualitative approach, the method of this research incorporates the data-driven inductive approach of Boyatzis (1998) as well as the deductive a priori template of codes method employed by Miller and Crabtree (1999). Figure 3.2 represents a diagrammatic scheme of the steps of the coding process.

Figure 3.2 Diagrammatic scheme of the steps employed to code case study inquiry data



Source: Fereday and Muir-Cochrane (2006) further adapted from Boyatzis (1998) and Miller and Crabtree (1999). Open, Axial and Selective coding sourced from Strauss and Corbin (1990).

As Miller and Crabtree (1999) argue, the setting up of a code manual was imperative for this research as it assisted for organizing groups of related or similar text which are supporting in the interpretation of the data (Miller & Crabtree, 1999). The codes of this research were built a priori to correspond the research questions (Fereday & Muir-Cochrane, 2006), as represented in Table 3.5. This thesis recognized seven constructs that informed the development of the code manual: institutional proxy, international network, international vision, international business experience, motivation and core competence, international entrepreneurial orientation, and international performance. It is also critical to mention that each of these seven categories was broken down into various codes. The codes of this study were identified by the core themes, labels, corresponding questions in the interview protocol, and key elements of each code, as presented in Table 3.5.

Table 3.5 The coding manual

Codes	Core Theme	Label	Question number	Key elements
CODE 01	Institutional proxy	Competitive Pressure	Q13	Price Quality Advertisement A wide range of products Market share Exclusive product
CODE 02		Market Standardization	Q14	All products/ services are in the specific sector Products/ services are demanded in several categories Market demands the standard products/ services
CODE 03		Local Resources	Q29-Q32	Energy privileges Raw materials Technology and knowledge Human resources
CODE 04		Environmental Factors	Q12	Different approach of negotiation and sale system Cultural variations Geopolitical circumstances, e.g., sanctions, embargoes etc. Exchange rate fluctuation Governmental barriers for domestic support, e.g., customs duty and clearance Other economic factors, e.g., inflation etc.
CODE 05		Export Compliance	Q33-Q37	Lack of suitable recordkeeping Unknown/ less known costumers Dual-use violation Using harmful materials Custom limitations or embargoes/ sanctions from authorities
CODE 06	International Network	---	Q26-28	Develops relationships with int. partner or representatives Actively presents in international exhibitions/ summits Develops relationships with int. suppliers Develops relationships with int. distributors Creates ties with industry-specific competition in a foreign country Creates ties with foreign customers Maintains relationships with industry relevant authorities Pays for international networks, advisor, influencer
CODE 07	International Vision	---	Q17-Q20	Encompasses an international mindset from the outset The ability to envision international business in the future

				<p>The business mission statement is geared towards international outcomes</p> <p>The business aspires to grow international customers</p> <p>Intends to develop international competencies, logistic, quality, pricing, advertising etc.</p> <p>The business desires to develop foreign activities through a representative, sale office etc.</p>
CODE 08	International Business Experience	---	Q21-Q25	<p>Achieved a certificate level qualifications</p> <p>Obtained an academic degree</p> <p>Attended conferences, workshops etc.</p> <p>International experience of living abroad and working in another firm</p> <p>International experience of working in another firm</p>
CODE 09	Motivation and Core Competence	Motivation	Q11	<p>Sale overproduction</p> <p>Decline sale in domestic market</p> <p>Saturated domestic market</p> <p>The high competitive pressure in the domestic market</p> <p>Make more profit</p> <p>Expand market</p> <p>Governmental support</p> <p>The personal tendency to export</p> <p>Social respect</p>
CODE 10		Product/ Service Distinctiveness	Q15	<p>A wide range of products/ services</p> <p>Fast availability and delivery</p> <p>High quality</p> <p>Exclusive product/ service</p> <p>Genuine products/ services</p> <p>New feature/s in product</p>
CODE 11	International Entrepreneurial Orientation	International Proactiveness	Q7, Q10	<p>The desire to be his/ her own boss</p> <p>Launching new project</p> <p>Curious and in search of discovery</p> <p>Invest to take a business opportunity</p> <p>Create business in a foreign country</p> <p>Sale products/services abroad</p> <p>Take the initiative in a situation</p> <p>Excel at identifying opportunities</p> <p>Initiate actions</p>
CODE 12		International Risk-Taking	Q8, Q10	<p>Commits resources to international projects where there is a risk of failure</p> <p>Takes the risk of exploring new market</p> <p>Takes the risk to try new technologies for production or selling</p> <p>Evaluates and try to control the uncertainty before taking the risk</p> <p>Personally is a risk taker</p> <p>The risk exists in the nature of the business</p>
CODE 13		International Innovation	Q9, Q10	<p>New product/ service in the foreign market</p> <p>Re-producing an existing product in a new way</p> <p>Opening new markets</p>

				A new method of selling abroad, e.g. online store Introducing new methods of production or offering a service Making initiative in an existing production/ service
CODE 14	International Performance	---	Q38-Q42	---

The transcripts of the interview were separately analyzed and summarized based on the seven themes recognized through establishing the crucial elements made by the interviewees in response to inquiries asked by the interviewer. These questions that shaped the framework of the interviews were asked as:

- To what extent do you consider yourself an international-oriented entrepreneur?
- Are you likely to make investments in new international projects that are risky? If so, could you explain what makes you do so?
- Do you consider yourself to be highly innovative within your firm? If so, can you please give me an example/s of something different or new you have done in the past year to do with your international customers?
- In the environment that your firm operates, are there any influencing factors (political, technological, economic etc.) which are changing over the time and impress the performance of your international activities? If so, please explain their impact.
- Do you think that your business faces the competitive pressures within the industry? If so, to what extent, these pressure effect on your performance?
- Do you have international business networks? If so, can you please explain the types of international networks you have?
- Do you benefit from specific local resources for your business? If so, can you please explain the types of resources you have?
- Does your business suffer from the scarcity of resources needed for its international activities?
- How well do you know the identity of your customers aboard? Do you think that recognition of end user/s help to avoid non-compliance with export control regulations?
- Do you document your international activities to ensure if your firm is compliant with the international export regulation?
- Can you please tell me how many years your firm has been exporting?

- Can you please tell me the number of countries/ markets your firm currently exports to?

3.5 Criteria for evaluating the quality of case studies

Yin (2003, 2009) introduces four criteria for the evaluating qualitative research methodology including internal validity, construct validity, external validity and reliability. These judgments are addressed below.

3.5.1 Internal validity

Internal validity is an important judgment for evaluating the quality of a research that commonly a concern in explanatory case studies (Eisenhardt, 1989a; Yin, 2009). In the time that investigator is looking for verifying whether the relationships have been developed are correct, internal validity gives the appropriate information (Yin, 2003). In this regard, the designed research methodology will be failed to deal with some threat to internal validity if the researcher draws incorrect relationships that are untrue (Yin, 2003). This is due to the exploratory nature of the research that casual relationships are not supported and thus internal validity is not an immediate issue. However, this study is constructed with developing theory from various fields of research such as IE to increase the understanding and knowledge of subjective interpretations of social phenomena (Marshall & Rossman, 2014).

3.5.2 Construct validity

Yin (2009) mentions the construct validity as the most challenging part of evaluating a case study methodology as investigators mostly do not create a sufficiently operational set of measures outlining the research design. As such, taking advantage from the case study database, advancing a series of evidence, and the use of multiple sources (Marshall & Rossman, 2014; Yin, 2009) raise the reliability of the information of the research. These procedures also give a better understanding to the external observers for following the stream of the research from the initial idea and research questions to the final findings and conclusions.

3.5.3 *External validity*

External validity assists the researcher to make sure if the finding of the research is extended to the external environment rather than focusing on the studied immediate case, concerns about the generalizability (Yin, 2009). In general, literature confirms that although single case studies often fall to the poor generalizability, multiple case study strengthens the design and conclusions drawn of the research as to the tactics of replication logic behind of it (Marshall & Rossman, 2014; Mason, 2006; Yin, 2003). Multiple case study design is dependent on the analytical generalization of the findings of the studied cases to the broader theory (Mason, 2006). In this research, generalizability is addressed by the replication logic. As it was discussed before, this research conducts both theoretical replications (predicting contrasting results for predicted reasons) and literal replications (predictions of similar results) (Mason, 2006; Yin, 2003). In this vein, cases across industries will be considered heterogeneous and cases within industries will be regarded homogenous. These replications give a strong support for providing analytical generalization as well as for theory development.

3.5.4 *Reliability*

The last toll for evaluation of the social research methodology is reliability (Yin, 2003). Reliability of the research examines if all inquiries asked in the interview protocol address the research questions (Gummesson, 2000). In fact, it explores the dependability of the findings to the main objective of the research (Gummesson, 2000). To be more precise, it investigates that whether another investigator in the similar circumstances can get the same results and finding. To get all important information from the interviewees an issue that should be cared about is the point of data redundancy, which is a point at which more cases would yield little or no better understanding (Gummesson, 2000). As such, this study corresponds the reliability through constructing a case database and setting up for an interview protocol for the in-depth interviews as it was previously described.

3.6 Ethical reflections

This study addressed to the ethical reflections before conducting the research. Prior to starting the interviews, participants were requested to read and (if agreed) sign the consent

form. In fact, through this form, interviewees declare that they have read and understood the information about the study and interview, agreed to participate in this interview, and have also understood that their confidentiality right would be preserved and no identifying information released in the research or anywhere else without their permission. All responses of the participants within the interview were treated anonymously. The names of the participants were not required in any of the responses, meaning the interviewee kept anonymous for the whole of the interview, and information contained within these recordings was kept confidential. They have further understood that they can withdraw from the interview at any time without reason and consequences. In this research, the audio recordings of the interviews were also not used for any purpose other than the study itself. In addition, this study has not collected personal or sensitive information from or about individuals.

3.7 Conclusion

The chapter three of the thesis has explored the ideological foundation and paradigmatic method of the research. Considering that field of IE suffers from the lack of appropriate amount of mixed-method studies, this research was adopted to the (mixed-method) post-positivist method (Zahra & George, 2002). Specifically, this chapter has drawn the methodology for the qualitative study of the thesis, which conducts multiple case study methodology. As such, it was deemed that multiple case study methodology is the most appropriate approach to answer the ‘how’ and ‘why’ questions being proposed in this research (Yin, 2009). The unit of analysis and other research design criteria has been also argued in this chapter. Furthermore, validity, reliability as well as ethical reflections have been addressed. The analysis and findings of the qualitative study will be discussed in Chapter Four.

Chapter Four “Findings of Qualitative Study”

4.1 Introduction

As explained in Chapter Three, the most proper methodology selected as the primary method for research examination in the qualitative study was in-depth case study interviews. The analysis and presentation of the data in Chapter Four were determined on in-depth interviews performed with 10 international entrepreneurs, who are founders, owners or central decision-makers of individual international entrepreneurial firms. The industries represented in qualitative study were clustered in two contexts. In Italy, context one, firms categorized in the online retailer, second-hand machinery provider, a manufacturer of equipment for industrial vehicles, injection molding industry, and regulator and non-profit advisor. In the context two, Iran, industries clustered in glass manufacturer, international trader and advisor, cosmetic producer, dairy producer, and irrigation and nutrition company. The methods of the within- and cross-case analysis assisted in the exploration and analysis of research question one and research question two (Perry, 1998; Yin, 2003). An overview of Chapter Four can be seen in Table 4.1.

Table 4.1 An overview of Chapter Four

4.1	Introduction
4.2	Within-case analysis
4.2.1	Context one: Italy
4.2.2	Context two: Iran
4.3	Cross-case analysis
	Part A: Environmental determinants
4.3.1	Institutional proxy
	4.3.1.1 Competitive pressure
	4.3.1.2 Market standardization
	4.3.1.3 Local resources
	4.3.1.4 Cultural, geopolitical, and economic players
	4.3.1.5 Export compliance
	Part B: Organizational and individual characteristics
4.3.2	International network
4.3.3	International vision
4.3.4	International experience
4.3.5	Motivation and core competence
	4.3.5.1 International entrepreneurial motivation
	4.3.5.2 Production/ service distinctiveness
4.3.6	International entrepreneurial orientation
	4.3.6.1 International entrepreneurial proactiveness
	4.3.6.2 International entrepreneurial risk-taking
	4.3.6.3 International entrepreneurial innovation
4.4	Evaluation of Chapter Four
4.5	Conclusion

4.2 Within-case analysis

The within-case analysis associated with the detailed investigation of the case represented in this study. According to Eisenhardt (1989), a within-case analysis involves the detailed write-up for each firm, which also allows the researcher to begin to identify the unique patterns of each case before the cross-case examination. The within-case analysis often built around pure descriptions central to the generation of insight (Pettigrew, 1990). Through the concise case write-up, the scholar formulizes the case study to present the individual entities of every single case, as shown in Table 4.2.

The individual within-case analyses were examined in accordance with a number of categories including: job role of the entrepreneur, age, gender, country of birth, education, number of employees, number of outlets, age of business, product orientation, regional focus of the firm, first export market, customer type, turnover per annum, proportion of sales as revenue coming from international customers, and a brief description of the firm's business, as shown in Table 4.2. It is momentous to note that information shown in Table 4.2 and in the within-case and cross-case analysis has been modified slightly, in accordance with ethics procedures and to protect the rights of the international entrepreneurs and businesses understudy of this research. As such, names of the individual international entrepreneur and the firm are not revealed. However, it is crucial to emphasize that these omissions have not altered the research in any way that would impress the quality of the presented data or the subsequent interpretation and findings. The demographic information of participants involved in this study is shown in Table 4.2, which is accompanied by the within-case analysis of each case.

Table 4.2 The demographic data file of participants

Case #	Job role	Age	Sex	Birth-place	Education	# of staff/outlets	Firm age	Product type	Regional focus	Costumer type	Turnover p.a.	% Int. sales	Description of the firm
CASE IT-Sg-01	Founder & CEO	34	Male	Italy	University Degree/Master	4/2	4	Goods Fashion	UK*, US, UA, GE, FR	# B-to-C	< \$1 million	90% Highly International	CASE IT-Sg-01 is an online boutique in which offers high-quality products, distinguished by the excellent and rigorous aesthetic Made in Italy.
CASE IT-Sg-02	Co-founder & Sales Manager	50	Female	Italy	No formal qualifications	43/3	16	Goods Manufacturing	IR, RU, IN*, EG, LB	# B-to-B	\$15 million +	80% Highly International	CASE IT-Sg-02 operates on the second-hand market and serves the industry by supplying almost any kind of equipment to companies seeking out top-end used products.
CASE IT-Mg-03	Sales Manager & Member of Board	33	Male	Italy	University Degree/Master	90/2	16	Goods Manufacturing	AL*, GH, BF, CM, RU	# B-to-B B-to-C	N.A.	90% Highly International	CASE IT-Mg-03 manufactures types of tipper bodies and semitrailers and is one of the most important realities at European level within the trade of equipment for industrial vehicles.
CASE IT-Sg-04	Sales & Project Manager	40	Male	Italy	University Degree/Bachelor	50/1	25	Goods Manufacturing	PO*, CZ, US, MX, CH	# B-to-B	< \$1 million	90% Highly International	CASE IT-Sg-04 is an Italian company with twenty-five years of experience in the injection molding and assembly of plastic articles.
CASE IT-Ms-05	Director General	58	Male	France	University Degree/Bachelor	52/15	6	Services Advisory	IT*, FR, UK, GE, IR	# B-to-B	N.A.	30% Moderately International	CASE IT-Ms-05 is the European organization providing innovative solutions to the most critical challenges in EU Export Compliance and Control.
CASE IR-Mg-06	Founder & CEO	48	Male	Iran	No formal qualifications	250/20	8	Goods Manufacturing	AF, IQ*, TU, AZ, GR	# B-to-C B-to-B	\$20 million +	30% Moderately International	CASE IR-Mg-06 is the largest float glass company in Iran producing float glass, coated glass, laminated glass and mirrors in different colors and thicknesses.
CASE IR-Ss-07	Founder & CEO	35	Male	Iran	University Degree/DBA	26/20	5	Services Marketing and Advisory	TR *, SU, BA, AF, IQ	# B-to-B B-to-C	\$2 million +	40% Moderately International	CASE IR-Ss-07 as a multi-orientation company imports industrial adhesives and simultaneously gives consulting services to the construction companies for their international marketing.
CASE IR-Mg-08	Sales Manager & Deputy CEO	37	Male	Iran	University Degree/Master	130/1	50	Goods Health	IQ *, AF, TU	# B-to-C	N.A.	5% Primarily Domestic	CASE IR-Mg-08 is producer cosmetic and hygienic products such as hand and face creams, dishwashing and hand wash liquids, shampoos, disinfectants etc.
CASE IR-Sg-09	Factory Manager	48	Male	Iran	University Degree/Master	28/2	31	Goods Nutrition	IQ*, AZ	# B-to-C	\$2 million +	83% Highly International	CASE IR-Sg-09 is established with the purpose of producing high-quality dairy products, which match the Iranian taste as well as a supplement of regional and foreign markets.
CASE IR-Mg-10	Factory Manager	28	Male	Iran	University Degree/Master	200/1	6	Goods Nutrition	IQ *, UA, BH, JR, AF	# B-to-C	\$15 million +	6% Primarily Domestic	CASE IR-Mg-10 is a nutrition industry, which produces and supplies types of nuts and dried fruits for national and international markets.

Note. All firms are private. * First export market and # denotes the primary costumer type/ orientation. S= Small-sized firm, M= Medium-sized firm, g= Good-oriented firm, s= Service-oriented firm., Country Codes: AF= Afghanistan, AL= Algeria, AZ= Azerbaijan, BA= Bangladesh, BF= Burkina Faso, BH= Bahrain, CH= China, CM= Cameroon, CZ= Czech Republic, EG= Egypt, FR= France, GE= Germany, GH= Ghana, GR= Greece, IN= India, IQ= Iraq, IR= Iran, IT= Italy, JR= Jordan, LB= Lebanon, MX= Mexico, PO= Poland, RU= Russia, SU= Sudan, TR= Turkey, TU= Turkmenistan, UA= United Arab Emirates, UK= United Kingdom, US= United States.

Outline of international entrepreneurship case studies

4.2.1 Context One: Italy

4.2.1.1 CASE IT-Sg-01

Online Retailer of Made-in-Italy Fashion and Craftsmanship

CASE IT-Sg-01 is an online boutique, which sells the high-quality products, distinguished by the excellent and rigorous aesthetic Made-in-Italy, realized by renowned historic Italian brands and emerging young designers. Two young Italian entrepreneurs, in their desire to combine tradition and innovation, have decided to “challenge” the crisis, remaining in the country they love. Which is why, in 2013, they founded an online boutique with the aim of enhancing and promoting Italy abroad through its craftsmanship and creativity. CASE IT-Sg-01 differs from “display” websites because it is not limited to the mere sale of the product, but intended to convey the history and craftsmanship behind it, by providing elements which are necessary to appreciate the qualities that would otherwise go unnoticed. The enhancement is carried out through multiple tools, through interviews and photographs or videos which guide the customer through the production process all the way to the finished product up to the online sale: from its initial crafting to the Web. The choice of products comes from careful research with the aim of creating a selection of prestigious and historical Italian brands alongside emerging designers, which are characterized by being exclusive, entirely Made-in-Italy, and characterized by excellent workmanship and materials.

4.2.1.2 CASE IT-Sg-02

Second-Hand Machinery Provider for Ceramic Industry

CASE IT-Sg-02 with almost twenty years' experience behind it, operates on the second-hand market and serves the industry by supplying almost any kind of equipment to companies seeking out top-end used products. CASE IT-Sg-02 offers full installations for the entire production line - from raw material preparation to the final phases. Furthermore, the proposed solutions allow for combining 'used and regenerated' installations with new

machinery, accessories, and equipment. After having initially concentrated its efforts in the ceramic sector, the company has now branched out and deals in sanitary fixtures, cement, and brickwork. With many years of proven experience under its belt, CASE IT-Sg-02 boasts outstanding reliability and a highly qualified technical support team able to complete the entire installation process from testing, start-up, and product search stages. This has led to growing demand from both Italian and international customers and today CASE IT-Sg-02 is the best choice worldwide for second-hand products in the ceramics industry and many other sectors too. Its sheer excellence is borne witness to by its recent accomplishments in the beverage sector - the market most recently and successfully tackled by CASE IT-Sg-02.

4.2.1.3 CASE IT-Mg-03

Manufacturer of Equipment for Industrial Vehicles

Innovations, development of new ideas, design and advanced manufacturing process make CASE IT-Mg-03 a pioneer of the industry. The company pays great attention to the issue of modernization. All CASE IT-Mg-03's plants are equipped with modern industrial machines, starting from laser cutter for steel, shot-balding press or welding robot, and ending with automated shot-blasting chamber and paint cabin. All this makes production process fully automated minimizing manual work. CASE IT-Mg-03 annually invests in the development of new projects. Two departments of Research and Development in Italy and Poland work on the implementation of new technologies aimed to improve technical characteristics of products and the quality. Analytical group of the engineers examines in detail all the possible advantages and disadvantages of designs of tipper bodies and semitrailers to get perfect and reliable products with characteristics worthy of the company's brand. For 35 years, its range of products has been exported to more than 40 countries to achieve a simple goal: to make real and tangible the human desire to design, build and transport any type of material at any distance.

4.2.1.4 CASE IT-Sg-04

Injection Molding Industry and Assembly of Plastic Articles

The CASE IT-Sg-04 is a company with twenty-five years of experience in the injection molding industry and assembly of plastic articles, with headquarters in the north of Italy. Slim but capable of providing the customer with a step-by-step service from product development through production, logistics management of orders up to delivery, and offering guarantees based on the standard quality of productions. Over the years, CASE IT-Sg-04 specializes in molding in cosmetic packaging, metric, electronic, bicycle lighting systems, component parts molding for industrial, agricultural and automotive vehicles, toys, synthetic taps for wine, bathroom furnishings, and home appliances. One of the competitive advantages of CASE IT-Sg-04 is the customer service, in which it offers study, design, and implementation of new solutions, solving any needs in the technical field. The growth and success of CASE IT-Sg-04 are based on the team efficiency, versatile and highly specialized employees who strongly serve clients due to the perfect harmony of using the advanced equipment. With more than 20 years of experience in the challenging sector, CASE IT-Sg-04 is now a definite reference point for the clients, thanks to an evolving synthesis of tradition, research, and innovation.

4.2.1.5 CASE IT-Ms-05

Regulator and Non-Profit Advisor in the Field of Export Compliance

CASE IT-Ms-05 is a service-based organization, which provide services including assistance and consultancy in the field of export compliance- export control. The mission of CASE IT-Ms-05 is to foster international security through managing and promoting the framework for export compliance, providing innovative solutions to the most critical challenges in a global marketplace becoming a very complex arena for businesses to navigate. In fact, major events have produced legislation and regulations at international and national level; the complexity of legal frameworks is shaping the way organizations do their business. In a globally integrated world, efficient export compliance is only possible with cooperation at a European and international level. The EU Governments rely on the due

compliance of exporters to help ensure that all laws are abided. The strategic response is the specialized multidisciplinary export compliance framework that supports the organization's business objectives, identifies the boundaries of legal and ethical behavior, and establishes a system to alert management when the organization is getting close to (or crossing) a boundary or approaching an obstacle that prevents the achievement of a business objective. The organizational values of CASE IT-Ms-05 are derived from the flagship European standards, principles of transparency, commitment to compliance, accountability, consistency, and effectiveness. In keeping with these principles, a multi-stakeholder governance structure and method provides guidance and advice.

4.2.2 Context Two: Iran

4.2.2.1 CASE IR-Mg-06

Glass Manufacturing Company

CASE IR-Mg-06 is one of the largest float glass company in Iran producing float glass, coated glass, laminated glass, and mirrors. The knowledge and experience in glass manufacturing led CASE IR-Mg-06 to find a good position in the markets. All basic and detail engineering, construction, supply, and procurement were performed by CASE IR-Mg-06 through the dynamic interaction between professional groups. A wide range of glass products in different colors and distinguished quality suitable for automotive and architecture industry are achievements of CASE IR-Mg-06 using advanced process control. On-Line inspection in addition to the efficient chemical and physical labs has enabled CASE IR-Mg-06 to achieve the international standards for the product. The modern factory contains new machinery and expertise, such as robotic unloading, paper machine, marking device, online thickness, and stress measurement, etc., which meet the stringent requirements of today's international quality and standards. Through 600 MT/D, we are able to produce different colors and different thicknesses. Deposition of thin films on float glass is carried out by using the latest technology of magnetic sputtered vacuum deposition process which covers a wide range of colors, applications and characteristics such as different light transmission, shading coefficient, U value, higher performances, bendable and temperable coated glass, etc.

4.2.2.2 CASE IR-Ss-07

International Trader and Advisor Company

CASE IR-Ss-07 is a small firm that is active in importing different adhesives for the domestic use in Iran and also provides advisory services for the exporting to different countries. The young business established in 2011 and focuses on supplying specialized adhesives applicable in industry and contraction. Although with 26 employees, the company is small it has different sales offices in the most industrial zones in Iran to promote its sales. As a business-to-business operator, CASE IR-Ss-07 has been predominantly operating in the domestic market; however, based on its international market recognition, the company offers advisory services in marketing and selling the product of Iranian companies abroad. CASE IR-Ss-07 actively guide exporting firms for their internationalization in Turkey, Sudan, Bangladesh, Afghanistan, and Iraq with approximately 40% of revenue. A moderately international firm, the business is still in its infancy, however international demand is increasing.

4.2.2.3 CASE IR-Mg-08

Cosmetic Producer Company

With many years' experience CASE IR-Mg-08, operates on the cosmetic market and produce many types of products like shampoos , hair gels, body gels, body washes, sun creams, baby nappy creams, face moisturizers, anti-ageing creams, , hand washings, washing up liquids, disinfectants, solutions for washing vegetables , etc. In its activities, CASE IR-Mg-08 aims at protecting the environment by implementing policies to prevent water pollution, soil contamination, air pollution, and preventing wastage of natural resources. CASE IR-Mg-08 owns dozens of famous brands in numerous fields of cosmetic products. Almost every Iranian are familiar with most of these brands and CASE IR-Mg-08 aims to develop its market to regional and international consumers. As a successful business, CASE IR-Mg-08 focuses on achieving sustainable growth that is required to continue our national and global success. CASE IR-Mg-08 is deeply committed to using latest and best technologies, which can consider changing consumer needs. In fact, CASE IR-Mg-08 uses the technology in order to create solutions, which will continue the improvement of the quality of consumers wherever they live.

4.2.3.3 CASE IR-Sg-09

Dairy Producer Company

With over 30 years activities CASE IR-Sg-09 was established in the 1986 and started its production with yogurt and milk. CASE IR-Sg-09 is a small firm with about 30 staff but has a basket of more than 50 pasteurized dairy products that are made from all natural ingredients and are free of any preservatives. CASE IR-Sg-09's dairy basket consists of milk, chocolate milk, a variety of yogurt (set, stirred, shallot, and strained), Doogh (drinkable yogurt), a variety of cheeses, cream, and flavored cream. Although CASE IR-Sg-09 is a small company it is highly dependent on the regional and international markets. CASE IR-Sg-09 is one of the most suppliers of dairy products of the neighboring country, Iraq, by exporting more than 80% of the production in this market. However, due to the extensive competitive pressure in the domestic market, CASE IR-Sg-09 aims at developing its domestic sale as well as growth in the regional and international markets.

4.2.3.4 CASE IR-Mg-10

Irrigation and Nutrition Company

CASE IR-Mg-10 is active in the field of producing and packaging different types of Iranian dried fruit including raisins, pistachios, dates, dried apricots, seeds, and peanuts. It was founded in 2010 to pursue the aim of supplying dried fruit to the domestic markets as well as exporting to different countries. The company has so far succeeded in providing the highest quality dried fruit national market as position as one of the leading brands in Iran. The objective of CASE IR-Mg-10 is to provide the market with the best quality products, which calls for preparing the raw materials with care, sorting with precision, and supplying the products in the most distinctive packages. The company has succeeded in expanding the market for its products and exporting different types of dried fruit such as pistachio, raisins, dried apricots and figs to different countries namely Iraq, United Arab Emirates and Bahrain in these years. Products of CASE IR-Mg-10 comply with international standards and manufactured by the most advanced and updated machinery and the most experienced people.

4.3 Cross-case analysis

Along with the within-case search is a cross-case analysis for patterns (Eisenhardt, 1989b) that encourages the researcher to look beyond the initial interpretations of the data and gives the research a higher degree of analytical complexity (Perry, 1998). Cross-case analysis improves the likelihood of reliable and accurate theory development, through gathering novel findings that may exist in the data (Eisenhardt, 1989b). Cross-case synthesis, therefore, is employed to ensure robustness in the presented data, ultimately giving the results greater meaning, due to the strengthening of data findings across the multiple cases presented (Perry, 1998b; Yin, 2009). The presented emphasis and frequency of the statements can also be used to justify themes or patterns emergent from the data, and also to recognize the differences and similarities between cases which will inform theory development (Patton, 1990; Yin, 2003).

Initial exploration of case study evidence in the form of website data, in-depth interviews, and promotional materials revealed a large amount of information accumulated. To make sure that the coding process was rigorous, analytical coding techniques were performed to manage the data (Fereday & Muir-Cochrane, 2006; Strauss & Corbin, 1998). A line-by-line, phrase-by-phrase coding process was conducted to break down data into single parts of evidence in order to label and categorize data effectively (Strauss & Corbin, 1998). The systematic classification process involved analyzing text according to research question one. Research question one and research question two are presented in Table 4.3, which also indicates the protocol section, the corresponding question in the interview guide and the research focus. Following Table 4.3, the data will be put in the examination in accordance with research question one and research question two.

Table 4.3 Cross-case analysis

Research question	Protocol section	Corresponding question	Research focus
<p><i>Q1. What are drivers needed for the internationalization of SMEs in the different locations that have various characteristics? In addition, how do these determinants influence the international performance of SMEs?</i></p> <p><i>Q2. Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.</i></p>	PART A	Q: 1, 2, 3, 4, 5, 6	Opening questions
	PART B	Q: 7, 8, 9, 10	International entrepreneurial orientation
	PART C	Q: 11, 12, 13, 14, 15, 16	International entrepreneurial opportunity
	PART D	Q: 17, 18, 19, 20	International vision
	PART E	Q: 21, 22, 23, 24, 25, 26, 27, 28	International experience and network
	PART F	Q: 29, 30, 31, 32	Local resources
	PART G	Q: 33, 34, 35, 36, 37	Export compliance
	PART H	Q: 38, 39, 40, 41, 42	International performance
	PART I	Q: 43, 44	Closing questions

Research question one and research question two incorporate thirteen constructs in six general categories of determinants: 1: *Institutional proxy* including 1.1: *Competitive pressure*; 1.2: *Market standardization*, 1.3: *Local resources*, *Cultural*, *geopolitical*, and *economic players*; and 1.4: *Export compliance*; 2: *International network*; 3: *International vision*; 4: *International experience*; 5: *Motivation and core competence* including 5.1: *International entrepreneurial motivation*; and 5.2: *Production/ service distinctiveness*; 6: *International entrepreneurial orientation* including 6.1: *International entrepreneurial proactiveness*; 6.2: *International entrepreneurial risk-taking*; and 6.3: *International entrepreneurial innovation*.

Part A: Environmental determinants

4.3.1 Institutional proxy

4.3.1.1 *Competitive pressures*

The next concept to be discussed is the competitive pressures exist in international markets. All firms were asked: (i) *the extent to which they face the competitive pressures in the international markets*, and (ii) *explain how this pressure influence the performance of their firm in global markets*. The question in relation to competitive pressures exist in

international markets can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.1.1.1 Context one: Italy

Among Italian cases, one firm, (IT-Mg-03), as shown in column (A) of Table 4.4, viewed competitive pressures overall to be ‘very strongly important’. Two firms (IT-Sg-02, IT-Sg-04) indicated ‘strong importance’. Case (IT-Sg-01) saw ‘limited importance’ and firm (IT-Ms-05) mentioned ‘no importance.’ Pressure received through advertisement, column (D), a wide range of products, column (E), market share, column (F), and exclusive product, column (G), viewed by only one firm (IT-Mg-03). Three cases (IT-Sg-02, IT-Mg-03, IT-Sg-04) indicated price, column (B), and two managers (IT-Mg-03, IT-Sg-04) stated the quality, column (C) as the competitive pressure.

In Italy, the analysis indicates that moderate levels of competitive pressures, as shown in column (H), was noted in two cases (IT-Sg-02, IT-Mg-03) and low levels of competitive pressures were noted in three firms (IT-Sg-01, IT-Sg-04, IT-Ms-05).

The data recognized one important factor that makes competitive pressure regarding the internationalization of small and medium Italian firms in the scope of this study: *(1) Price*.

(1) Price

Offering the lower prices for the same product by rivals was a crucial factor that challenges the firms in their activities of international entrepreneurship. For instance, the sales manager and member of the board of CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles) highlighted that: ‘...*We are in a passing a period which is like a crisis...many competitors exist in the international markets and regardless the quality, they offer more competitive prices rather than us. On the other hand, customers with small budget try to purchase the most economic product to fulfill their needs. Although the quality might be problematic in future it is not the priority of most the clients that are facing economic challenges.*’

Table 4.4 Levels of competitive pressures in Italy

Case #	A	Type of competitive pressure in international markets						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	Level of Importance Overall	Price	Quality	Advertisement	Wide range of products	Market share	Level of competitive pressure	
CASE IT-Sg-01	LI	-	-	-	-	-	-	Low	Not pressured by competitors. As a fashion business, unique sell items of different brands. Benefits from the competition by promoting their items reputation.
CASE IT-Sg-02	SI	✓	-	-	-	-	-	Low	The leader of the market. Placing in center of ceramic industry strongly stands against competitors by a complete basket of the high quality of the product.
<i>CASE IT-Mg-03</i>	<i>VSI</i>	✓	✓	✓	✓	✓	✓	<i>Very High</i>	<i>In the crisis because of extensive competition but position in the market by exclusive products.</i>
CASE IT-Sg-04	SI	✓	✓	-	-	-	-	Moderate	All rivals produce the standard items upon the request of clients. In pressure by price and quality.
CASE IT-Ms-05	NI	-	-	-	-	-	-	Low	No competitor in the industry and is the pioneer company in the advisory service regarding the export compliance field.
ITALY		3	2	1	1	1	1		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of competitive pressure.

4.3.1.1.2 Context two: Iran

In Iran, three firms, (IR-Mg-06, IR-Ss-07, IR-Sg-09), as shown in column (A) of Table 4.5, viewed competitive pressures overall to be ‘very strongly important’. One firm (IR-Mg-08) indicated ‘strong importance’ and another case (IR-Mg-10) saw ‘moderate importance.’ All firms addressed the price, column (B), while three cases (IR-Mg-06, IR-Mg-08, IR-Sg-

09) indicated the quality, column (C). Advertisement, column (D), and a wide range of products, column (E), were mentioned by two cases (IR-Mg-08, IR-Sg-09). Four managers (IR-Mg-06, IR-Ss-07, IR-Sg-09, IR-Mg-10) indicated market share, column (F), and three entrepreneurs (IR-Ss-07, IR-Sg-09, IR-Mg-10) stressed on the other economic factors, column (G).

Among Iranian firms, the analysis indicates that very high levels of competitive pressures, as shown in column (H), was noted in case IR-Sg-09. One firm (IR-Mg-08) emphasized the high levels of competitive pressures and other three firms (IR-Mg-06, IR-Ss-07, IR-Mg-10) indicated the moderate levels of competitive pressures in international markets.

The data recognized four important factor that makes competitive pressure regarding the internationalization of small and medium Italian firms in the scope of this study: (1) *Price*, (2) *Quality*, (3) *Market share*, (4) *Exclusive product*.

(1) *Price*

All five Iranian firms indicated that price is a vital driver, which puts companies to the competition and jeopardizes the increase of selling in the international markets (see IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Sg-09, IR-Mg-10). In this case, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) stated: *'in my opinion, competitive pressure always exists in the market. However, it is not always a negative problem because the competitive pressure can help firms to identify their weaknesses and strengths and, if this pressure is properly managed, it can improve performance... actually, we still are suffering from the cheaper products that are offered by our competitors time by time. That is why we not only started working to make our price more competitive but also tried to strengthen our competitive advantage by widening our basket up to about 50 different products. Therefore, the competition has made us think of new ideas that have improved our performance on domestic and international markets.'*

Table 4.5 Levels of competitive pressures in Iran

Case #	A	Type of competitive pressure in international markets						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	Level of Importance Overall	Price	Quality	Advertisement	Wide range of products	Market share	Level of competitive pressure	
CASE IR-Mg-06	VSI	✓	✓	-	-	✓	-	Moderate	Although competes with several rivals thanks to the advanced technology and professional R&D team produce more than 50 high-quality products with various characteristics.
CASE IR-Ss-07	VSI	✓	-	-	-	✓	✓	Moderate	Serious challenges with competitors regarding the price and market share. Targets a specific segment of the market that has less rival.
CASE IR-Mg-08	SI	✓	✓	✓	✓	-	-	High	More than price and quality is under pressure by lack of diversity of products against the competitors.
CASE IR-Sg-09	VSI	✓	✓	✓	✓	✓	✓	Very High	<i>Overwhelming pressure exposed by numerous competitors. Tries to adopt the market condition by developing R&D and new products.</i>
CASE IR-Mg-10	MI	✓	-	-	-	✓	✓	Moderate	Newly some small competitors entered the market by producing the same products at less price.
IRAN		5	3	2	2	4	3		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of competitive pressure.

(2) Quality

The next influencing factor through the competition among the firms from the Iranian perspectives is the quality, as mentioned by three out of five firms (see IR-Mg-06, IR-Mg-08, IR-Sg-09). Quality comes from investment in R&D and technology development that is dependent on the budget of the company. For example, the sales manager & deputy CEO of

CASE IR-Mg-08 (cosmetic producer) highlighted: *'As a cosmetic producer, we are suffering from the products exist in the market that has more quality than ours but with the same or even less price. In fact, we are able to produce the same quality if we invest financial and non-financial resources. However, we are selling in cheaper prices to overcome the competition, as it is not possible for us to invest in our technology.'*

(3) Market share

As four out of five firms mentioned, having rivals with the huge market share is also a determinative variable in the selling in global markets (see IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Sg-09, IR-Mg-10). According to CASE IR-Sg-09 (dairy producer), usually, firms that were the first to enter a market have the most market share. In this regard, the factory manager of CASE IR-Sg-09 said that: *'...we have a number of huge competitors that are older than us and entered the market much earlier. These companies have the most percentage of the market due to their last-long activities and advertisements. Although we are small and newcomer rather than them, we are trying to produce these products with better quality and different tastes to a position alongside the competitors.'*

(4) Exclusive product

Introducing the exclusive products was the last determinants that challenged Iranian firms in their competition in the international markets, as three out of five firms confirmed (see IR-Ss-07, IR-Mg-08, IR-Mg-10). For example, the factory manager of the CASE IR-Mg-10 (irrigation and nutrition) declared that: *'Considering the fact that we are one of the leaders in our market but we have fallen in some problems when one of our rivals introduce a product with a special taste. This exclusive product, which came due to the special formula of production, has taken a considerable portion of our market share...'*

4.3.1.1.3 Overall discussion

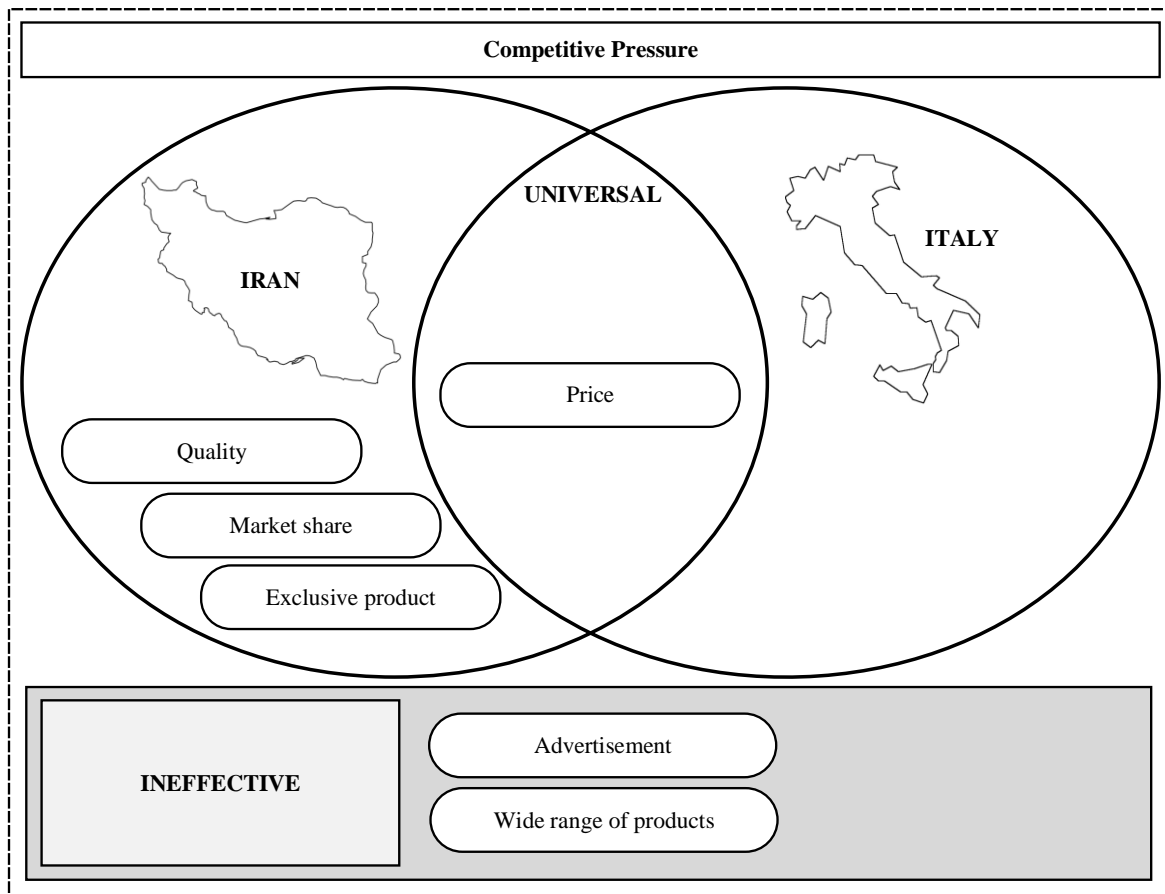
A comparative analysis of the Italian and Iranian businesses represents that among the driver's competitive pressure in the international markets indicated *the price* as a universal factor. In fact, facing with the rivals that offer a lower price is a common challenge for the

firms in both countries of Italy and Iran. However, *the quality, market share, exclusive product* were evident only in the context of Iranian market.

The types of environmental drivers explicit in firm processes in the internationalization not found to be important for the cases in this research are *advertisement* and *the wide range of products*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the competitive pressures in the processes of internationalization is represented in Figure 4.1, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.1 Schematic summary of the competitive pressures of internationalization



4.3.1.2 International market standardization

The next concept to be discussed is the international market standardization. All firms were asked: *the extent to which their customers demand diverse products/ services*. The question in relation to international market standardization can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.1.2.1 Context one: Italy

Among Italian cases, one firm, (IT-Sg-04), as shown in column (A) of Table 4.6, viewed international market standardization overall to be ‘very strongly important’. One firm (IT-Mg-03) indicated ‘strong importance’. Two cases (IT-Sg-02, IT-Ms-05) saw ‘moderate importance’ and firm (IT-Sg-01) mentioned ‘limited importance.’ Four firms (IT-Sg-02, IT-Mg-03, IT-Sg-04, IT-Ms-05) viewed their customers need products/ services in a specific sector, column (B). Demands on several categories, column (C) was mentioned by two cases (IT-Mf-03, IT-Sg-04), and standard products/ services were declared by IT-Sg-04.

In Italy, the analysis indicates the very high levels of international market standardization, as shown in column (H), was noted in one case (IT-Sg-04). The high levels were indicated by one firm (IT-Mg-03) and moderate levels of international market standardization were noted in three firms (IT-Sg-02, IT-Ms-05). The low levels of international market standardization were evident in CASE IT-Sg-01.

The data recognized one important factor regarding the international market standardization for Italian small and medium firms in the scope of this study: *(1) All products/ services are in the specific sector*.

(1) All products/ services are in the specific sector

Four out of five cases studied in this research declared that in their market all products/ services are in a specific sector (see IT-Sg-02, IT-Mg-03, IT-Sg-04, IT-Ms-05). For instance, as a supplier of automotive companies, CASE IT-Sg-04 (injection molding industry) highlights that their clients request the plastic parts used in the cars and they do not receive

any offers in other sectors. In this case, the sales & project manager of CASE IT-Sg-04 (injection molding industry) discusses that: ‘...My client’s needs are usually standard and similar products in the automotive industry. Although requested parts vary, they all are the items used in different cars depending on its application...’ Similarly, the sales manager and co-founder of CASE IT-Sg-02 (second-hand machinery provider) said that: ‘we usually receive a wide spectrum offers because ceramic is the complex industry, which needs different equipment, and services. However, all of the demands are circulated in the ceramic industry.’

Table 4.6 Levels of international market standardization in Italy

Case #	A Level of Importance Overall	Type of market standardization			E Level of market standardization	Descriptive comment
		B All products/ services are in the specific sector	C Products/ services are demanded in several categories	D Market demands the standard products/ services		
CASE IT-Sg-01	LI	-	-	-	Low	Costumers request highly different items of luxury products.
CASE IT-Sg-02	MI	✓	-	-	Moderate	Receives wide spectrum requests as ceramic is a complex industry, which diverse equipment needed.
CASE IT-Mg-03	SI	✓	✓	-	High	Most of the offers are from the standard products and receive only small requests for customized vehicles.
<i>CASE IT-Sg-04</i>	<i>VSI</i>	✓	✓	✓	<i>Very High</i>	<i>Client’s needs usually are standard and similar products for the automotive sector.</i>
CASE IT-Ms-05	MI	✓	-	-	Moderate	Receives requests for advisory service in the field of export compliance.
ITALY		4	2	1		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of market standardization.

4.3.1.2.2 Context two: Iran

In Iran, one case (IR-Sg-09), as shown in column (A) of Table 4.7, viewed international market standardization overall to be ‘very strongly important’. Three firms (IR-Mg-06, IR-Mg-08, IR-Mg-10) indicated ‘strong importance’ and one case (IR-Ss-07) saw ‘moderate importance.’ Four firms (IR-Mg-06, IR-Ss-07, IR-Sg-09, IR-Mg-10) viewed their customers need products/ services in a specific sector, column (B). Demands on several categories, column (C) was mentioned by three cases (IR-Ss-07, IR-Mg-08, IR-Sg-09), and standard products/ services were declared by IR-Sg-09.

Among Iranian firms, the analysis indicates the very high levels of international market standardization, as shown in column (H), was noted in one case (IR-Sg-09). The high levels were indicated by one firm (IR-Ss-07) and moderate levels of international market standardization were noted in three firms (IR-Mg-06, IR-Mg-08, IR-Mg-10).

The data recognized two important factors regarding the international market standardization for Iranian small and medium firms in the scope of this study: (1) *All products/ services are in the specific sector*, (2) *Products/ services are demanded in several categories*.

(1) All products/ services are in the specific sector

A total of four Iranian firms in this research indicated that in their market all products/ services are in a specific sector (see IR-Mg-06, IR-Ss-07, IR-Sg-09, IR-Mg-10). An international entrepreneur working in nutrition sector emphasized that its business is committed to producing only dairies. In this regard, the factory manager of CASE IR-Sg-09 (dairy producer) addressed that: *‘Usually in the dairy industry, the customers' needs are based on dairy products. However, each product might be diverse in term of composition, yogurt or milk with different fat percentages for example. By the way, we produce dairies according to the needs and culture of consumption of each market.’*

Table 0.7 Levels of international market standardization in Iran

Case #	A		Type of market standardization			E	Descriptive comment
	Level of Importance Overall	B	C	D			
		All products/ services are in the specific sector	Products/ services are demanded in several categories	Market demands the standard products/ services	Level of market standardization		
CASE IR-Mg-06	SI	✓	-	-	Moderate	Diverse needs of customers in a different characteristic of products like color, size etc.	
CASE IR-Ss-07	MI	✓	✓	-	High	Provides products that are in the range of chemical adhesives and gives advisory services for the internationalization of firms in construction industries.	
CASE IR-Mg-08	SI	-	✓	-	Moderate	Requests are divided into several categories of high-, medium-, and low-demanded products.	
<i>CASE IR-Sg-09</i>	<i>VSI</i>	✓	✓	✓	<i>Very High</i>	<i>All products categorized in the group of dairy goods. Considers the culture of consumption in each market.</i>	
CASE IR-Mg-10	SI	✓	-	-	Moderate	In nutrition industry, peanuts packaging sector, customers are looking for variety and prefer to taste different and new flavors	
IRAN		4	3	1			

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of market standardization.

(2) Products/ services are demanded in several categories.

The request for products/ services in several categories was one the most important factors of market standardization as was evident in three out of five businesses (see IR-Ss-07, IR-Mg-08, IR-Sg-09). In this regard, the sales manager & deputy CEO of CASE IR-Mg-08 (cosmetic producer) addressed: 'Our products are divided into several categories, depending on the needs of the market. These categories are defined through the analysis of the sales as

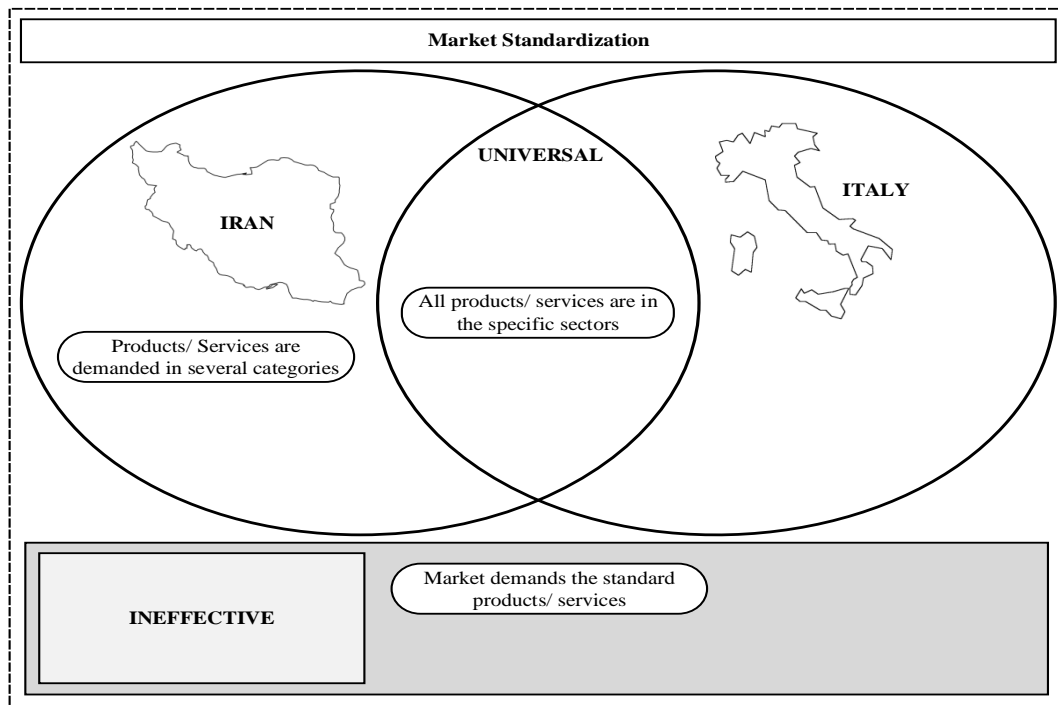
the high-, medium- and low-demanded groups. However, all of these products are tailored to meet the needs of our customers, and this reflects the high diversity of our customers' needs, with around 60 different products.'

4.3.1.2.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding international market standardization, *all products/ services are in the specific sector* is a universal factor, as it is evident in both contexts. However, *products/ services are demanded in several categories* is evident only in the context of Iran. Therefore, it is considered as Iranian context-based driver.

The types of international market standardization not found to be important for the cases in this research is: *market demands the standard products/ services*. This factor was not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms. The schematic summary of the determinants regarding the international market standardization is represented in Figure 4.2, based on the typologies of universal, context-based, and ineffective variables.

Figure 04.2 Schematic summary of the international market standardization



4.3.1.3 Local resources

The next concept to be discussed is the local resources. All firms were asked: (i) to describe their specific local resources, (ii) to explain the scarcity of resources they require in their business, and (iii) to explain the influence of the local resources on their performance in international markets. The question in relation to local resources can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.1.3.1 Context one: Italy

Among Italian cases, one firm (IT-Ms-05), as shown in column (A) of Table 4.8, viewed local resources overall to be ‘strongly important’, and the other four firm indicated ‘strong importance.’ While no cases indicated the energy privilege, column (B), however, all firms noted that they benefit the local human resources, column (E). Raw material, column (C), was indicated by two firms (IT-Sg-01, IT-Sg-02), and local technology/ knowledge, column (D) was mentioned in three cases (IT-Sg-02, IT-Sg-04, IT-Ms-05).

In Italy, the analysis indicates the high levels of local resources, as shown in column (F), was noted in one case (IT-Sg-02). The moderate levels were indicated by two firms (IT-Sg-01, IT-Ms-05), and low levels of local resources were noted in two firms (IT-Mg-03, IT-Mg-04).

The data recognized one important factor regarding the local resources explicit of Italian small and medium firms in the scope of this study: (1) *Human resources*.

(1) *Human resources*

Taking advantage of the human resources was the main local resource that all Italian firms in this research mentioned (see IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Sg-04, IT-Ms-05). In fact, technical resources who are professional in their job is the only driver for entrepreneurial firms to obtain a competitive advantage in international markets. For example, the sales & project manager of CASE IT-Sg-04 (injection molding industry) discusses that: ‘...*We have technical resources. I mean the people are working for us and can give solutions to our*

challenges. In addition, they are experienced employees with more than 30 years' experience... this valuable resource gave us flexibility in producing a wide range of product for our customers.' Similarly, the sales manager and member of the board of CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles) confirmed the importance of the human resources: 'Without our talented technicians we were not able to respond the different requests received from costumers, especially in our customized products which needed novelty for design and produce.'

Table 4.8 Levels of local resources in Italy

Case #	A Level of Importance Overall	Type of local resources explicit within the firm				F Level of local resources	Descriptive comment
		B Energy privileges	C Raw materials	D Technology and knowledge	E Human resources		
CASE IT-Sg-01	VSI	-	✓	-	✓	Moderate	Utilizes the hand-made Italian fashion products for selling abroad.
CASE IT-Sg-02	VSI	-	✓	✓	✓	High	Uses the Italian technology as well as sophisticated personnel for selling abroad and supporting international clients.
CASE IT-Mg-03	VSI	-	-	-	✓	Low	Although leverage the experts for his international activities, but still suffers from the quantity of these experts.
CASE IT-Sg-04	VSI	-	-	-	✓	Low	Its most important resources are experienced professional technical resources.
CASE IT-Ms-05	SI	-	-	✓	✓	Moderate	Leverages the university specialists in the business and uses Italian professionals in the field of export compliance.
ITALY		0	2	2	5		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of local resources.

4.3.1.3.2 Context two: Iran

In Iran, one firm (IR-Mg-06), as shown in column (A) of Table 4.9, viewed local resources overall to be ‘very strongly important’, three firms (IR-Ss-07, IR-Mg-08, IR-Mg-10) indicated ‘strong importance’, and one firm (IR-Sg-09) noted ‘moderate importance.’ Energy privilege, column (B), and local technology/ knowledge, column (D), was indicated by one firm (IR-Mg-06). Four cases (IR-Mg-06, IR-Mg-08, IR-Sg-09, IR-Mg-10) mentioned the raw materials, column (C), and three cases (IR-Mg-06, IR-Mg-08, IR-Sg-09) noted the local human resources, column (E).

Among Iranian cases, the analysis indicates the very high levels of local resources, as shown in column (F), was noted in one case (IR-Mg-06). The moderate levels were indicated by two firms (IR-Mg-08, IR-Sg-09), and low levels of local resources were noted in two firms (IR-Ss-07, IR-Mg-10).

The data recognized two important factors regarding the local resources explicit of Iranian small and medium firms in the scope of this study: (1) *Raw materials*, (2) *Human resources*.

(1) *Raw materials*

Raw materials were one the main local resources of Iranian firms as indicated by four out of five cases (see IR-Mg-06, IR-Mg-08, IR-Sg-09, IR-Mg-10). In this regard, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) highlighted: *‘in the process of producing the glass many materials should be mixed. Hopefully, we have the advantage to access the required raw materials inside of country as we found mines of Silica which support our activities for many years.’*

Table 4.9 Levels of local resources in Iran

Case #	A	Type of local resources explicit within the firm				F	Descriptive comment
	Level of Importance Overall	B	C	D	E	Level of local resources	
		Energy privileges	Raw materials	Technology and knowledge	Human resources		
<i>CASE IR-Mg-06</i>	<i>VSI</i>	✓	✓	✓	✓	<i>Very High</i>	<i>Benefits highly of the various local resources privileges.</i>
CASE IR-Ss-07	SI	-	-	-	-	Low	No indication of using specific local resources to strengthen the business. Suffers from the lack of knowledge and data on international markets.
CASE IR-Mg-08	SI	-	✓	-	✓	Moderate	Employs the exclusive but limited materials for the production of kind of shampoos.
CASE IR-Sg-09	MI	-	✓	-	✓	Moderate	Engages not only experienced but also cheap human resources for its activities.
CASE IR-Mg-10	SI	-	✓	-	-	Low	Although uses the high-quality Iranian fruits as the raw materials, but they are still too expensive.
IRAN		1	4	1	3		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of local resources.

(2) Human resources

Three out of five Iranian small and medium firms declared that they are making benefit from the human resources (see IR-Mg-06, IR-Mg-08, IR-Sg-09). For example, the factory manager of CASE IR-Sg-09 (dairy producer) addressed that: *Local resources are crucial elements of any company. While the quality of the products depends on the many factors, the most important element of the performance of our business is human resources who are*

expert and experienced in the dairy sector. They can handle the challenges we face in the market and keep the business in the right way...'

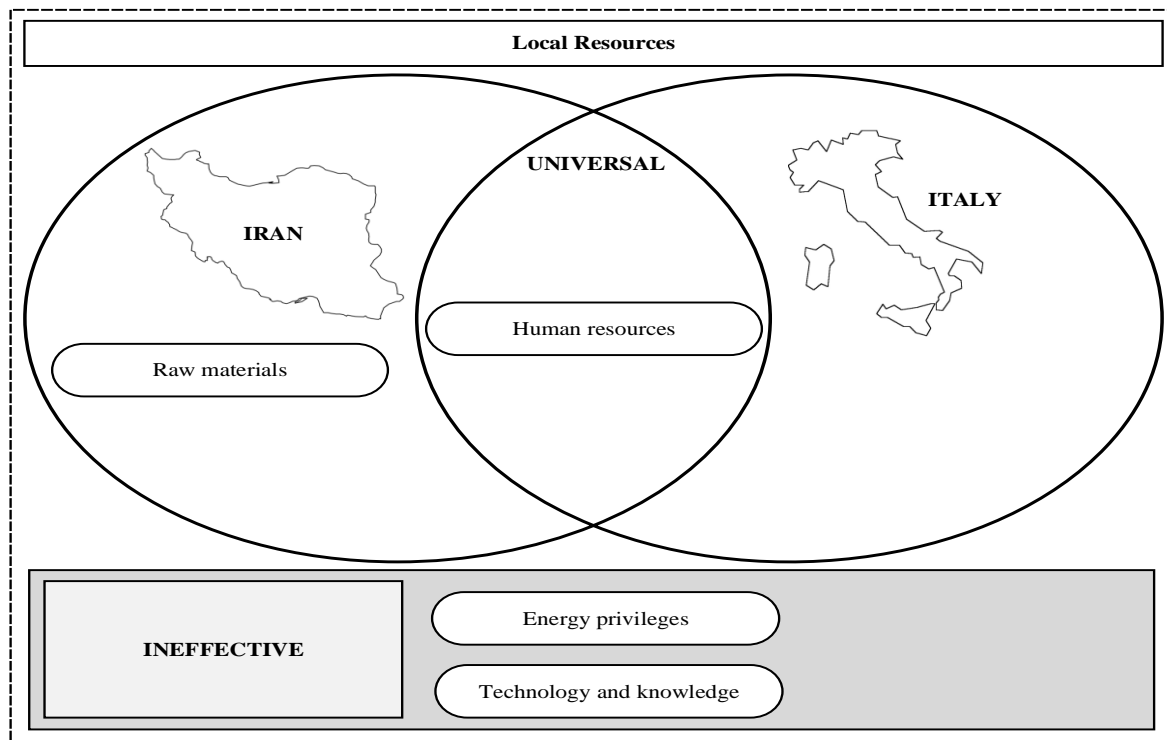
4.3.1.3.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding the local resources, *human resources*, is universal factors, as it is evident in both contexts. Moreover, *raw materials* are the Iranian context-based factor while we found no Italian context-based determinants in this study.

The types of local resources not found to be important for the cases in this research are *energy privileges* and *technology and knowledge*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the local resources is represented in Figure 4.3, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.3 Schematic summary of the local resources



4.3.1.4 Cultural and economic players

The next concept to be discussed is the environmental factors of international entrepreneurship such as cultural and economic players. All firms were asked: *the extent to which the environmental factors influence the international activities of their firm*. The questions in relation to environmental factors of international entrepreneurship can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.1.4.1 Context one: Italy

In Italy, three firms, (IT-Sg-02, IT-Mg-03, IT-Ms-05), as shown in column (A) of Table 4.10, viewed environmental factors overall to be ‘very strongly important’. One firm (IT-Sg-01) indicated ‘strong importance’ and another case (IT-Sg-04) saw ‘limited importance.’ Differences in the negotiation approach and sales system, column (B), and cultural variations, column (C), viewed by one firm (IT-Mg-03). Two firms (IT-Mg-03, IT-Sg-04) indicated the exchange rate fluctuation, column (D). Case (IT-Sg-01) mentioned the governmental barriers, column (E), and one firm (IT-Sg-02) indicated other economic drivers, column (F).

In Italy, the analysis indicates that moderate levels of environmental factors, as shown in column (G), was noted in two cases (IT-Sg-02, IT-Mg-03) and low levels of environmental factors were noted in three firms (IT-Sg-01, IT-Sg-04, IT-Ms-05).

As it is shown in the Table 4.10, Italian entrepreneurs indicated no environmental factors studied in this research significantly influenced the process of their internationalization.

Table 4.10 Levels of environmental drivers for internationalization of Italian firms

Case #	A	Type of environmental drivers explicit in firm processes in the internationalization					G	Descriptive comment
		B	C	D	E	F		
	Level of Importance Overall	Different approach to negotiation and sale system	Cultural variations	Exchange rate fluctuation	Governmental barriers to domestic support, e.g., customs	Other economic factors, e.g., inflation etc.	Level of environmental impact	
CASE IT-Sg-01	SI	-	-	-	✓	-	Low	Mostly suffers from the high level of uncertainty in customs & exposure of duties.
CASE IT-Sg-02	VSI	-	-	-	-	✓	Moderate	The rapid change of market and fewer price products offered by competitors in China.
CASE IT-Mg-03	VSI	✓	✓	✓	-	-	Moderate	Cost of energy, especially in trade with Russia in 2012, and different ways to approach the people.
CASE IT-Sg-04	LI	-	-	✓	-	-	Low	Less influenced by the int. environment as for make contract headquarters to supply the material in specific terms.
CASE IT-Ms-05	VSI	-	-	-	-	-	Low	Highly dependent on the geopolitical conditions. Offer solutions for the firms or individuals are challenging with sanctions.
ITALY		1	1	2	1	1		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of environmental impact.

4.3.1.4.2 Context two: Iran

In Iran, two firms, (IR-Ss-07, IR-Mg-08), as shown in column (A) of Table 4.11, viewed environmental factors overall to be ‘very strongly important’. Two firms (IR-Sg-09, IR-Mg-10) indicated ‘strong importance’ and another case (IR-Mg-06) saw ‘moderate importance.’ All firms addressed the exchange rate fluctuation, column (D). Differences in the negotiation

approach and sales system, column (B), and cultural variations, column (C), viewed by one firm (IR-Mg-08). Three managers (IR-Mg-06, IR-Mg-08, IR-Sg-09) mentioned the governmental barriers, column (E), and two entrepreneurs (IR-Mg-08, IR-Mg-10) indicated other economic drivers, column (F).

Among Iranian firms, the analysis indicates that very high levels of environmental factors, as shown in column (G), was noted in case IR-Mg-08, and other firms indicated the moderate levels of environmental factors.

The data recognized two important environmental determinants regarding the internationalization of small and medium Iranian firms in the scope of this study: (1) *Exchange rate fluctuations* and (3) *Customs duty and clearance*.

(1) *Exchange rate fluctuations*

Variations in the exchange rate was another environmental driver of Iranian business studied in this research (see, IR-Mg-06, IR-Mg-07, IR-Mg-08, IR-Sg-09, IR-Mg-10). For example, the founder and CEO of CASE IR-Ss-07 (international trade and advisor company) highlighted that: *'At the beginning of our activities, we were shocked by the extensive and unseen increase of the currency exchange. While working with Chinese company we agreed to trade with US dollar. However, as we submitted the offer the value of US dollar increased by 10% in Iran. It means that the cost of our product raised even before the shipment...'* Similarly, CASE IR-Sg-09 (dairy producer) had difficulties with the exchange rate fluctuations in the importing country, as the factory manager said: *'About 90% of our problem in exporting to Iraq is exchange rate fluctuation...actually, the value of Dinar is not stable in Iraq and it put us in the problem of decreasing the number of sales as the price our products increased due to the unwanted exchange variation.'*

Table 4.11 Levels of environmental drivers for internationalization of Iranian firms

Case #	A	Type of environmental drivers explicit in firm processes in the internationalization					H	Descriptive comment
		B	C	E	F	G		
	Level of Importance Overall	Different approach to negotiation and sale system	Cultural variations	Exchange rate fluctuation	Governmental barriers to domestic support, e.g., customs duty etc.	Other economic factors, e.g., inflation etc.	Level of environmental impact	
CASE IR-Mg-06	MI	-	-	✓	✓	-	Moderate	In exporting to Turkey, faced with the increase in customs duty, which makes the product non-economic for Turkish customer and decreased the export.
CASE IR-Ss-07	VSI	-	-	✓	-	-	Moderate	Overwhelming exchange rate fluctuation caused 10% increase in the cost of the shipment.
<i>CASE IR-Mg-08</i>	<i>VSI</i>	✓	✓	✓	✓	✓	<i>Very High</i>	<i>Highly influenced by the environmental drivers in the business activities. The culture of consumption has changed in recent years.</i>
CASE IR-Sg-09	SI	-	-	✓	✓	-	Moderate	Involved in exchange rate variations in the targeted country. Long-term custom clearance is challenging due to the limited expiry date of products.
CASE IR-Mg-10	SI	-	-	✓	-	✓	Moderate	Inflation in supplying raw materials caused less competitive advantage rather than international rivals.
IRAN		1	1	5	3	2		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of environmental impact.

(2) Customs duty and clearance

Three out of five businesses in Iran indicated that customs duties made restriction in their process of internationalization (see, IR-Mg-06, IR-Mg-08, IR-Sg-09). Governments usually apply customs duties for the sake of supporting their national businesses. For example, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) mentioned that: *'We had many sales to Turkey. However, after a while, the Turkish government decided to apply a high percentage customs duty for importing glass products in order to support its domestic production. This decision made our products non-economic for Turkish costumers and therefore we lost this market for a long time. In fact, the decisions like this taken in the field of international trade and economics are very influential.'*

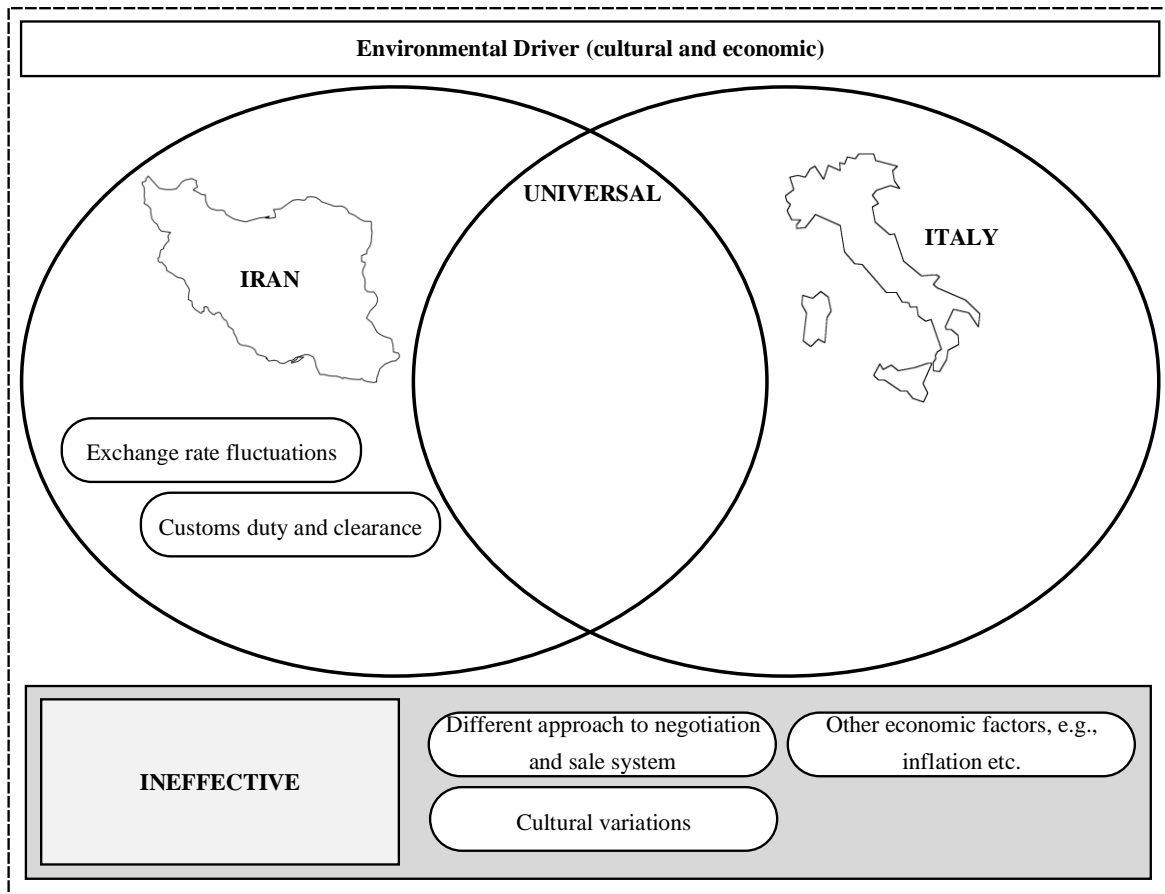
4.3.1.4.3 Overall discussion

A comparative analysis of the Italian and Iranian businesses represents no universal factors among the environmental drivers of international entrepreneurship. In fact, none of the analyzed factors was influential in both countries of Italy and Iran. However, *exchange rate fluctuations* and *customs duty and clearance* were evident only in the context of Iranian market.

The types of environmental drivers explicit in firm processes in the internationalization not found to be important for the cases in this research are *the different approach to negotiation and sale system, cultural variations* and *other economic factors, e.g., inflation etc.* These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the environmental drivers in the processes of internationalization is represented in Figure 4.4, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.4 Schematic summary of the environmental determinants of internationalization



4.3.1.5 Export compliance

The last concept to be discussed is the export compliance. All firms were asked: (i) the extent to which they faced restrictions in their international activities, (ii) to explain how well they know identity of their customers, (iii) to explain if they archive the documents regarding their internationalization, and (iv) to describe the influence of the export compliance on their performance in international markets. The question in relation to export compliance can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.1.5.1 Context one: Italy

Among Italian cases, one firm (IT-Ms-05), as shown in column (A) of Table 4.12, viewed export compliance overall to be ‘strongly important’, and the other four firm indicated ‘strong importance.’ Two firms (IT-Sg-01, IT-Sg-02) indicated the lack of suitable

recordkeeping, column (B), and two cases (IT-Sg-01, IT-Mg-03) noted the unknown/ less-known costumers, column (C). Dual-use violation, column (D), was mentioned in one firm (IT-Sg-02) and using the harmful material, column (E), was indicated in one case (IT-Sg-04). Three firms (IT-Sg-01, IT-Sg-02, IT-Mg-03) noted the customs limitations or embargoes/ sanctions from authorities, column (F).

In Italy, the analysis indicates the moderate levels of export compliance, as shown in column (G), was noted in three cases (IT-Sg-01, IT-Sg-02, IT-Mg-03), and the low levels were indicated by two firms (IT-Sg-04, IT-Ms-05).

The data recognized one important factor regarding the export compliance of Italian small and medium firms in the scope of this study: *(1) Customs limitations or embargoes/ sanctions from authorities.*

(1) Customs limitations or embargoes/ sanctions from authorities

Three out of four firms studied in this research highlighted that they suffered from the customs limitations and/ or face the embargoes/ sanctions from authorities in their international activities (see IT-Sg-01, IT-Sg-02, IT-Mg-03). For example, the sales manager and co-founder of CASE IT-Sg-02 (second-hand machinery provider) said that: *'For trading in the global context, there is some national and international regulation to be respected. In our business, we mostly suffer from items that have dual-use application in trading with Iran and Russia. For example, about three years ago, we had a big shipment of the complete plant to Iran. This package was blocked by the custom for more investigation to ensure whether the shipping items are countered in the dual-use list. After about one month we could solve the problem by receiving the certification of compliance from an authority that allowed us to proceed to export to Iran...'*

Table 4.12 Levels of export compliance challenges in Italy

Case #	A	Type of export compliance challenges explicit within the firm					G	Descriptive comment
	Level of Importance Overall	B	C	D	E	F	Level of export compliance	
		Lack of suitable recordkeeping	Unknown/ less-known costumers	Dual-use violation	Using harmful materials	Customs limitations/ embargoes/ sanctions from authorities		
CASE IT-Sg-01	MI	✓	✓	-	-	✓	Moderate	A low indication of export compliance restrictions. In some cases suffered from the custom's limitations.
CASE IT-Sg-02	VSI	✓	-	✓	-	✓	Moderate	Faced some challenges in a trade with Iranian clients. Resolved the dual-use problem due to the certificate from an authority.
CASE IT-Mg-03	VSI	-	✓	-	-	✓	Moderate	Not sufficient recognition of the end user/s of its products. No challenges faced except customs duties.
CASE IT-Sg-04	MI	-	-	-	✓	-	Low	Involves restrictions on using harmful materials (heavy metals) in their products.
CASE IT-Ms-05	VSI	-	-	-	-	-	Low	As is advisor and regulator in export compliance field, not involved with this problem.
ITALY		2	2	1	1	3		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of export compliance challenges.

4.3.1.5.2 Context two: Iran

In Iran, two firms (IR-Ss-07, IR-Mg-08), as shown in column (A) of Table 4.13, viewed export compliance overall to be ‘very strongly important’, and the other three firm indicated ‘strong importance.’ One firm (IR-Ss-07) indicated the lack of suitable recordkeeping, column (B), and three cases (IR-Mg-06, IR-Mg08, IR-Sg-09) noted the unknown/ less-

known costumers, column (C). Dual-use violation, column (D), was mentioned in three firms (IR-Mg-06, IR-Mg-08, IR-Mg-10), and using the harmful material, column (E), was indicted in two cases (IR-Mg-08, IR-Sg-09). Three firms (IR-Mg-06, IR-Ss-07, IR-Mg-10) noted the customs limitations or embargoes/ sanctions from authorities, column (F).

Among Iranian cases, the analysis indicates the moderate levels of export compliance, as shown in column (G), was noted in four cases (IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Sg-09), and the low levels were indicated by one firm (IR-Mg-10).

(1) Customs limitations or embargoes/ sanctions from authorities

Customs limitations and/ or face the embargoes/ sanctions from authorities were indicated by three out of five Iranian cases as a restriction in their process of internationalization (see IR-Mg-06, IR-Ss-07, IR-Mg-10). In this case, the founder and CEO of CASE IR-Ms-06 (glass manufacturing company) stated: *'...in the exporting to some countries like Turkey and India, we encountered restrictive rules that were supposed to support their national industry. These sanctions, which imposed time by time, were regulated by their government and executed through the customs clearance.'* Similarly, the factory manager of CASE IR-Mg-10 (irrigation and nutrition) revealed that: *'...we were looking for an advanced technology to change our production line. Therefore, the contract has been made and even the invoice received for the further process of payment, but in the last step, we could not buy this equipment because of the sanctions. The most important part of our problems is banking sanctions that we are not able to connect our bank transactions to the international banks, which put the company's activities in the international context in the challenge.'*

Table 4.13 Levels of export compliance challenges in Iran

Case #	Type of export compliance challenges explicit within the firm						G Level of export compliance	Descriptive comment
	A	B	C	D	E	F		
	Level of Importance Overall	Lack of suitable recordkeeping	Unknown/ less-known costumers	Dual-use violation	Using harmful materials	Customs limitations/ embargoes/ sanctions from authorities		
CASE IR-Mg-06	SI	-	-	✓	-	✓	Moderate	Low export compliance involvement. Emphasized on Recordkeeping on the mission of the business. In the purchase of production line challenged with dual-use sanction.
CASE IR-Ss-07	VSI	✓	-	-	-	✓	Moderate	Highly challenged with bank transfers to other countries because of restrictions against Iranian transactions.
CASE IR-Mg-08	VSI	-	✓	✓	✓	-	Moderate	Requires licenses in the import of chemical materials used for its products.
CASE IR-Sg-09	SI	-	✓	-	✓	-	Moderate	As result of the nature of Iraqi market does not have enough information about customers.
CASE IR-Mg-10	SI	-	-	-	-	✓	Low	Suffered from sanctions for equipping its production line.
IRAN		1	2	2	2	3		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of export compliance challenges.

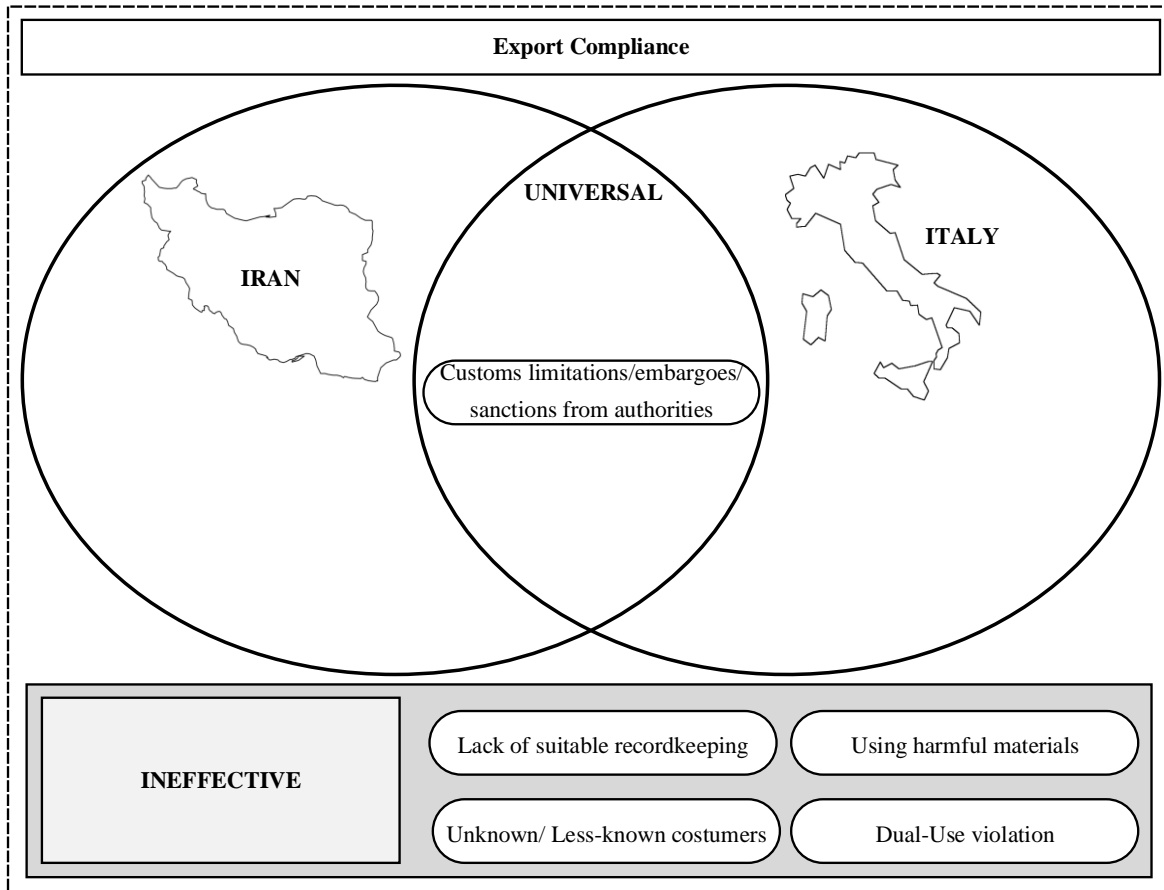
The data recognized one important factor regarding the export compliance of Italian small and medium firms in the scope of this study: (1) *Customs limitations or embargoes/ sanctions from authorities.*

4.3.1.5.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding the export compliance, *customs limitations or embargoes/sanctions from authorities*, is a universal factor, as it is evident in both contexts. However, we found no Italian or Iranian context-based determinants in this study.

The types of export compliance determinants not found to be important for the cases in this research are *lack of suitable recordkeeping, unknown/ less-known costumers, dual-use violation, and using harmful materials*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms. The schematic summary of the determinants regarding the export compliance is represented in Figure 4.5, based on the typologies of universal, context-based, and ineffective variables.

Figure 04.5 Schematic summary of the export compliance determinants



Part B: Organizational and individual characteristics

4.3.2 International networks

The next concept to be discussed is international network capabilities. All firms were asked: *(i) to describe the business's current relationships, (ii) if networking capabilities had influenced the international performance of the firm.* The question in relation to international network capabilities can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.2.1 Context one: Italy

Among Italian cases, all firms, as shown in column (A) of Table 4.14, viewed international network capabilities overall to be 'very strongly important.' Although only one firm (IT-Sg-01) developed a relationship with international distributors, column (E), and paid for international networks, column (I), all cases noted their relationships with international partner/ representative, column (B). Actively attendance in international exhibitions, column (C), as indicated by two firms (IT-Mg-03, IT-Ms-05). Similarly, two firms (IT-Mg-03, IT-Sg-04) indicated their relationships with international suppliers, column (D). Creating ties with industry-specific competition in a foreign country, column (F), was noted in four cases (IT-Sg-01, IT-Sg-02, IT-Sg-04, IT-Ms-05), and the creation of ties with foreign costumes, column (G), was mentioned by three firms (IT-Sg-01, IT-Sg-02, IT-Ms-05). Four cases (IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Ms-05) stated they maintained relationships with industry relevant authorities, column (H).

In Italy, the analysis indicates that high levels of international network capabilities, as shown in column (J), was noted in two cases (IT-Sg-01, IT-Ms-05). The moderate levels were seen in two firms (IT-Sg-02, IT-Mg-03) and low levels of international network capabilities were noted in one firm (IT-Sg-04).

Table 4.14 Levels of international network capabilities in Italy

Case #	A	Type of international networks explicit within the firm								J	Descriptive comment
		B	C	D	E	F	G	H	I		
	Level of Importance Overall	Develops relation with int. partner	Presents in international exhibitions	Develops relation with int. suppliers	Develops relation with int. distributor	Creates ties with competitors	Creates ties with foreign customers	Maintains relation with authorities	Pays for international networks	Level of International network capabilities	
CASE IT-Sg-01	VSI	✓	-	-	✓	✓	-	✓	✓	High	Actively bonds relationships with local partners in different countries. Works with the rivals as well as influencers to promote the reputation of the items.
CASE IT-Sg-02	VSI	✓	-	-	-	-	✓	✓	-	Mode rate	Maintains relevant formal network relationships through the commercial department.
CASE IT-Mg-03	VSI	✓	✓	✓	-	-	-	✓	-	Mode rate	Engaged in the network through the dealerships, including more than 50 sales manager around the world.
CASE IT-Sg-04	VSI	✓	-	✓	-	-	-	-	-	Low	In each project of the sales, makes a contract with the clients to supply their requirements. Contracts mostly conduct through the networks.
CASE IT-Ms-05	VSI	✓	✓	-	-	✓	✓	✓	-	High	Has extensive preferred networks such as companies, professionals, academics and governments.
ITALY		5	2	2	1	2	2	4	1		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international network capabilities.

Two key factors from the data were identified in relation to how international network capabilities influence the international market performance of the Italian firm: (1) *Develops*

relationships with an international partner or representative, (2) Maintains relationships with industry relevant authorities.

(1) Develops relationships with an international partner or representative

All Italian cases studied indicated that they have taken advantage of developing relationships with an international partner or representative (see IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Sg-04, IT-Ms-05). For instance, the international partnership was the main reason for case IT-Sg-01 (online retailer) in opening a new branch in UAE. Therefore, the founder and CEO of CASE IT-Sg-01 emphasized that: *'The networking is the core of my business. International founders, governmental parties, and fashion industry, influencer etc...all these contacts are fundamental. If you open a business abroad without a support team, everything gets complicated. From my experience in opening a physical boutique in UAE, I strongly admit that without a local network and partner it is almost impossible to start a business in a foreign country...'*

(2) Maintains relationships with industry relevant authorities

Another important driver regarding the international networking from Italian mindset is to maintain relationships with industry relevant authorities, as it is mentioned by four out of five managers (see IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Ms-05). In this regard, the director general of CASE IT-Ms-05 (regulator and non-profit advisor) discussed the dependency of his job into networking with authorities: *'Honestly, without networking with authorities, my job will not be successful. Because of the nature of my career, I have a stream of networks including companies, professionals, academics and governmental networks. In this vein, the most crucial connections are authorities like the European Union, World Bank, International Monetary Fund, and World Trade Organization etc.'*

4.3.2.2 Context two: Iran

In Iran, one firm (IR-Mg-06), as shown in column (A) of Table 4.15, viewed international network capabilities overall to be 'strongly important', and the other four firms noted 'very strong important.' Although only one firm (IR-Mg-0R) developed a relationship with international partner/ representative, column (B), and Created ties with industry-specific

competition in a foreign country, column (F), all cases noted that they developed relationships with international distributors, column (E). Four firms (IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Mg-10) indicated that actively attend in international exhibitions, column (C), and make relationships with international suppliers, column (D). Creation of ties with foreign costumes, column (G), was mentioned by two firms (IR-Mg-06, IR-Ss-07). Four cases (IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Sg-09) stated they maintained relationships with industry relevant authorities, column (H), while three firms (IR-Mg-06, IR-Mg-08, IR-Sg-09) noted that they are paying for international networks, column (I).

Among Iranian cases, the analysis indicates that high levels of international network capabilities, as shown in column (J), was noted in one case (IR-Mg-06). The high levels were seen in one firm (IR-Mg-08), moderate levels were indicated in two cases (IR-Ss-07, IR-Mg-10), and low levels of international network capabilities were noted in one firm (IR-Sg-09).

Three key factors from the data were identified in relation to how international network capabilities influence the international market performance of the Italian firm: *(1) Actively presents in international exhibitions/ summits, (2) Develops relationships with international suppliers, (3) Develops relationships with international distributors.*

(1) Actively presents in international exhibitions/ summits

Participation in the international exhibitions/ summits was one of the main networking activity of, four out of five, Iranian firms in the scope of our research (see IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Mg-10). For example, the founder and CEO of CASE IR-Ss-07 (international trade and advisor company) said: *'the approach of our company is such that we participate in specialized exhibitions in order to find trusted person/ partner in our targeted markets and through this person, who can either be an advisor and can be a customer, we conduct our international endeavors. For instance, in Sudan, we have an individual whose 100% export is in their hands...'*

Table 4.15 Levels of international network capabilities in Iran

Case #	A	Type of international networks explicit within the firm								J	Descriptive comment
		B	C	D	E	F	G	H	I		
	Level of Importance Overall	Develops relation with int. partner	Presents in international exhibitions	Develops relation with int. suppliers	Develops relation with int. distributor	Creates ties with competitors	Creates ties with foreign customers	Maintains relation with authorities	Pays for international networks	Level of International network capabilities	
<i>CASE IR-Mg-06</i>	<i>SI</i>	✓	✓	✓	✓	✓	✓	✓	✓	<i>Very High</i>	<i>Creates industry networks and alliances to support business development domestically and internationally.</i>
CASE IR-Ss-07	VSI	-	✓	✓	✓	-	✓	-	-	Mode rate	Utilized networks to facilitate the marketing and sales in foreign countries as well as importing goods.
CASE IR-Mg-08	VSI	-	✓	✓	✓	-	-	✓	✓	High	Highly dependent to the networks for international activities. Exports only through the intermediaries.
CASE IR-Sg-09	VSI	-	-	-	✓	-	-	-	-	Low	Indicates limited use of networking in only two Iraqi cities. Receives the reports of marketing and sales form the networks.
CASE IR-Mg-10	VSI	-	✓	✓	✓	-	-	-	-	Mode rate	Maintained networks with sales representatives and suppliers in a limited capacity.
IRAN		1	4	4	5	1	2	2	2		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international network capabilities.

(2) *Develops relationships with international suppliers*

Four out of five Iranian firms developed relationships with international suppliers (see IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Mg-10). In this regard, the sales manager & deputy CEO

of CASE IR-Mg-08 (cosmetic producer) addressed: *'in our products, there needs to use some raw materials that are not found in high quality in the domestic market and we have to import them from the international suppliers...'*

(3) Develops relationships with international distributors

All Iranian cases studied indicated that they have taken advantage of developing with international distributors (see IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Sg-09, IR-Mg-10). For instance, the factory manager of CASE IR-Mg-10 (irrigation and nutrition) said that: *'we have exclusive representatives in different selected countries that are in charge of marketing, selling and distributing our products.'* In addition, the factory manager of CASE IR-Sg-09 (dairy producer) confirmed the importance of the international distributors: *'we have a chain of advisers, marketers, and distributors in the target country, specifically in Basra and Baghdad.'*

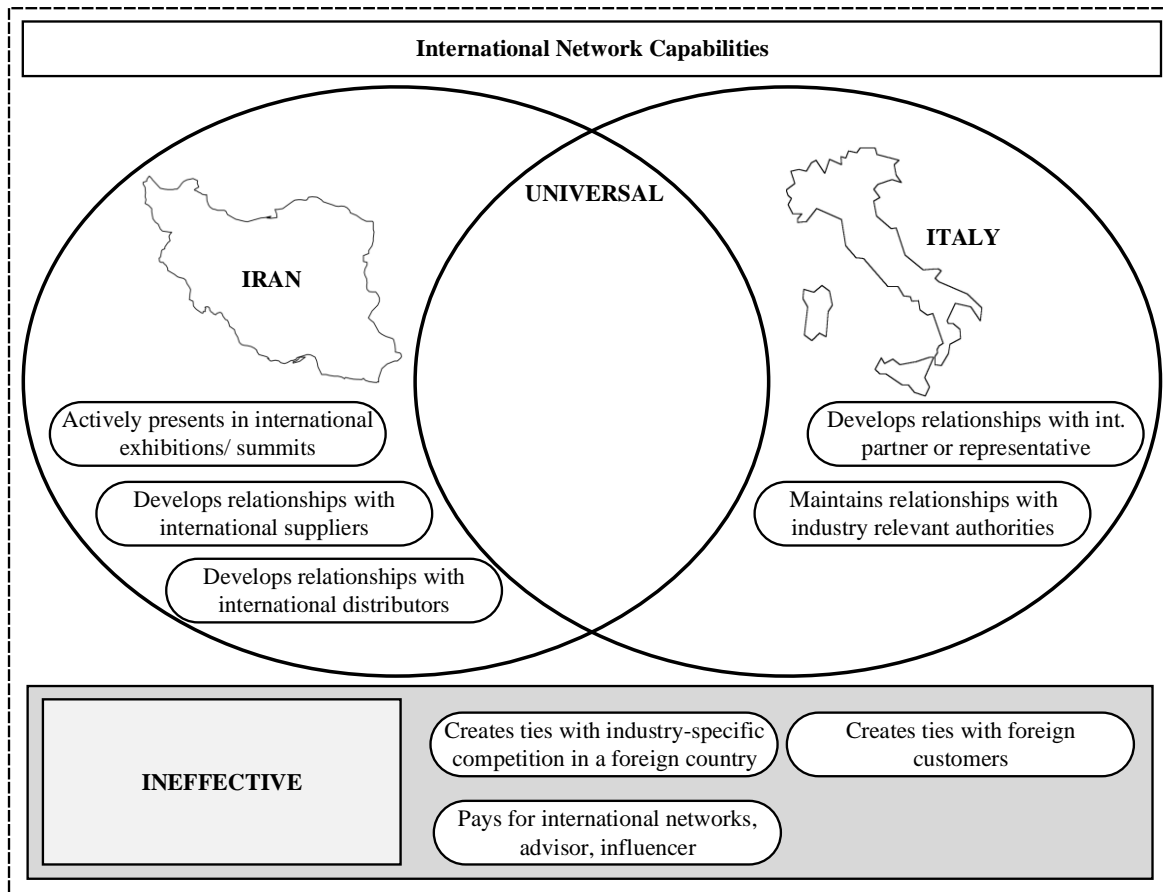
4.3.2.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that although there were no universal determinants regarding the international network capabilities, but we saw two Italian context-based, *develops relationships with international partner or representative* and *maintains relationships with industry relevant authorities*, and three Iranian context-based factors, *actively presents in international exhibitions/ summits*, *develops relationships with international suppliers*, and *develops relationships with international distributors*.

The types of international network capabilities not found to be important for the cases in this research are *creating ties with industry-specific competition in a foreign country*, *creates ties with foreign customers*, and *pays for international networks, advisor, influencer*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the international network capabilities is represented in Figure 4.6, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.6 Schematic summary of the international network capabilities



4.3.3 International vision

The next concept to be discussed is the international vision. All firms were asked: (i) whether the firm intended to target any new international markets within the next two years, (ii) if the firm aspired to increase the number of international customers; and, (iii) where the international entrepreneur envisaged the firm to be in five years' time. The questions in relation to international vision can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.3.1 Context one: Italy

In Italy, two firms (IT-Sg-01, IT-Mg-03), as shown in column (A) of Table 4.16, viewed international vision overall to be 'very strongly importance'. Three other firms (IT-Sg-02, IT-Sg-02, IT-Ms-05) indicated 'strong importance.' Three firms in this research (IT-Sg-01, IT-Sg-02, IT-Ms-05) denote that the business had encompassed an international mindset

from the firm's inception, column (B), and the business mission statement is geared towards international outcomes, column (D). The ability to envision international business in future, column (C), was mentioned by four firms (IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Ms-05). All cases indicated that their business aspires to grow international customers, column (E), and two firms (IT-Sg-01, IT-Ms-05) intended to develop their international competencies, column (F). The business desire of developing its foreign activities through a representative, sale office etc., column (G), was mentioned by three cases (IT-Sg-01, IT-Mg-03, IT-Ms-05).

In Italy, the level of international vision, as noted in column (H), shows very high levels in two firms (IT-Sg-01, IT-Ms-05), moderate levels in two firms (IT-Sg-02, IT-Mg-03), and low levels in one case (IT-Sg-04). The business desires to develop foreign activities through a representative, sale office etc.

The data recognized three important factors regarding the international vision propensities of Italian small and medium firms in the scope of this study: (1) *The ability to envision international business in the future*, (2) *The business aspires to grow international customers*, (3) *The business desires to develop foreign activities through a representative, sale office etc.*

(1) *The ability to envision international business in the future*

Four out of five Italian entrepreneurs indicated that they have the ability to envision the international opportunities of business in the future (see IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Ms-05). In this regard, the founder and CEO of CASE IT-Sg-01 (online retailer) said that: *'The United States is our biggest market with more than 30% of the sales...I purposefully choose to sell first in the United States because of my prediction of the future sales in this market. I found this potential through the different travel to the US. There are other examples that we entered the market due to my personal vision of the potential of the market and offering the most compliant items based on the culture of that market.'*

Table 4.16 Levels of international vision in Italy

Case #	A	Type of international vision explicit within the firm						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	Encompasses an international mindset from the outset	The ability to envision international business in the future	The business mission statement is geared towards international	The business aspires to grow international customers	Intends to develop international competencies, logistic, quality etc.	The desire to develop foreign activities via a representative etc.	Level of international vision	
<i>CASE IT-Sg-01</i>	VSI	✓	✓	✓	✓	✓	✓	Very High	<i>Management considers the world as their market rather than a specific segment. Highly vision CEO.</i>
CASE IT-Sg-02	SI	-	✓	-	✓	-	-	Moderate	Maintains a strong focus on the international customer. Provides the second-hand Italian machinery for clients in foreign countries.
CASE IT-Mg-03	VSI	-	✓	-	✓	-	✓	Moderate	Maintains a focus on providing clients with the best deals sourced by management.
CASE IT-Sg-04	MI	-	-	-	✓	-	-	Low	Preliminary a domestic firm with some international customers but dependent to the internationalizations policy.
<i>CASE IT-MS-05</i>	VSI	✓	✓	✓	✓	✓	✓	Very High	<i>International vision is represented in the corporate governance aspirations and formal titles of the management.</i>
ITALY		2	4	2	5	2	3		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international vision.

(2) *The business aspires to grow international customers*

All five firms interviewed emphasized that they aspire to grow their sales to the international customers. However, increasing the foreign customers/ markets needs to improve the performance of the firms in different responsibilities, as the sales manager and

member of the board of CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles) said: *'my first objective in my job is to increase our share in the existing markets and then to find new markets suitable for our business. In fact, if you want to increase your turnover, you need to take the risk entering a new market with many opportunities as well as many threads (like Iran). For doing so, there needs to resolve the logistic issues and improve the performance of the firm... Our solution is to set-up a plant in a strategic place to decrease the logistic costs...'*

(3) The business desires to develop foreign activities through a representative, sale office etc.

Increasing the international activities through the opening offices and representatives abroad was the last important determinant regarding the international vision propensity from Italian perspective (see IT-Sg-01, IT-Mg-03, IT-Ms-05). For example, the director general of CASE IT-Ms-05 (regulator and non-profit advisor) highlighted that: *'As it is mentioned in the mission of our company, we targeted all developed countries as the future markets. However, we are currently giving services to European countries and are planning to settle our branches in these countries. Next, we are looking forward to entering the US market and assist the American companies. In Europe, we targeted 28 counties and have a long-term plan for Iran and Russia as sensitive cases in export compliance.'*

4.3.3.2 Context two: Iran

Among Iranian cases, two firms, (IR-Mg-06, IR-Ss-07), as shown in column (A) of Table 4.17, viewed international vision overall to be 'very strongly importance'. Two firms (IR-Mg-08, IR-Sg-09) indicated 'moderate importance' and one firm (IR-Mg-10) noted 'strong importance.' One firm in this research (IR-Ss-07) denotes that the business had encompassed an international mindset from the firm's inception, column (B). Two firms (IR-Mg-06, IR-Ss-07) stated that they have the ability to envision international business in future, column (C), and the business mission statement is geared towards international outcomes, column (D). Three cases (IR-Mg-06, IR-Ss-07, IR-Mg-10) indicated that their business aspires to grow international customers, column (E), and four firms (IR-Mg-06, IR-Ss-07, IR-Sg-09, IR-Mg-10) intended to develop their international competencies, column (F). The business

desire of developing its foreign activities through a representative, sale office etc., column (G), was mentioned by three cases (IR-Mg-06, IR-Mg-08, IR-Mg-10).

In Iran, the level of international vision, as noted in column (H), shows high levels in two firms (IR-Mg-06, IR-Ss-07), moderate levels in one firm (IR-Mg-10), and low levels in two cases (IR-Mg-08, IR-Sg-09).

The data recognized three important factors regarding the international vision propensities of Italian small and medium firms in the scope of this study: (1) *The business aspires to grow international customers*, (2) *Intends to develop international competencies, logistic, quality, pricing, advertising etc.*, (3) *The business desires to develop foreign activities through a representative, sale office etc.*

(1) The business aspires to grow international customers

The aspiration to grow international customers was evident in three out of five Iranian firms (see IR-Mg-06, IR-Ss-07, IR-Mg-10). For instance, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) highlighted: *'In my opinion, all international companies would like to increase their sale in multiple markets...you can never find an international entrepreneur that does not like to increase its global customers. However, in our company, we plan to continuously improve the quality of products and make them attractive to the international customers.'*

(1) Intends to develop international competencies, logistic, quality, pricing, advertising etc.

Another important driver regarding the international vision from Iranian mindset is the desire to improve the international competencies of firms, as it is mentioned by four out of five managers (see IR-Mg-06, IR-Ss-07, IR-Sg-09, IR-Mg-10). In this regard, the factory manager of CASE IR-Mg-10 (irrigation and nutrition) stated that: *'the plan of this company for future is to develop our marketing channels in targeted countries through the networking. By doing so, many of the international challenges like logistics will be resolved through the channels. In the meantime, we are planning to actively promote our brand in a global context by continuously participating in international exhibitions.'*

Table 4.17 Levels of international vision in Iran

Case #	A	Type of international vision explicit within the firm						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	Encompasses an international mindset from the outset	The ability to envision international business in the future	The business mission statement is geared towards international	The business aspires to grow international customers	Intends to develop international competencies, logistic, quality etc.	The desire to develop foreign activities via a representative etc.	Level of international vision	
CASE IR-Mg-06	VSI	-	✓	✓	✓	✓	✓	High	Int. vision in this firm is the key link to an aggressive int. opp. seeking. Looking for promoting their brand in the int. market.
CASE IR-Ss-07	VSI	✓	✓	✓	✓	✓	-	High	Envisions the int. market through the participating in the exhibitions to increase the int. markets.
CASE IR-Mg-08	MI	-	-	-	-	-	✓	Low	Indicates non-persistent int. vision although has exports through the dealerships and representatives.
CASE IR-Sg-09	MI	-	-	-	-	✓	-	Low	Management allocates sufficient resources to develop the products qualification fit for exporting distance markets.
CASE IR-Mg-10	SI	-	-	-	✓	✓	✓	Moderate	Maintains int. vision through the marketing channels and exhibitions focused in neighboring countries.
IRAN		1	2	2	3	4	3		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international vision.

(3) *The business desires to develop foreign activities through a representative, sale office etc.*

Three out of five Iranian businesses declared as a future plan, they would rather increase their participation in foreign markets through opening new offices abroad (see IR-Mg-06, IR-Mg-08, IR-Mg-10). For example, the factory manager of CASE IR-Mg-10 (irrigation and

nutrition) highlighted that: *'one of the plans to enter the foreign markets is negotiating with the merchants of those markets, which is a low-cost and less risky way. But in the next stage, we are analyzing the possibilities to build sales and marketing offices in the targeted markets.'*

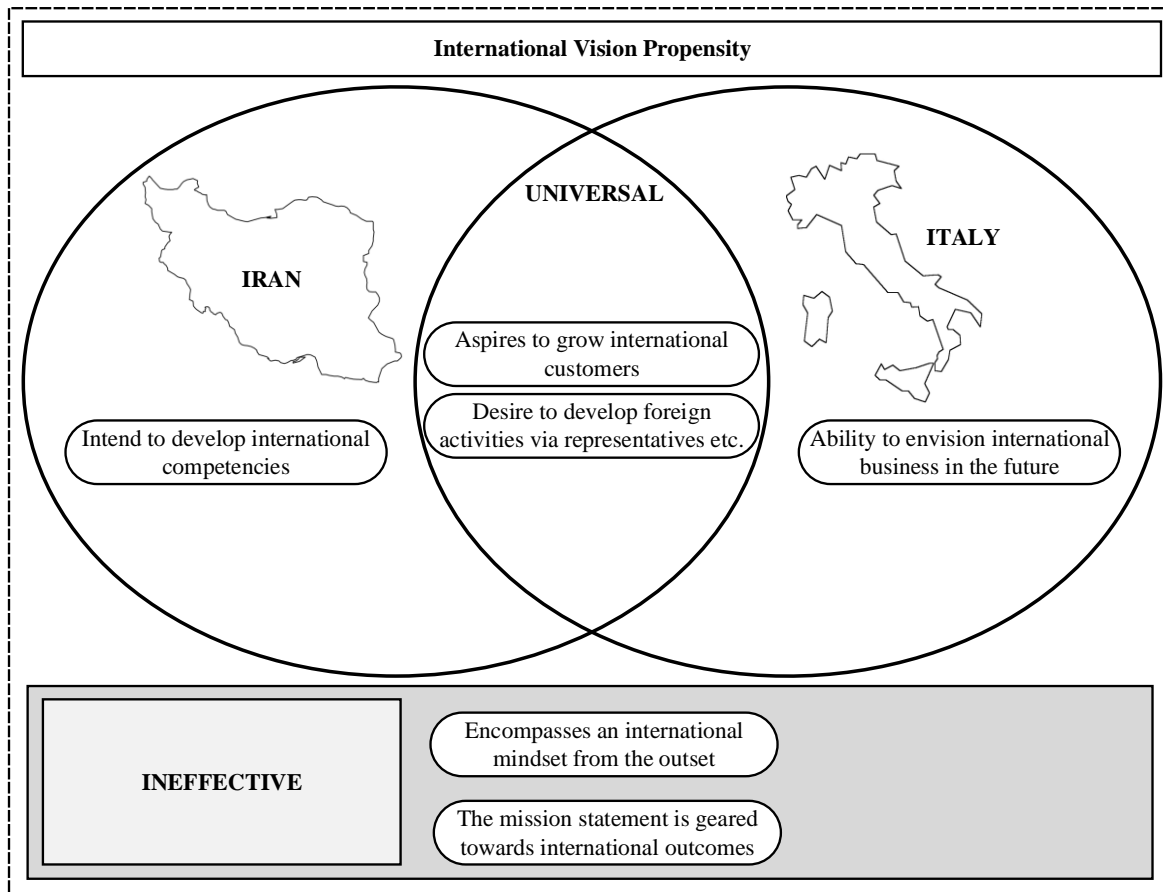
4.3.3.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding the international vision propensities, *the business aspires to grow international customers and the business desires to develop foreign activities through a representative, sale office etc.* are universal factors, as they are evident in both contexts. However, *the ability to envision international business in the future* is Italian context-based, and *intends to develop international competencies, logistic, quality, pricing, advertising etc.* is Iranian context-based.

The types of international vision propensities not found to be important for the cases in this research are *encompassed an international mindset from the outset and the business mission statement is geared towards international outcomes*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the international vision propensities is represented in Figure 4.7, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.7 Schematic summary of the international vision propensities



4.3.4 International business experience

The next concept to be discussed is the international business experience. All firms were asked: (i) *the level of education attained by the international entrepreneur*, (ii) *previous international business experience where the manager had previously worked for an international firm*, (iii) *number of years' experience in the current industry*, and (iv) *number of years' experience in the current firm*. The questions in relation to international business experience can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.4.1 Context one: Italy

In Italy, three firms (IT-Sg-02, IT-Sg-04, IT-Ms-05), as shown in column (A) of Table 4.18, viewed international business experience overall to be 'very strongly importance'. Two other firms (IT-Sg-01, IT-Mg-03) indicated 'strong importance.' Two entrepreneurs (IT-Sg-

02, IT-Ms-05) declared that they achieved certificate level qualifications, column (B). Three managers (IT-Sg-01, IT-Mg-03, IT-Sg-04) obtained an academic degree, column (C), and four cases (IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Sg-04) attended in conferences and workshops, column (D). International experience of living abroad and working in another firm, column (E), and the international experience of working in another firm, column (F), were declared by two managers (IT-Mg-03, IT-Ms-05).

In Italy, the level of international business experience, as noted in column (G), shows very high levels in the one firm (IT-Ms-05), and high levels in other four firms.

The data recognized two important factors regarding the international business experience of Italian small and medium firms in the scope of this study: (1) *Obtained an academic degree*, (2) *Attended conferences, workshops etc.*

Table 4.18 Levels of international business experience in Italy

Case #	A Level of Importance Overall	Type of international business experience identified					G Level of international business experience	Descriptive comment
		B Achieved a certificate level qualifications	C Obtained an academic degree	D Attended conferences, workshops etc.	E International experience of living abroad and working in another	F International experience of working in another firm		
CASE IT-Sg-01	SI	-	✓	✓	-	-	Moderate	Young entrepreneur aspires to leverage his knowledge in order to expand to the international market of his online boutique, specifically throughout the US.
CASE IT-Sg-02	VSI	✓	-	✓	-	-	Moderate	25 years' experience in the selling ceramic machinery, in which has been involved with exporting for more than a decade.
CASE IT-Mg-03	SI	-	✓	-	✓	✓	Moderate	Developed the family business after obtaining the degree and experience living and working in UK and US.
CASE IT-Sg-04	VSI	-	✓	✓	-	-	Moderate	Completed the degree in international business before starting work in the family business. Has no previous international business experience.
<i>CASE IT-Ms-05</i>	<i>VSI</i>	✓	✓	✓	✓	✓	<i>Very High</i>	<i>An international entrepreneur with more than 40 years' experience in international business.</i>
ITALY		2	4	4	2	2		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international business experience.

(1) *Obtained an academic degree*

Four out of five managers in our scope indicated that having an academic degree in their background assisted them in the process of firms' internationalization (see IT-Sg-01, IT-Mg-

03, IT-Sg-04, IT-Ms-05). In this regards, the director general of CASE IT-Ms-05 (regulator and non-profit advisor) addressed that: *‘I graduated from the engineering discipline...in our field (export compliance), the technical knowledge is highly required as we not only need to understand about the nature of violations etc. but even to be well prepared for giving technical solutions...’* However, the education of entrepreneurs might be different than the career they built. Table 4.19 represents the educational qualifications of studied cases.

Table 4.19 Educational competencies of entrepreneurs in Italy

Case #	Level of education	Type of degree
IT-Sg-01	University	Master degree
IT-Sg-02	High school	Diploma degree
IT-Mg-03	University	Master degree
IT-Sg-04	University	Bachelor degree
IT-Ms-05	University	Bachelor degree

(2) *Attended conferences, workshops etc.*

A total of four firms studied in this research highlighted that they attended in training programs like conferences and workshops (see IT-Sg-01, IT-Sg-02, IT-Sg-04, IT-Ms-05). For example, the sales manager and co-founder of CASE IT-Sg-02 (second-hand machinery provider) said that: *‘...Although I have a high school degree but tried to update my knowledge by attending in some courses related international business. As an example, I am currently participating in the training workshop about the challenges and restrictions on the process of internationalization.’* Similarly, the founder and CEO of CASE IT-Sg-01 (online retailer) added: *‘In the last four years, I attended many conferences and workshops to improve my abilities about exporting through the technology. For example, a workshop in Milan about e-commerce and a seminar in London about online stores were the most influencing program I participated.’*

4.3.4.2 Context two: Iran

Among Iranian cases, two firms (IR-Mg-08, IR-Sg-09), as shown in column (A) of Table 4.20, viewed international business experience overall to be ‘very strongly importance’. One firm (IR-Mg-10) indicated ‘strong importance’ and two cases (IR-Mg-06, IR-Ss-07) noted ‘moderate importance.’ Two entrepreneurs (IR-Ss-07, IR-Mg-08) declared that they achieved certificate level qualifications, column (B). Four managers (IR-Ss-07, IR-Mg-08,

IR-Sg-09, IR-Mg-10) obtained an academic degree, column (C), and three cases (IR-Mg-06, IR-Ss-07, IR-Mg-08) attended in conferences and workshops, column (D). International experience of living abroad and working in another firm, column (E), was mentioned by one case (IR-Mg-08). Only one Iranian case (IR-Sg-09) showed international experience of working in another firm, column (F).

In Iran, the level of international business experience, as noted in column (G), shows moderate levels in three firms (IR-Ss-07, IR-Mg-08, IR-Sg-09) and low levels in two cases (IR-Mg-06, IR-Mg-10).

The data recognized one important factor regarding the international business experience of Iranian small and medium firms in the scope of this study: *(1) Obtained an academic degree.*

Table 4.20 Levels of international business experience in Iran

Case #	A	Type of international business experience identified					G	Descriptive comment
		B	C	D	E	F		
	Level of Importance Overall	Achieved a certificate level qualifications	Obtained an academic degree	Attended conferences, workshops etc.	International experience of living abroad and working in another	International experience of working in another firm	Level of international business experience	
CASE IR-Mg-06	MI	-	-	✓	-	-	Low	With no university degree, the founder started the business for the domestic and then explored the international markets.
CASE IR-Ss-07	MI	✓	✓	✓	-	-	Moderate	An academic-oriented entrepreneur who seeks the success in the international business through his competencies and opportunity recognition.
CASE IR-Mg-08	VSI	✓	✓	-	✓	-	Moderate	Lived in Germany get prepared for handling the family business.
CASE IR-Sg-09	VSI	-	✓	-	-	✓	Moderate	Has an extensive experience in this industry and a production experience in exporting dairies.
CASE IR-Mg-10	SI	-	✓	-	-	-	Low	No indication of substantial experience and depends on his academic qualifications.
IRAN		2	4	2	1	1		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international business experience.

(1) Obtained an academic degree

Four out of five Iranian managers in this study declared that they have an academic degree (see IR-Ss-07, IR-Mg-08, IR-Sg-09, IR-Mg-10). For instance, the founder and CEO of CASE IR-Ss-07 (international trade and advisor company) leveraged the executive-oriented master degree in MBA as stated: *‘during the MBA program I developed my insight of*

international marketing as we had many case studies of real companies trading in global markets...’ Table 4.21 represents the educational qualifications of studied cases.

Table 4.21 Educational competencies of entrepreneurs in Iran

Case #	Level of education	Type of degree
IR-Mg-06	No formal qualifications	-
IR-Ss-07	University	DBA degree
IR-Mg-08	University Master	Master degree
IR-Sg-09	University Master	Master degree
IR-Mg-10	University Master	Master degree

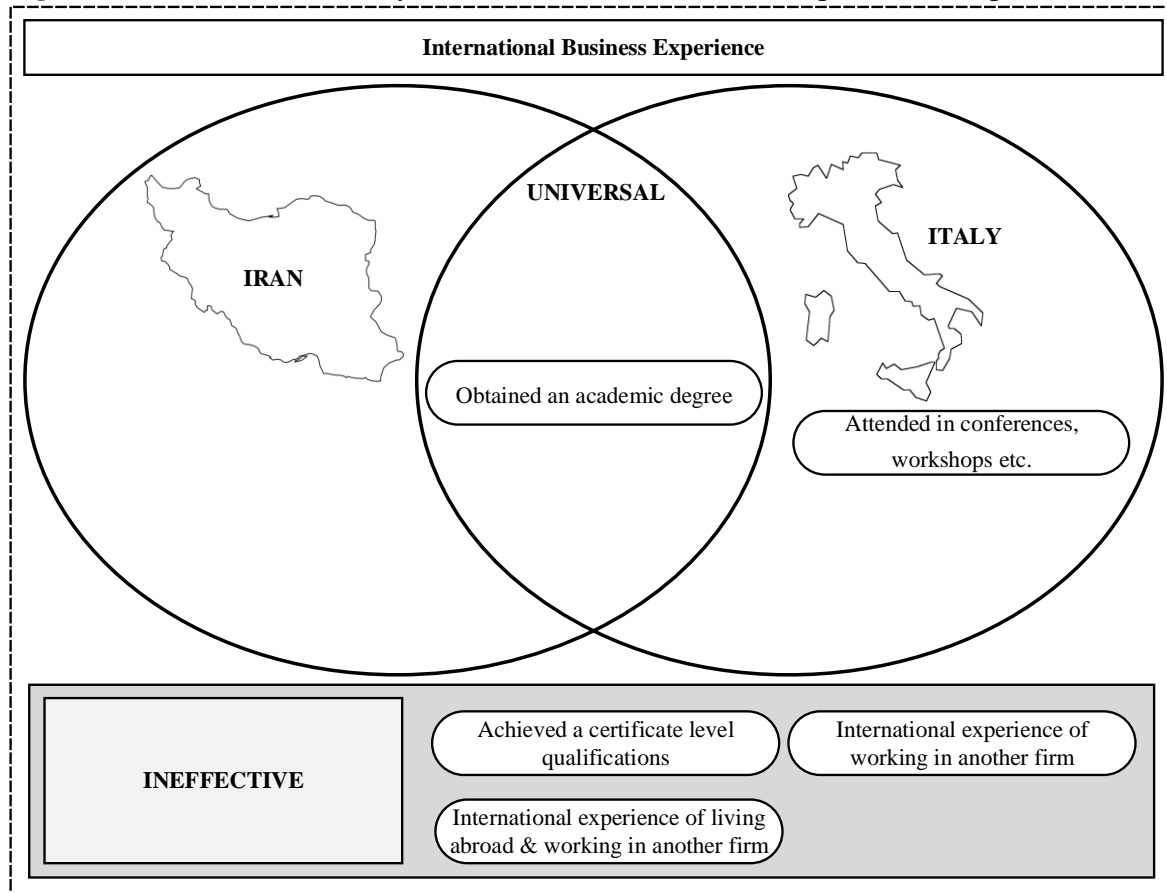
4.3.4.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding the international business experience, *obtained an academic degree* is a universal factor, as it is evident in both contexts. However, the factor *attended conferences, workshops etc.* was Italian context-based determinant found in this study.

The types of international business experience not found to be important for the cases in this research are *achieved a certificate level qualifications, international experience of living abroad and working in another firm* and *International experience of working in another firm*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the international business experience is represented in Figure 4.8, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.8 Schematic summary of the international business experience competencies



4.3.5 Motivation and core competence

4.3.5.1 International entrepreneurial motivation

The next concept to be discussed is the international entrepreneurial motivation. All firms were asked to identify: *the statements most stimulate them to pursue the international opportunities*. The questions in relation to international entrepreneurial motivation can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.5.1.1 Context one: Italy

In Italy, two firms, (IT-Mg-03, IT-Sg-04), as shown in column (A) of Table 4.22, viewed international entrepreneurial motivation overall to be 'very strongly importance.' Two firms (IT-Sg-01, IT-Sg-02) indicated 'strong importance', and case (IT-Ms-05) mentioned

‘moderate importance.’ Making a profit, column (F), expanding market, column (G), personal tendency to export, column (I), and social respect, column (J) were noted by all managers. Four cases (ITSg-01, IT-Sg-02, IT-Mg-03, IT-Sg-04) indicated declining sales in the domestic market, column (C), and highly competitive pressure in the domestic market, column (E) as their motives for internationalization. Saturated domestic market, column (D) was the reason for three firms to explore global markets (IT-Sg-02, IT-Mg-03, IT-Sg-04) while only one firm (IT-Mg-03). Two firms (IT-Mg-03, IT-Sg-04) indicated governmental incentives as their international motivation, as shown in column (H).

In Italy, the analysis of motivation in firms indicates that high levels of international entrepreneurial motivation, as shown in column (K), was noted in two cases (IT-Mg-03, IT-Sg-04). Moderate levels of motivation were indicated in two firms (IT-Sg-01, IT-Sg-02), while the low levels of motivation for internationalization the business were mentioned in one out of the five Italian firms in this study (IT-Ms-05).

Two entrepreneurs (IT-Sg-02, IT-Mg-03) indicated the very strong importance on their reason as the saturated domestic market (column D) and high competition in the domestic market, (column E). Case (IT-Sg-02) very importantly pointed the declining sale in the domestic market, (column C), case (IT-Sg-01) indicated making more profit, (column F), and case (IT-Ms-05) mentioned social respect, (column J), as their motivation for perusing international markets. Expanding the market, (column G), mentioned by two firms (IT-Sg-01, it-Mg-03), and, similarly, the personal tendency to export, (column I), was indicated by two firms (IT-Sg-01, IT-Ms-05). However, no cases gave ‘very strong importance’ to selling overproduction, (column B), and governmental support, (column H).

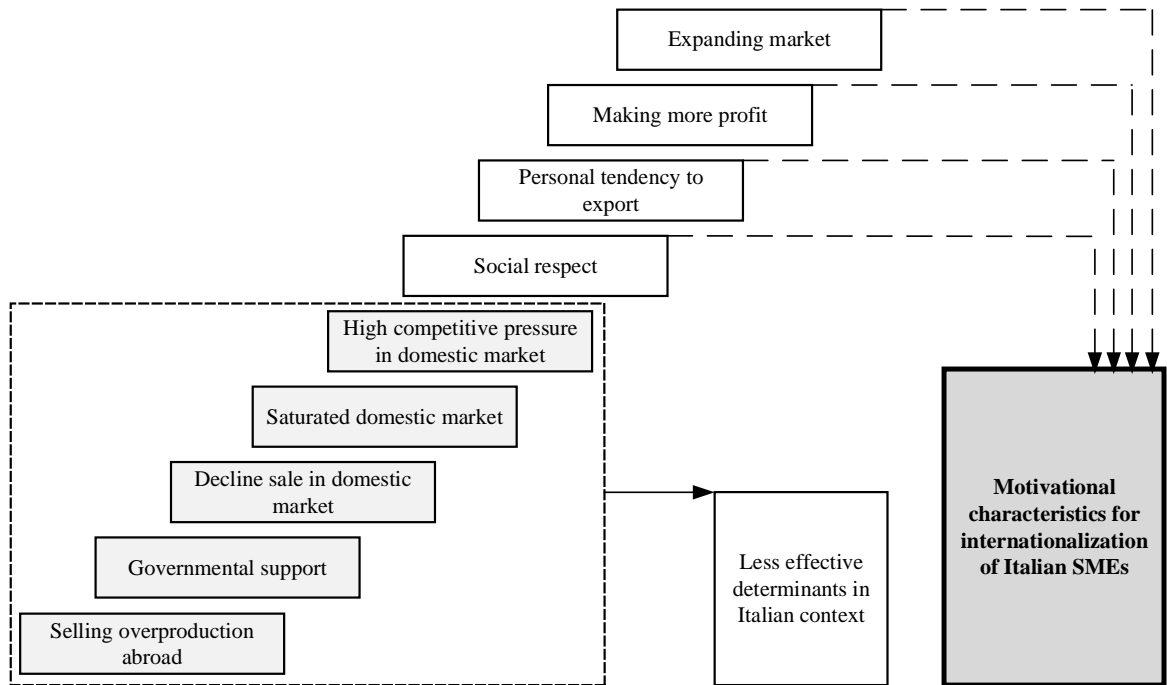
Table 4.22 Levels of international entrepreneurial motivation in Italy

Case #	A Level of Importance Overall	Type of international motivation									K Level of motivation
		B Sale overproduction	C Decline sale in domestic market	D Saturated domestic market	E High competitive pressure in domestic market	F Make more profit	G Expand market	H Governmental support	I Personal tendency to export	J Social respect	
CASE IT-Sg-01	SI	-	1 NI	-	2 LI	5 VSI	5 VSI	-	5 VSI	4 SI	Moderate (22/45)
CASE IT-Sg-02	SI	-	5 VSI	5 VSI	5 VSI	4 SI	4 SI	-	3 MI	3 MI	Moderate (24/45)
CASE IT-Mg-03	VSI	2 LI	2 LI	5 VSI	5 VSI	4 SI	5 VSI	1 NI	4 SI	4 SI	High (32/45)
CASE IT-Sg-04	VSI	-	4 SI	4 SI	3 MI	4 SI	4 SI	4 SI	4 SI	3 MI	High (30/45)
CASE IT-Ms-05	MI	-	-	-	-	4 SI	4 SI	-	5 VSI	5 VSI	Low (18/45)
ITALY		2/ 25	12/ 25	14/ 25	15/ 25	21/ 25	22/ 25	5/ 25	21/ 25	19/ 25	

Note. VSI = Very strong importance, SI = Strong importance, MI = Moderate importance, LI = Limited importance, NI = No importance, dashed line (-) = Not applicable, bold and italicized font = Indicates very high levels of international entrepreneurial motivation.

The data recognized four crucial motivational determinants of internationalization of small and medium firms in the scope of this study (see Figure 4.9): (1) *Make more profit*, (2) *Expand market*, (3) *Personal tendency to export*, (4) *Social respect*.

Figure 4.9 Schematic of motivational factors for internationalization of Italian ventures



Italian in this research shows different reasons for entering the global market. For example, expanding market was the highest priority for Italian businesses for exporting. In this regard, the sales manager and member of the board of CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles) said that: *‘when you are exporting, you are not limited by only internal and Italian costumers...but in international market, you can sell your products to different people with different culture, style of living, income etc. So, internationalization, in my opinion, expand my market and it is my major reason for selling our items in different countries.’* The next motivational factor was making more profit (see CASE T-Sg-04) while they are likely to follow their interest in internationalization (see CASE IT-Sg-01). However, social respect and prestige was the last important factor for Italians to get their business across the borders. For instance, the director general of CASE IT-Ms-05 (regulator and non-profit advisor) emphasized that: *‘... as a personal experience, internationalization makes you more respected by your clients. It proves that you are a capable person and can provide solutions and services for different situations regardless the place that the businesses operate...’* The supporting quotes for the motivation of Italian entrepreneurs to into internationalization can be seen in Table 4.23.

Table 4.23 Supporting quotations for the Italians motives to into internationalization

Case #	Motivational determinants of international entrepreneurship from an Italian perspective
IT-Sg-01	<i>The personal tendency to export</i> <i>Before starting this business, I had an opportunity to create a physical boutique in Italy. It was a less risky job and with much fewer responsibilities...one idea that stimulated me to make in international was my personal ambition to work in international markets. So, I decided to make it online in order to export our items in different countries.</i>
IT-Sg-02	<i>Expanding market and making more profit</i> <i>...As an international entrepreneur, I am not only looking forward to increasing my to increase my income but also constantly try to enter a new market</i>
IT-Mg-03	<i>Expanding market</i> <i>when you are exporting, you are not limited by only internal and Italian costumers...but in the international market, you can sell your products to different people with different culture, style of living, income etc. So, internationalization, in my opinion, expand my market and it is my major reason for selling our items in different countries.</i>
IT-Sg-04	<i>Making more profit</i> <i>One of the most important reasons for exporting is income and financial profit...when I decide to export, I expect to receive more benefit rather than selling in domestic market...without financial and non-financial interests why should I challenge myself with the complex environment of global markets?</i>
IT-Ms-05	<i>Social respect</i> <i>... as a personal experience, internationalization makes you more respected by your clients. It proves that you are a capable person and can provide solutions and services for different situations regardless the place that the businesses operate...</i>

4.3.5.1.2 Context two: Iran

Among Iranian cases, one firm, (IR-Sg-09), as shown in column (A) of Table 4.24, viewed international entrepreneurial motivation overall to be ‘strongly importance’ and other four firms indicated ‘very strong importance.’ Selling over-production, column (B), and personal tendency to export, column (I) were noted by four cases (IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Mg-10). All Iranian entrepreneurs mentioned the other seven out of nine motivational factors for the reason of their internationalization.

In Iran, the analysis of motivation in firms indicates that very high levels of international entrepreneurial motivation, as shown in column (K), was noted in case IR-Sg-07. Other four firms indicated high levels of motivation.

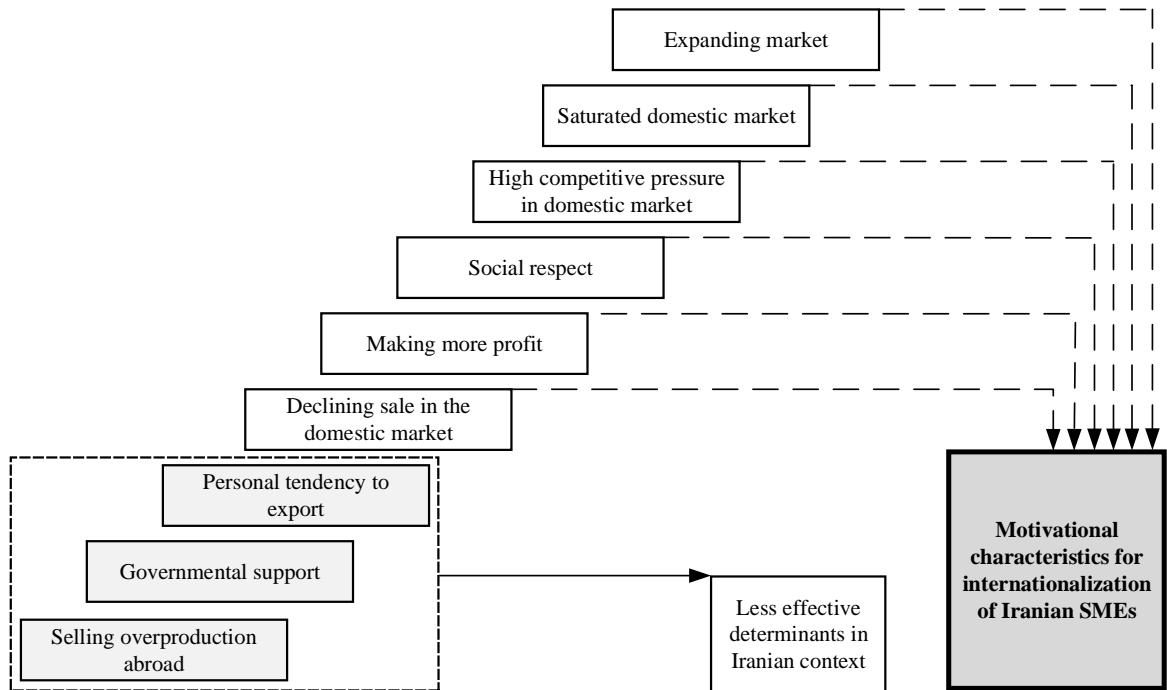
Table 4.24 Levels of international entrepreneurial motivation in Iran

Case #	A	Type of international motivation									K
		B	C	D	E	F	G	H	I	J	
	Level of Importance Overall	Sale overproduction	Decline sale in domestic market	Saturated domestic market	High competitive pressure in domestic market	Make more profit	Expand market	Governmental support	Personal tendency to export	Social respect	Level of motivation
CASE IR-Mg-06	VSI	4 SI	2 LI	4 SI	3 MI	2 LI	5 VSI	1 NI	5 VSI	5 VSI	High (36/45)
<i>CASE IR-Ss-07</i>	<i>VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>1 NI</i>	<i>4 SI</i>	<i>5 VSI</i>	<i>Very High (40/45)</i>
CASE IR-Mg-08	VSI	2 LI	2 LI	4 SI	4 SI	5 VSI	5 VSI	5 VSI	5 VSI	5 VSI	High (37/45)
CASE IR-Sg-09	SI	-	5 VSI	5 VSI	5 VSI	3 MI	4 SI	4 SI	-	4 SI	High (30/45)
CASE IR-Mg-10	VSI	5 VSI	5 VSI	4 SI	4 SI	5 VSI	5 VSI	5 VSI	3 MI	3 MI	High (39/45)
IRAN		16/ 25	19/ 25	22/ 25	21/ 25	20/ 25	24/ 25	16/ 25	17/ 25	21/ 25	

Note. VSI = Very strong importance, SI = Strong importance, MI = Moderate importance, LI = Limited importance, NI = No importance, dashed line (-) = Not applicable, bold and italicized font = Indicates very high levels of international entrepreneurial motivation.

Two entrepreneurs (IR-Ss-07, IR-Sg-09) indicated the very strong importance on their reason as the saturated domestic market (column D), and high competition in the domestic market, (column E). Two cases (IR-Ss-07, IR-Mg-10) very importantly pointed the selling overproduction, (column B). Decline sale in the domestic market, (column C), was indicated by three firms (IR-Ss-07, IR-Sg-09, IR-Mg-10) while making more profit, (column F), was mentioned by three cases (IR-Ss-07, IR-Mg-08, IR-Mg-10). Four firms (IR-Mg-06, IR-Ms-07, IR-Mg-08, IR-Mg-10) declared expanding their market and receiving governmental support, (column H), identified by three entrepreneurs (IR-Mg-08, IR-Sg-09, IR-Mg-10). Similarly, three firms (IR-Mg-06, IR-Ss-07, IR-Mg-08) indicated social respect, (column J). The personal tendency to export, (column I), was indicated by two cases (IR-Mg-06, IR-Mg-08).

Figure 04.10 Schematic of motivational factors for internationalization of Iranian ventures



The data recognized six crucial motivational determinants of internationalization of small and medium firms in the scope of this study (see Figure 4.10): (1) *Decline sale in domestic market*, (2) *Saturated domestic market*, (3) *High competitive pressure in domestic market*, (4) *Make more profit*, (5) *Expand market*, (6) *Social respect*.

This research shows the different motivation for Iranian businesses to enter the global markets. In this regard, expanding the market was the most important factor of internationalization. For instance, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) addressed that: *'When you are exporting, you are not limited to the internal costumers...but in the international market, you can sell your products to different people with different culture, style of living, income etc. So, internationalization, in my opinion, expands the market for my business. By the way, it is the major reason for selling our products in different countries, as it is mentioned in our mission.'* The second stimulating factor is the challenging condition of the domestic market of Iran which is saturated in some sectors (CASE IR-Mg-10). Competitive pressure, on the other side, leads the Iranian firms to export. For example, the factory manager of CASE IR-Sg-09 (dairy producer) highlighted that: *'... we have a lot of competitors that produce different types of dairy-oriented products*

and make huge advertisement in social media. However, we have a small budget that cannot compete with our strong rivals in the domestic markets. If facet without exporting I can imagine the future of my business in this competitive domestic market.’ Social respect (see CASE IR-Ss-07) and making more profit through the exporting (see CASE IR-Mg-08) were other motivational determinants of internationalization among Iranian enterprises. However, the last considerable factor in Iranian context is the challenge of decreasing of sales in the domestic market (see CASE IR-Mg-10). The supporting quotes for the motivation of Italian entrepreneurs to into internationalization can be seen in Table 4.25.

Table 4.25 Supporting quotations for the Italians motives to into internationalization

Case #	Motivational determinants of international entrepreneurship from the Iranian perspective
IR-Mg-06	Expanding the market outside of the country <i>When you are exporting, you are not limited to the internal costumers...but in the international market, you can sell your products to different people with different culture, style of living, income etc. So, internationalization, in my opinion, expands the market for my business. By the way, it is the major reason for selling our products in different countries, as it is mentioned in our mission.</i>
IR-Ss-07	Social respect <i>...In my country when you are working with international companies and clients, you are much more valued and people respect you more than before. I think the social prestige has really influenced me to keep on my job.</i>
IR-Mg-08	Making more profit <i>Although we are not highly dependent on the foreign market but exporting for us means more value and more money because the can sell our product abroad with higher price rather than the domestic.</i>
IR-Sg-09	The high competitive pressure in the domestic market <i>As a dairy producer, we have a lot of competitors that produce different types of dairy-oriented products and make huge advertisement in social media. However, we have a small budget that cannot compete with our strong rivals in the domestic markets. If facet without exporting I can imagine the future of my business in this competitive domestic market.</i>
IR-Mg-10	Saturated domestic market and decreasing their internal sales <i>...The reason is very simple. The domestic market of Iran is saturated and, that is why we need to export...in fact, our sales in the internal market are decreasing year by year and we need to sell more abroad to guarantee our future.</i>

4.3.5.1.3 Overall discussion

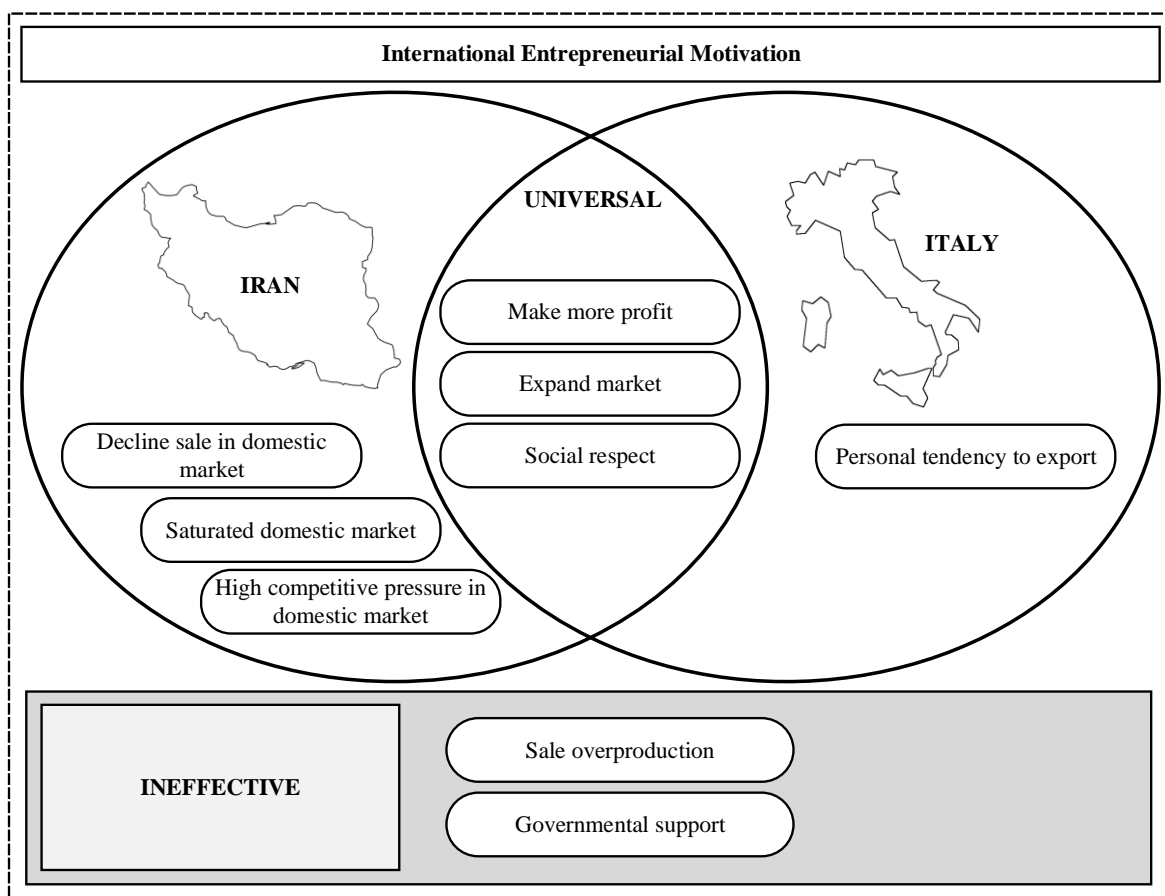
A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding international entrepreneurial motivation, *making more profit*, *expanding the market* and *social respect* is a universal factor, as they are evident in both contexts. In fact, the mentioned factors are the most stimulating determinants for entrepreneurs, no matter of their place, to pursue the global markets. However, *decline sale in the domestic market*, *saturated domestic market*, and *high competitive pressure in the*

domestic market were evident only in the context of Iran while the *personal tendency to export* was found only in Italian businesses. Therefore, they are considered as Italian and Iranian context-based determinants.

The types of international entrepreneurial motivation propensities not found to be important for the cases in this research are: *selling the overproduction abroad* and *the governmental support for exporting*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the international entrepreneurial motivation is represented in Figure 4.11, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.11 Schematic summary of the international entrepreneurial motivation



4.3.5.2 Product/ service distinctiveness

The next concept to be discussed is the product/ service distinctiveness in international markets. All firms were asked: *(i) the extent of how distinctive are their products/ services rather than their rivals in international markets.* The question in relation to product/ service distinctiveness in international markets can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.5.3.2.1 Context one: Italy

In Italy, two firms, (IT-Sg-01, IT-Mg-05), as shown in column (A) of Table 4.26, viewed product/ service distinctiveness overall to be ‘very strongly important’ and three firms (IT-Sg-02, IT-Sg-04, IT-Ms-05) indicated ‘strong importance.’ Two firms (IT-Sg-01, IT-Sg-02) declared a wide range of products/ services, column (B), and two cases (IT-Sg-01, IT-Sg-04) noted fast availability and delivery, column (C). High quality, column (D), was indicated by four managers (IT-Sg-01, IT-Mg-03, IT-Sg-04, IT-Ms-05), and the exclusive product/ service, column (E), was stated by three entrepreneurs (IT-Sg-01, IT-Mg-03, IT-Ms-05). Two firms (IT-Sg-01, ITMs-05) declared the genuine product/ service, column (F) and three cases (IT-Sg-01, IT-Sg-02, IT-Mg-03) indicated new feature in their products, column (G).

Among Italian firms, the analysis indicates that moderate levels of product/ service distinctiveness, as shown in column (H), was noted in case (IT-Sg-01). The moderate levels were seen in other four firms (IT-Sg-02, IT-Mg-03, IT-Sg-04, IT-Ms-05).

The data recognized two important factors regarding the product/ service distinctiveness of Italian small and medium firms in the scope of this study: *(1) High quality of products/ services, (2) Exclusive product/ service.*

(1) High quality of products/ services

A total of four firms studied in this research highlighted that their high-quality products/ services differentiate them rather than competitors (see IT-Sg-01, IT-Mg-03, IT-Sg-04, IT-Ms-05). For example, the founder and CEO of CASE IT-Sg-01 (online retailer) stated: ‘Our

most competitive advantage is the quality. You will never find Italian hand-made items in other places of the world but these high-quality products are sold at a fair price...’

Table 4.26 Levels of product/ service distinctiveness of Italian firms

Case #	A Level of Importance Overall	Type of product/ service distinctiveness						H Level of product/ service distinctiveness	Descriptive comment
		B Wide range of products/ services	C Fast availability and delivery	D High quality	E Exclusive product/ service	F Genuine products/ services	G New feature/s in product		
<i>CASE IT-Sg-01</i>	<i>VSI</i>	✓	✓	✓	✓	✓	✓	<i>Very High</i>	<i>Offers a wide range of handmade and made in Italy product in fashion sector with the fair price.</i>
CASE IT-Sg-02	SI	✓	-	-	-	-	✓	Moderate	Supplies all need all clients with a small equipment to the whole plant.
CASE IT-Mg-03	VSI	-	-	✓	✓	-	-	Moderate	Standard products for the long-term partners/clients (70%) and special project for special costumers in mining activities (30%).
CASE IT-Sg-04	SI	-	✓	✓	-	-	-	Moderate	Has advantage from the rivals in quality, logistics, timing and giving the services.
CASE IT-Ms-05	SI	-	-	✓	✓	✓	-	Moderate	Exclusively offers advisory services for organizations and individuals in term of export compliance
ITALY		2	2	4	3	2	2		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of product/ service distinctiveness.

(2) *Exclusive product/ service*

Three out of five Italian firms addressed the exclusive products/ services as their distinctiveness in the market (see IT-Sg-01, IT-Mg-03, IT-Ms-05). In this regard, the CASE

IT-Ms-05 leverages its unique services. For instance, the director general of CASE IT-Ms-05 (regulator and non-profit advisor) said that: *‘There are different organizations giving consultancy about the international trade around the world but we are one the few one active in export compliance. In some cases, we are unique because we act as a regulator. To be more precise, we are the regulator of export compliance in Europe. In some other consultancy services, there are some competitors but they use our standards and frameworks for their clients...’*

The data and quotes from interviews supporting the two product/ service distinctiveness constructs– *High quality of products/ services (HQ)* and *Exclusive product/ service (EP)*– are shown in Table 4.27.

Table 4.27 Supporting quotations for the product/ service distinctiveness of Italian firms

Case #	The high quality of products/ services (HQ) Exclusive product/ service (EP)
IT-Sg-01	HQ: <i>‘Our most competitive advantage is the quality. You will never find Italian hand-made items in other places of the world but these high-quality products are sold at a fair price...’</i> EP: <i>‘...in our online store, we sale some exclusive items of different brands that do not find in any other stores. For example, Francesca Maglia is the oldest handmade umbrella in Italy that has different models of the umbrella but we made a contract that gives us an opportunity to sell the exclusive models of this brand...’</i>
IT-Sg-02	<i>‘Indicates no HQ or EP’</i>
IT-Mg-03	HQ: <i>‘...Thanks to our sophisticated Italian designers and engineers our products are placed in a high-quality cluster according to research we have done recently.’</i> EP: <i>‘We have two different types of products. The standard products for most of our long-term partners/clients like IVECO and the unique customized products for the special project in mining activities.’</i>
IT-Sg-04	HQ: <i>‘we are committed to providing the highest possible quality products as we are the supplier of the giant automotive companies like FIAT- CHRYSLER.’</i>
IT-Ms-05	HQ: <i>‘...The quality of services that our company offers is such that guarantees the safe trade around the world without inconvenience regarding the export compliance violations.’</i> EP: <i>‘There are different organizations giving consultancy about the international trade around the world but we are one the few one active in export compliance. In some cases, we are unique because we act as a regulator. To be more precise, we are the regulator of export compliance in Europe. In some other consultancy services, there are some competitors but they use our standards and frameworks for their clients...’</i>

4.5.3.2.2 Context two: Iran

In Iran, two firms, (IR-Mg-06, IR-Ss-07), as shown in column (A) of Table 4.28, viewed product/ service distinctiveness overall to be ‘very strongly important’. Two firms (IR-Mg-08, IR-Mg-10) indicated ‘strong importance’ and another case (IR-Sg-09) saw ‘moderate importance.’ Two firms (IR-Mg-06, IR-Ss-07) indicated the wide range of products/ services, column (B), a new feature in the product, column (G). The high quality, column

(D), was mentioned by three cases (IR-Mg-08, IR-Sg-09, IR-Mg-10). Similarly, the exclusive product/ service, column (E), was noted by three firms (IR-Mg-06, IR-Ss-07, IR-Sg-09). Although one firm (IR-Sg-09) indicated the fast availability and delivery, column (C), no cases mentioned the genuine products/ services, column (F).

Among Iranian firms, the analysis indicates that moderate levels of product/ service distinctiveness, as shown in column (H), were noted in three cases (IR-Mg-06, IR-Ss-07, IR-Sg-09). Two firms (IR-Mg-08, IR-Mg-10) declared the low levels of product/ service distinctiveness.

The data recognized two important factors regarding the product/ service distinctiveness of Iranian small and medium firms in the scope of this study: (1) *High quality of products/ services*, (2) *Exclusive product/ service*.

(1) High quality of products/ services

The high-quality products/ services were the main distinctiveness of three out of five Iranian firms in the scope of our research (see IR-Mg-08, IR-Sg-09, IR-Mg-10). In this regards, a balance between the price and high quality of the product is crucial, as the factory manager of CASE IR-Mg-10 (irrigation and nutrition) said: *'I believe that our products should have two important characteristics: high quality and reasonable price. However, we have obtained a good balance between quality and price. Therefore, our price is more competitive rather than rivals while the quality maintained high as well.'*

Table 4.28 Levels of product/ service distinctiveness of Iranian firms

Case #	A	Type of product/ service distinctiveness						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	Wide range of products/ services	Fast availability and delivery	High quality	Exclusive product/ service	Genuine products/ services	New feature/s in product	Level of product/ service distinctiveness	
CASE IR-Mg-06	VSI	✓	-	-	✓	-	✓	Moderate	Has the ability to produce 50 different products, each of which is diverse in terms of quality and application than competitors.
CASE IR-Ss-07	VSI	✓	-	-	✓	-	✓	Moderate	Provides about 120 different types of products, of which about 80% of the products are fixed in the market, and 20% are diverse products for expanding the market.
CASE IR-Mg-08	SI	-	-	✓	-	-	-	Low	The biggest advantage is the quality of products, which is adapted to meet the needs of our customers.
CASE IR-Sg-09	MI	-	✓	✓	✓	-	-	Moderate	Although in term of diversity, is moderate but in quality and the introduction of several exclusive products, has competitive advantages.
CASE IR-Mg-10	SI	-	-	✓	-	-	-	Low	Committed to the good quality and reasonable price as the reason to improve the performance in the market.
IRAN		2	1	3	3	0	2		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of product/ service distinctiveness.

(2) Exclusive product/ service

Three out of five Iranian firms discussed the exclusive products/ services as their distinctiveness in the market (see IR-Mg-06, IR-Ss-07, IR-Mg-09). For example, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) highlighted: ‘Compared to

our rivals, we have some products that no other companies in the same market can produce. In fact, our competitors often produce simple and raw glass, while we have the ability to produce 50 different products, each of which is diverse in terms of quality and application rather than competitors. This diversity in the also distinguished us from competitors and led us to increase our export to various countries.'

The data and quotes from interviews supporting the two product/ service distinctiveness constructs– *High quality of products/ services (HQ)* and *Exclusive product/ service (EP)*– are shown in Table 4.29.

Table 4.29 Supporting quotations for the product/service distinctiveness of Iranian firms

Case #	The high quality of products/ services (HQ) Exclusive product/ service (EP)
IR-Mg-06	EP: <i>'Compared to our rivals, we have some products that no other companies in the same market can produce. In fact, our competitors often produce simple and raw glass, while we have the ability to produce 50 different products, each of which is diverse in terms of quality and application rather than competitors. This diversity in the also distinguished us from competitors and led us to increase our export to various countries.'</i>
IR-Ss-07	EP: <i>'based on the research we made in the different market of Eastern Asia and Africa, we are able to give unique services for the firms trying to export in these markets. The satisfaction of our clients represents our distinguished advice.'</i>
IR-Mg-08	HQ: <i>'Our biggest competitive advantage is the quality of our products that made our brand well-known in the market. Of course, we still need to work on the diversity and price...'</i>
IR-Sg-09	HQ: <i>'I asked the export department to provide the monthly report of customer satisfaction. Based on this report, more than 85% of our customers declared that they are satisfied with the quality of our products.'</i> EP: <i>'in addition to the advisory services, we are exclusively importer of adhesives for the industrial and construction use...'</i>
IR-Mg-10	HQ: <i>'I believe that our products should have two important characteristics: high quality and reasonable price. However, we have obtained a good balance between quality and price. Therefore, our price is more competitive rather than rivals while the quality maintained high as well.'</i>

4.5.3.2.3 Overall discussion

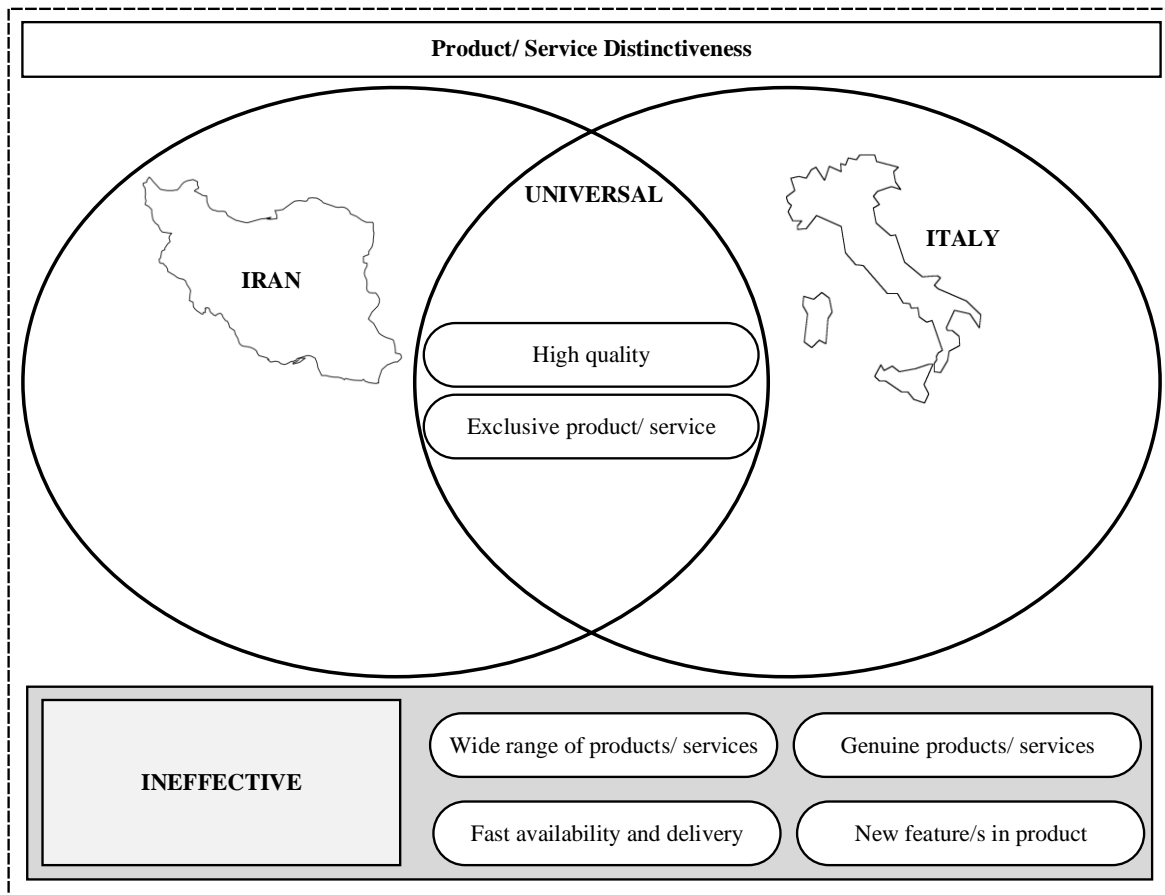
A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding the product/ service distinctiveness, *high-quality products/ services* and *introducing the exclusive products/ services* are universal factors, as they are evident in both contexts. However, this research has not found any context based determinants.

The types of international market standardization not found to be important for the cases in this research are a *wide range of products/ services, fast availability and delivery, genuine*

products/ services and new feature/s in the product. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the product/ service distinctiveness is represented in Figure 4.12, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.12 Schematic summary of the product/ service distinctiveness



4.3.6 *International* entrepreneurial orientation

4.3.6.1 *International entrepreneurial proactiveness*

The first concept to be discussed is the international entrepreneurial proactiveness. All firms were asked: *the extent to which they consider themselves an international-oriented entrepreneur.* The questions in relation to international entrepreneurial proactiveness can be

seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.6.1.1 *Context one: Italy*

In Italy, two firms, (IT-Mg-03, IT-Sg-04), as shown in column (A) of Table 4.30, viewed international entrepreneurial proactiveness overall to be ‘very strongly important’. Three other firms (IT-Sg-01, IT-Sg-02, IT-Ms-05) indicated ‘strong importance.’ The desire to be independent as to be his/ her own boss, column (B), curiosity in search of discovery, column (D), tendency to create a business in the foreign country, column (F), were noted by four entrepreneurs (IT-Sg-01, IT-Mg-03, IT-Sg-04, IT-Ms-05). All five managers indicated that they are mostly in launching a new project, column (C), and are ready to invest part of their capital to take a business opportunity, column (E). Four entrepreneurs (IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Sg-04) declared their tendency to sell their product/ service abroad, column (G), where likelihood to take initiative in situations, column (H), was addressed by three managers (IT-Mg-03, IT-Sg-04, IT-Ms-05). Trying to excel at identifying opportunities, column (I), mentioned in four firms (IT-Sg-02, IT-Mg-03, IT-Sg-04, IT-Ms-05), but only two managers (IT-Mg-03, IT-Ms-05) initiated actions rather than other organizations, column (J).

In Italy, the analysis of proactiveness in firms indicates that very high levels of international entrepreneurial proactiveness, as shown in column (K), was noted in case IT-Mg-03. High levels of proactiveness were noted in two firms (IT-Sg-04, IT-Ms-05), while moderate proactiveness in international business processes was identified in one out of the five Italian firms in this study (IT-Sg-01), and one firm showed the low levels of international proactiveness (IT-Sg-02).

Table 4.30 Levels of international entrepreneurial proactiveness in Italy

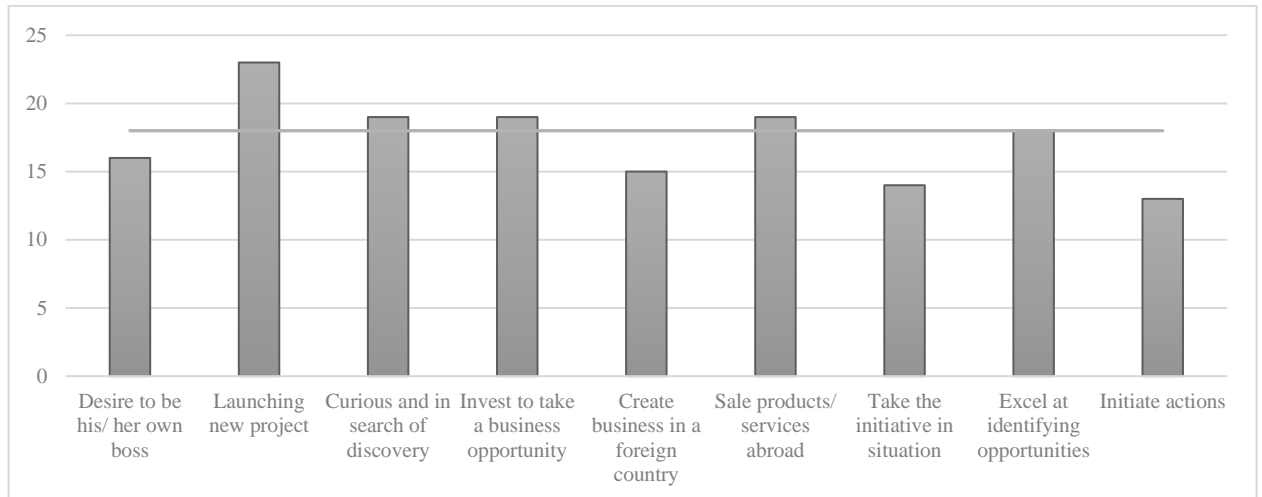
Case #	A Level of Importance Overall	Type of international tendency									K Level of proactiveness
		B Desire to be his/ her own boss	C Launching new project	D Curious & search for discovery	E Invest to take business opp.	F Create business in a foreign country	G Sale products/ services abroad	H Take initiative in a situation	I Excel at finding opportunities	J Initiate actions	
CASE IT-Sg-01	SI	5 VSI	4 SI	5 VSI	3 MI	4 SI	5 VSI	-	-	-	Moderate (26/45)
CASE IT-Sg-02	SI	-	4 SI	-	3 MI	-	5 VSI	-	4 SI	-	Low (16/45)
<i>CASE IT-Mg-03</i>	<i>VSI</i>	<i>4 SI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>4 SI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>4 SI</i>	<i>Very High (42/45)</i>
CASE IT-Sg-04	VSI	2 LI	5 VSI	4 SI	4 SI	3 MI	4 SI	4 SI	4 SI	4 SI	High (34/45)
CASE IT-Ms-05	SI	5 VSI	5 VSI	5 VSI	5 VSI	3 MI	-	5 VSI	5 VSI	5 VSI	High (38/45)
ITALY		16/ 25	23/ 25	19/ 25	19/ 25	15/ 25	19/ 25	14/ 25	18/ 25	13/ 25	

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international entrepreneurial proactiveness.

Two entrepreneurs (IT-Sg-01, IT-Ms-05) indicated the very strong importance of the desire to be independent as to be his/ her own boss (column B). Among the respondents, three cases (IT-Mg-03, IT-Sg-04, IT-Ms-05) emphasized that it is very important to them to launch new projects (column C). Three firms (IT-Sg-01, IT-Mg-03, IT-Ms-05) indicated the very strong importance of curiosity for searching discovery (column D) in excelling at the identification of opportunities (column I). Only one manager (IT-Ms-05) declared a ‘very strong importance’ on the investment for taking a business opportunity (column E) and on the initiation actions rather than other organizations (column J). In addition, case (IT-Mg-03) was the only respondent giving the highest importance on the creating business in the foreign country (column F) while three entrepreneurs (IT-Sg-01, IT-Sg-02, IT-Mg-03) indicated that it has very strong importance to sell their products/ services abroad (column

G). Taking initiatives in the situation (column H) is highly addressed by two cases (IT-Mg-03, IT-Ms-05).

Figure 4.13 Levels of international proactiveness in Italy



The data recognized four crucial determinants of international entrepreneurial proactiveness, which positively impress the performance of the firm: (1) *Launching new project*, (2) *Curiosity and in search of discovery*, (3) *Investment for taking a business opportunity*, (4) *Selling products/ services abroad*.

(1) Launching new project

Launching new project was one the most important factors of international entrepreneurship with twenty-three out of twenty-five scores among the firms interviewed in this study (see Table 4.30 and Figure 4.13). In this regard, CASE IT-Sg-04 (injection molding industry) highlights the importance of the projects on their national and international activities. The sales & project manager of CASE IT-Sg-04 discusses that: ‘...*In fact, we are passive on the marketing and provide the parts requested by OEMs (Original Equipment Manufacturer). More precisely, we are project-based firm that highly dependent on the project received from our client. Without these projects, our company will not survive either in domestic or in international markets...*’ Similarly, the co-founder & sales manager CASE IT-Sg-02 (second-hand machinery provider) highlights: ‘*We do not do any marketing activities like other firms because the nature of this industry is project-based and depends on the substitution of the previous (old or out of service) equipment...*’

(2) Curiosity and in search of discovery

Among the reasons for internationalization of firms studied in this research, the sense of curiosity and being in search of discovery was evident as an important driver with nineteen out of twenty-five scores (as indicated in Table 4.30 and Figure 4.13). For example, the director general of CASE IT-Ms-05 (regulator and non-profit advisor) addressed that: *‘the idea of creation of this business came to my mind through my previous experience of analyzing the international business and its challenges when I have been advisor of WD (World Bank), IMF (International Monetary Fund), and WTO (World Trade Organization) etc... my sense of curiosity of problem-solving and interest in international business led me to start this job.’*

(3) Investment for taking a business opportunity

Another important factor for international entrepreneurship from Italian mindset is the likelihood of investing in order to take a business opportunity, with nineteen out of twenty-five scores, in as indicated Table 4.30 and Figure 4.13. One example that shows the importance of likelihood of investment for taking international opportunity relates to the CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles). In this case, the sales manager and member of the board of CASE IT-Mg-03 highlights that: *‘...in my business, I am personally looking forward to creating businesses in different places not only for the financial interests but also to increase the reputation of our brand around the world... For this reason, we set-up a plant in Russia as well as one in Poland. In addition, as our objective to catch the market of Middle East, we are analyzing to create another plant in this area.’*

(4) Selling products/ services abroad

Italian entrepreneurs represented that selling their products/ services abroad, with nineteen out of twenty-five scores, stimulated them to internationalize (see Table 4.30 and Figure 4.13). CASE IT-Sg-01 (online retailer) declared that one of the most important objectives to create this business was promoting the Italian brand through selling them in different countries. For example, the CEO and the founder of CASE IT-Sg-01 said that: *‘...our company is born to aggregate the Made-in-Italy designer, including historical/*

traditional brands and the new ones. In this way, we can create a collection of Italian local and handmade products for selling abroad. So, we promote the culture and history of Made-in-Italy products, and in the meantime, benefit from income of selling abroad. That is why I am strongly into exporting to different countries.’ In addition, CASE IT-Sg-02 (second-hand machinery provider) addressed the challenges in the domestic market, as its co-founder & sales manager said: ‘... *Italian market in this sector is saturated and we will face many problems if we are only dependent on the highly competitive domestic market. For this reason, we need to export otherwise our existence will be jeopardized.*’

4.3.6.1.2 Context two: Iran

Among the Iranian cases, as shown in column (A) of Table 4.31, one entrepreneur (IR-Mg-06) perceived ‘very strong importance’ in international entrepreneurial proactiveness overall where two (IR-Ss-07, IR-Mg-08) mentioned ‘strong importance.’ Other two cases (IR-Sg-09, IR-Mg-10) indicated ‘moderate importance.’ Likelihood to launch new project, column (C), being ready to invest part of the capital to take a business opportunity, column (E), curiosity in search of discovery, column (D), tendency to create business in foreign country, column (F), and desire to sell product/ service abroad, column (G) were noted by all cases. Four managers (IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Mg-10) indicated they would like not only to take initiative in situations, column (H), but also initiate actions rather than other organizations, column (J), and desire to be his/ her own boss (column C). The tendency to excel at opportunity identification, column (I), is mentioned by four entrepreneurs (IR-Mg-06, IR-Mg-08, IR-Sg-09, IR-Mg-10).

In Iran, the analysis of proactiveness in firms indicates that very high levels of international entrepreneurial proactiveness, as shown in column (K), was noted in cases IR-Mg-06, IR-Mg-08, IR-Mg-10. Moderate levels of proactiveness were noted in one case (IR-Ss-07, IR-Sg-09).

Table 4.31 Levels of international entrepreneurial proactiveness in Iran

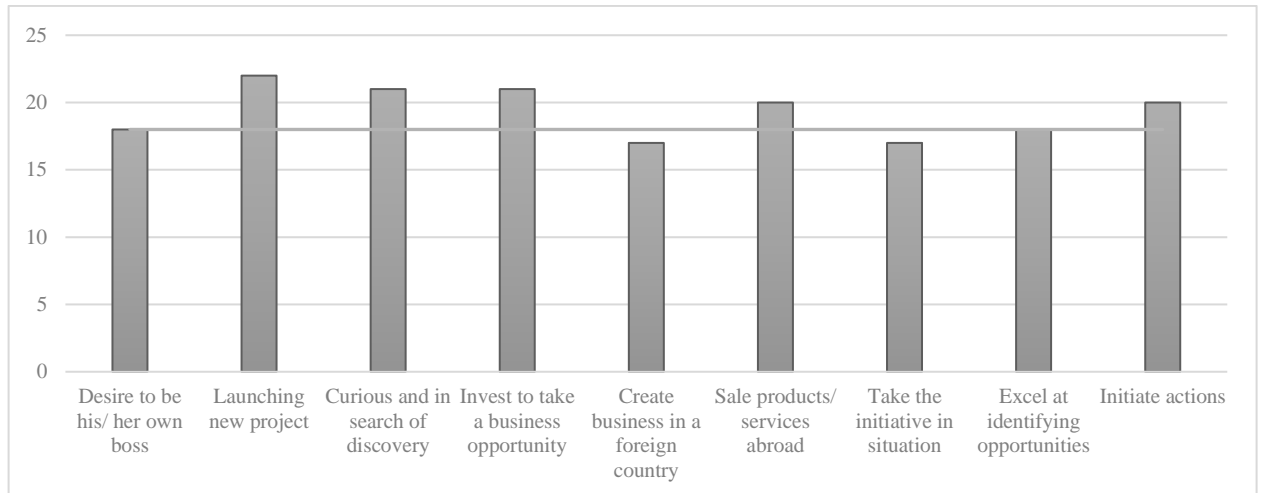
Case #	A Level of Importance Overall	Type of international tendency									K Level of proactiveness
		B Desire to be his/ her own boss	C Launching new project	D Curious & search for discovery	E Invest to take business opp.	F Create business in a foreign country	G Sale products/ services abroad	H Take initiative in a situation	I Excel at finding opportunities	J Initiate actions	
<i>CASE IR-Mg-06</i>	<i>VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>2 LI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>Very High (42/45)</i>
CASE IR-Ss-07	SI	5 VSI	2 LI	2 LI	1 NI	2 LI	2 LI	2 LI	-	5 VSI	Moderate (21/45)
<i>CASE IR-Mg-08</i>	<i>SI</i>	<i>3 MI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>4 SI</i>	<i>4 SI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>Very High (41/45)</i>
CASE IR-Sg-09	MI	-	5 VSI	4 SI	5 VSI	5 VSI	4 SI	-	4 SI	-	Moderate (27/45)
<i>CASE IR-Mg-10</i>	<i>MI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>4 SI</i>	<i>5 VSI</i>	<i>5 VSI</i>	<i>4 SI</i>	<i>5 VSI</i>	<i>Very High (43/45)</i>
IRAN		18/25	22/25	21/25	21/25	17/25	20/25	17/25	18/25	20/25	

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international entrepreneurial proactiveness.

Three entrepreneurs (IR-Mg-06, IR-Ss-07, IR-Mg-10) indicated the very strong importance of the desire to be independent as to be his/ her own boss (column B). Four firms (IR-Mg-06, IR-Mg-08, IR-Sg-09, IR-Mg-10) indicated the very strong importance of launching a new project (column C) and investing to take a business opportunity (column E). Among the respondents, 3 cases (IR-Mg-06, IR-Mg-08, IR-Mg-10) emphasized on their curiosity in search of discovery (column D). Only one manager (IR-Sg-09) declared a “very strong importance” on the creation of business in a foreign country (column F). Moreover, the tendency to sell the products/ services abroad (column G) mentioned in two cases (IR-Mg-06, IR-Mg-10) while taking initiative in situations (column H) emphasized by three entrepreneurs (IR-Mg-06, IR-Mg-08, IR-Mg-10). Although two managers (IR-Mg-06, IR-Mg-08) indicated very strong importance on the excelling at identifying opportunities

(column I), initiation actions rather than other organizations (column J) was highly addressed by three cases (IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Mg-10).

Figure 4.14 Levels of international proactiveness in Iran



The data recognized five crucial determinants of international entrepreneurial proactiveness, which positively impress the performance of the firm: (1) *Launching new project*, (2) *Curiosity and in search of discovery*, (3) *Investment for taking a business opportunity*, (4) *Selling products/ services abroad*, (5) *Initiation actions*.

(1) Launching new project

Among the reasons for internationalization of firms studied in this research, the launching new project was evident as an important driver with twenty-two out of twenty-five scores (as indicated in Table 4.31 and Figure 4.14). For example, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) highlighted: ‘*given our promise to be present in the global markets, we constantly allocate a considerable budget for launching projects. For instance, in recent years we set-up different lines for production a variety of glasses including mirrors, coated glasses like energy controller glasses, anti-fog glasses, anti-reflective glasses and a variety of new-generation glasses. At the moment, we are launching a line for producing laminated and bulletproof glasses...these efforts helped us to position the most innovative products in the international markets*’

(2) Curiosity and in search of discovery

The sense of curiosity and being in search of discovery was one of the most important factors of international entrepreneurship with twenty-one out of twenty-five scores among the firms interviewed in this study (see Table 4.31 and Figure 4.14). For example, the CEO and founder of CASE IR-Ss-07 (international trade and advisor company) said the: *'...in fact, the main reason that I studied MBA and DBA was the personal tendency for to start a new business which interacts with the freeing markets... I have always wanted to become an entrepreneur...even now, I would like to obtain more knowledge about different markets and I believe this sense of curiosity has helped me to become a successful businessman in the field of advisory and international trade within 5 years' experience.'*

(3) Investment for taking a business opportunity

Another crucial determinant of international entrepreneurship from Iranian perspective is the likelihood of investing in order to take a business opportunity, with nineteen out of twenty-five scores, as indicated in Table 4.31 and Figure 4.14. For instance, the factory manager of CASE IR-Sg-09 (dairy producer) emphasized that: *'In order to develop our business abroad, we have a long-term plan to create a plant in Iraq, as our biggest market. By this virtue, we can decrease the cost of transportation as well as human resources' cost...'* Similarly, For example, the CEO and founder of CASE IR-Ss-07 (international trade and advisor company) stated that: *'As an international entrepreneur and advisor, I am thinking to grow my business and make an investment in far places like African (e.g., Sudan) or eastern Asian (e.g., Bangladesh) countries. By doing so, I can access their pure and high demanding markets more easily.'*

(4) Selling products/ services abroad

Iranian entrepreneurs indicated that selling their products/ services abroad, with twenty out of twenty-five scores, lead them to internationalize their firms (see Table 4.31 and Figure 4.14). For example, CASE IR-Sg-09 (dairy producer) declared that exporting is the only solution for them in order to survive, as there is an extremely high competitive pressure in the domestic market. In this regard, the factory manager of CASE IR-Sg-09 highlighted that:

'In Iran, the market for dairy products is saturated and the competition is extremely high. For this reason, as a small firm, we need to sell our product abroad. However, more than 80% of our products are exported to the neighbor countries, the majority to Iraq...as we are small, with a moderate budget, we are not able to compete with our huge rivals...'

(5) Initiation actions

A total of four entrepreneurs in this research highlighted that they personally interested in initiation actions to which other organizations respond, with twenty out of twenty-five scores, in internationalization (see Table 4.31 and Figure 4.14). For example, the founder and CEO of CASE IR-Mg-06 (glass manufacturing company) leveraged the most advanced technologies and initiated to produce most innovative products that other rivals cannot. In this case, the founder and CEO of CASE IR-Mg-06 addressed that: *'...In some of our products, we use nanotechnology, which is one of the advanced technologies of the glass industry. In fact, we are producing new products that some of them cannot be produced even in most of the European countries... However, most of our rivals in international markets are trying to use the same technology to stay in competition with us.'*

4.3.6.1.3 Overall discussion

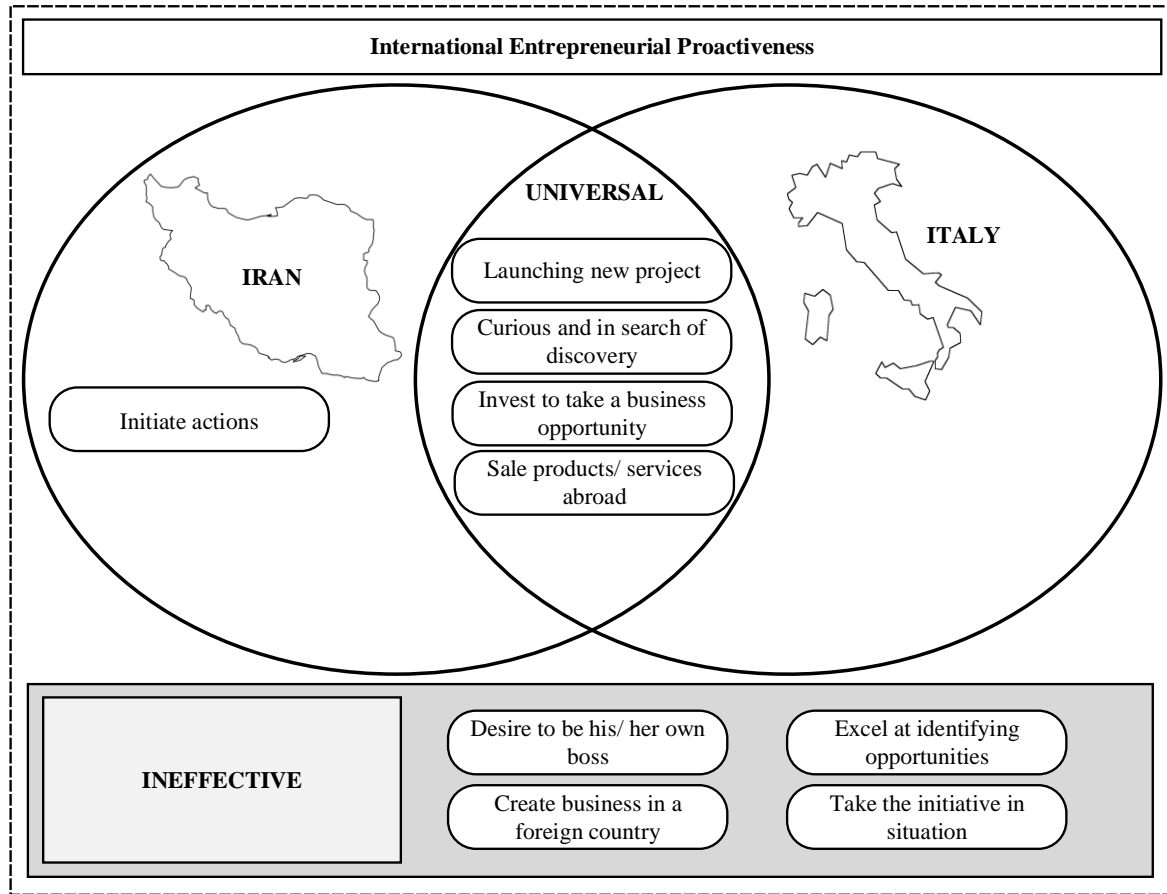
A comparative analysis between the Italian and Iranian businesses indicates that among the determinants regarding international entrepreneurial proactiveness four factors are universal as follows: *launching a new project, curiosity and in search of discovery, investment for taking a business opportunity, selling products/ services abroad*. These determinants are found in both contexts of Italian and Iranian small and medium businesses in their internationalization process. However, *the initiation actions before rivals* were evident only in the context of Iran. Therefore, it is considered as Iranian context-based determinants.

The types of international entrepreneurial proactiveness not found to be important for the cases in this research are: *the desire to be his/ her own boss, create a business in a foreign country, take the initiative in the situation and excel at identifying opportunities*. These

factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the international entrepreneurial proactiveness is represented in Figure 4.15, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.15 Schematic summary of the international entrepreneurial proactiveness



4.3.6.2 International risk-taking

The second concept to be discussed is the international risk-taking. All firms were asked: *whether the firm would be specifically likely to make investments in new international projects that are risky*. The questions in relation to international risk-taking can be seen in Appendix 1. The responses are analyzed in two contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.6.2.1 Context one: Italy

Among Italian cases, one firm, (IT-Sg-01), as shown in column (A) of Table 4.32, viewed international risk-taking overall to be ‘very strongly important’. Three firms (IT-Sg-02, IT-Mg-03, IT-Sg-04) indicated ‘moderate importance’ and case (IT-Ms-05) declared ‘strong importance.’ Three cases (IT-Sg-01, IT-Sg-02, IT-Ms-05), as shown in column (B), indicated the ability of the firm to commit resources to the projects where there is a risk of failure. Taking risks to try to explore new markets, column (C), was noted by three firms in this research (IT-Sg-01, IT-Sg-02, IT-Mg-03). Similarly, three entrepreneurs (IT-Sg-01, IT-Ms-05) are personally risk-takers, as shown in column (F), while only one manager (IT-Sg-01) recently took the risk of trying new technologies in the business, column (D). Four firms (IT-Sg-01, IT-Mg-03, IT-Sg-04, IT-Ms-05) tried to evaluate the level of uncertainty and to manage their business before taking the risk, column (E), and, as it is shown in the column (G), the risk exists in the nature of two firms (IT-Sg-01, IT-Ms-05).

In Italy, the analysis of risk-taking in firms indicates that very high levels of international risk-taking propensity, as shown in column (H), was noted in case IT-Sg-01. High levels of risk were noted in one case (IT-Ms-05) and moderate levels of risk were noted in two firms (IT-Sg-02, IT-Mg-03), while low risk-taking in international business decision-making processes was identified in one out of the five Italian firms in this study (IT-Sg-04).

The data recognized three key factors of international risk-taking tendency, which positively impress the performance of the firm: (1) *Commitment of resources to the international projects where there is a risk of failure*, (2) *Risk-taking for exploration of new markets*, (3) *Evaluation of the uncertainty level before risk-taking*.

Table 4.32 Levels of the international risk-taking propensity in Italy

Case #	A	Type of risk-taking explicit in firm processes in an international environment						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	Commits resources to international projects where there is a risk of failure	Takes the risk of exploring new market	Takes risk to try new technologies for production or selling	Evaluates & try to control the uncertainty before taking the risk	Personally is risk taker	Risk exists in the nature of the business	Level of risk-taking	
<i>CASE IT-Sg-01</i>	<i>VSI</i>	✓	✓	✓	✓	✓	✓	<i>Very High</i>	<i>High risk-taking levels evident in the development of costly online boutique and physical store branch in UAE.</i>
CASE IT-Sg-02	MI	✓	✓	-	-	-	-	Moderate	Commits resources to improvement of international performance by technical support of costumers.
CASE IT-Mg-03	MI	-	✓	-	✓	-	-	Moderate	Accepts to take the risk after evaluation the level of uncertainty and prediction of its consequences.
CASE IT-Sg-04	MI	-	-	-	✓	-	-	Low	Indicates low risk-taking propensity in international markets as is conservative against the risk.
CASE IT-Ms-05	SI	✓	-	-	✓	✓	✓	High	Firm activities indicate medium levels of risk-taking. The core of the business is a risk assessment.
ITALY		3	3	1	4	2	2		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international risk-taking.

(1) Commitment of resources to the international projects where there is a risk of failure

Three out of the five firms interviewed (IT-Sg-01, IT-Sg-02, IT-Ms-05) represented the ability to commit resources to the projects where there is an evident risk of failure (see Table 4.32). CASE IT-Sg-01 (online retailer) suggested that investment of the huge percentage of the capital into opening a new physical boutique for the UAE market was specifically was

highly risky. For instance, the CEO and the founder of CASE IT-Sg-01 said that: *'The nature of our business is risky. We are small and emerging company in selling fashion items online, which suffer from the small budget. During one of my business travels in Sharjah, the idea of opening a physical boutique that makes our items feasible for the costumers came to my mind. Due to our limit budget, this decision was risky for us. So by the partnership with a local investor, we have taken the risk of establishment of physical boutique alongside the online one.'* The case evidence also suggests that committing resources to projects with a risk of failure is part of its strategy to improve the international performance by technical support of costumers. In this regard, CASE IT-Sg-02 (second-hand machinery provider) contributes to the risk of customers. For example, the sales manager and co-founder of CASE IT-Sg-02 stated: *'We take the risk to help our clients and give them the credit to purchase our goods as well as trying to share with their risk to establish or develop their factories. We stay with our clients from the beginning to the final steps of the project and purposefully give them service to make sure that the machines sold are well launched and work properly.'*

(2) Risk-taking for exploration of new markets

Taking the risk of exploring new market was evident in three out of the five firms interviewed (IT-Sg-01, IT-Sg-02, IT-Mg-03). Participants indicated a forward-looking perspective to penetrate new markets by being able to undertake the risk of the future market challenges that may face the business. As an example, the sales manager and member of the board of CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles) stated: *'the main risk I can take as an owner of company is coming from the market...I will never invest in a market that is not a big market and there is no demand for vehicle. That is why I am constantly taking the risk to open or penetrate to the markets in different nations. For example, in 2013, although the market of Russia was risky, we decided to enter in this market and then we invested millions of euros. However, after a while, the market completely collapsed and we lost a lot in the Russian market.'*

(3) Evaluation of the uncertainty level before risk-taking

A total of four firms in this research (see, IT-Sg-01, IT-Mg-03, IT-Sg-04, IT-Ms-05) highlighted that evaluation and management of the uncertainty was one of their key priorities

to take the risk. The international entrepreneurs indicating anticipation and evaluation of the future potential uncertainty that their firms face and make decisions if they take that risk. For instance, the sales manager and member of the board of CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles) said that: *‘Every entrepreneur needs to take some risks but this risk should be calculated before to be taken. For example, Iran is one of the biggest construction markets for us but to enter this market we need to take the risk of unknown circumstances like cultural differences etc. So before starting our activities there, we need to assess the level of uncertainty and the return percentage of our investment. Therefore, if the assessment shows a positive result, we go for it otherwise we decline to allocate our capital in the condition of loss, like what we experienced in Russia.’* The data and quotes from interviews supporting ‘Evaluation of the uncertainty level before risk-taking’ are shown in Table 4.33 below.

Table 4.33 Supporting quotations for uncertainty assessment before risk-taking in Italy

Case #	Evaluation of the uncertainty level before risk-taking
CASE IT-Sg-01	<i>‘...In order to take the risk of opening a physical boutique in UAE, we deeply studied the market and found the opportunities and threads for this investment. After all, I decided to mitigate the risk by making a partnership with a local investor.’</i>
CASE IT-Sg-02	<i>‘Indicates no evaluation of the uncertainty level before risk-taking’</i>
CASE IT-Mg-03	<i>Every entrepreneur needs to take some risks but this risk should be calculated before to be taken. For example, Iran is one of the biggest construction markets for us but to enter this market we need to take the risk of unknown circumstances like cultural differences etc. So before starting our activities there, we need to assess the level of uncertainty and the return percentage of our investment. Therefore, if the assessment shows a positive result, we go for it otherwise we decline to allocate our capital in the condition of loss, like what we experienced in Russia.</i>
CASE IT-Sg-04	<i>In our business, we usually work in the situation that we can control. If we face the risk, however, we check the risk to be survived because, in the nature of our business, we are conservative against the risk.</i>
CASE IT-Ms-05	<i>I am a person who carries different business activities and capable to evaluate and manage the risk. Actually, the core of my business is the risk management. Therefore, controlling risk is part of my duties to assist our clients.</i>

4.3.6.2.2 Context two: Iran

In Iran, three firms, (IR-Mg-06, IR-Ss-07, IR-Mg-08), as shown in column (A) of Table 4.34, viewed international risk-taking overall to be ‘very strongly important’. One firm (IR-Mg-10) indicated ‘strong importance’ and case (IR-Sg-09) declared ‘moderate importance.’ Two cases (IR-Mg-06, IR-Ss-07), indicated the taking risks to try to explore new markets, column (C), are personally risk-takers, column (F), and the risk exists in the nature of their

business, column (G). All cases tried to evaluate the level of uncertainty and to manage their business before taking the risk, column (E), and two managers (IR-Mg-06, IR-Mg-10) committed resources to the projects where there was a risk of failure, column (B).

In the study of Iranian cases, the analysis of risk-taking in firms indicates that very high levels of international risk-taking propensity, as shown in column (H), was noted in case IR-Mg-06. High moderate levels of risk were noted in one case (IR-Ss-07) and moderate levels of risk were noted in one firm (IR-Mg-10), while low risk-taking in international business decision-making processes was identified in two out of the five firms in this study (IR-Mg-08, IR-Sg-09).

The data identified one key factor of international risk-taking tendency, which positively impresses the performance of the firm: *(1) Evaluation of the uncertainty level before risk-taking.*

Table 4.34 Levels of the international risk-taking propensity in Iran

Case #	A	Type of risk-taking explicit in firm processes in an international environment						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	Commits resources to international projects where there is a risk of failure	Takes the risk of exploring new market	Takes risk to try new technologies for production or selling	Evaluates & try to control the uncertainty before taking the risk	Personally is risk taker	Risk exists in the nature of the business	Level of risk-taking	
<i>CASE IR-Mg-06</i>	VSI	✓	✓	✓	✓	✓	✓	<i>Very High</i>	<i>Developed the expensive high-tech production line to compete with international rivals.</i>
CASE IR-Ss-07	VSI	-	✓	-	✓	✓	✓	High	Takes the risk of adventure in new markets in countries where competition is less due to the distance.
CASE IR-Mg-08	VSI	-	-	-	✓	-	-	Low	Does not indicates risk in making internationalization decision. Evaluate the risk of taking domestic decisions.
CASE IR-Sg-09	MI	-	-	-	✓	-	-	Low	No indication of risk-taking in an international context. Trying to stabilize their position in the current markets.
CASE IR-Mg-10	SI	✓	-	-	✓	-	-	Moderate	Conservative against risk and provide needed resources before taking the risk.
IRAN		2	2	1	5	2	2		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international risk-taking.

(1) Evaluation of the uncertainty level before risk-taking

A total of five firms in this research (see, IR-Mg-06, IR-Ss-07, IR-Mg-08, IR-Sg-09, IR-Mg-10) emphasized that the uncertainty assessment was one of their crucial introductory activities to take the risk. In this regard, CASE IR-Mg-06 (glass manufacturing company)

highlighted that reasonable risk-taking in the investment of new technology was the main reason for their success. For example, the CEO and founder of CASE IR-Mg-06 stated: *'Given our emphasis on risk-taking, we were able to succeed in our business. We are not the first Iranian glass company, but we are currently one of the most powerful ones, thanks to our high risk-taking. The first Iranian glass company, for instance, disappeared from the market due to the false decision-making in risky conditions and lack of technology development. In our company, not only we tried to fulfill the current demand of the market but also we are constantly into taking the risk of future needs. That is why we allocate part of our resource to identify these opportunities and reveal the consequences of taking the risk of launching such projects.'* Moreover, CASE IR-Ss-07 (international trade and advisor company) discussed the influence of economic conditions, as a necessity to take the risk. In this case, the CEO and founder of CASE IR-Ss-07 said that: *'Without risk, there is no chance to improve...Indeed, in Iran, the economic condition is highly risky. In this circumstance, which is highly unstable, if we stay stagnant, we will fall and lose our position in the market while if we are more flexible and take the risk we can survive and grow. In addition, this flexibility and risk-taking would not be possible without evaluation the level of uncertainty and identification of opportunities and threads.'*

The data and quotes from interviews supporting 'Evaluation of the uncertainty level before risk-taking' are shown in Table 4.35 below.

Table 4.35 Supporting quotations for uncertainty assessment before risk-taking in Iran

Case #	Evaluation of the uncertainty level before risk-taking
IR-Mg-06	<i>Given our emphasis on risk-taking, we were able to succeed in our business. We are not the first Iranian glass company, but we are currently one of the most powerful ones, thanks to our high risk-taking. The first Iranian glass company, for instance, disappeared from the market due to the false decision-making in risky conditions and lack of technology development. In our company, not only we tried to fulfill the current demand of the market but also we are constantly into taking the risk of future needs. That is why we allocate part of our resource to identify these opportunities and reveal the consequences of taking the risk of launching such projects.</i>
IR-Ss-07	<i>Without risk, there is no chance to improve...Indeed the economic condition is highly risky. In this circumstance, which is highly unstable, if we stay stagnant, we will fall and lose our position in the market while if we are more flexible and take the risk we can survive and grow. In addition, this flexibility and risk-taking would not be possible without evaluation the level of uncertainty and identification of opportunities and threads.</i>
IR-Mg-08	<i>Before launching the project, we do market research and measure the market conditions through the committee of experts and decision-makers; and if the market is demanding and it can be assured that a product has potential to sale in this market, we take that risk.</i>
IR-Sg-09	<i>At present economic condition is such that the risk exists at all levels, but we are currently looking to stabilize our position in the market. Considering the status of the company, I, as the manager of the company, strongly emphasize to proceed step by step because the economy does not have enough stability.</i>
IR-Mg-10	<i>First of all, we need to make sure if the financial and non-financial resources available. In the case that the company is able to provide the resources required for the project, we will analyze the risk and anticipate what will be earned for this risk-taking.</i>

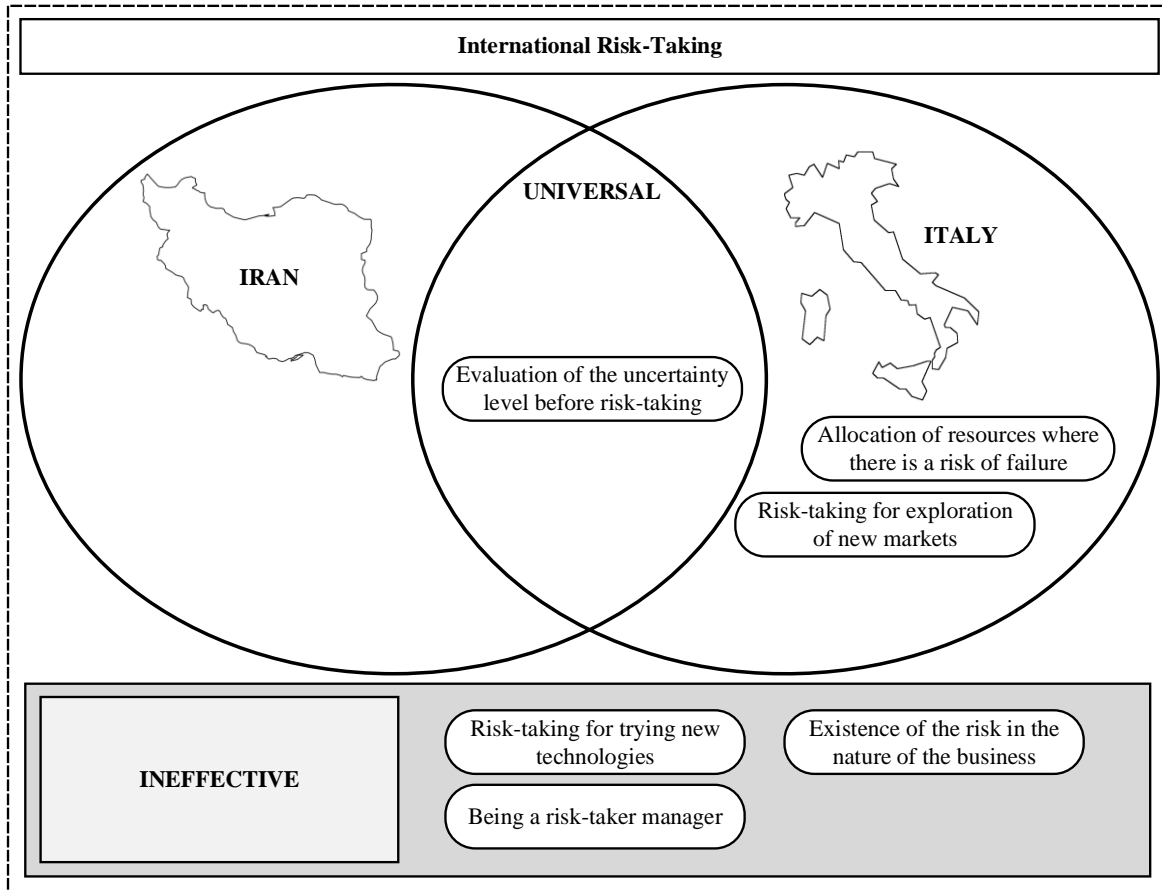
4.3.6.2.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding risk-taking, *evaluation of the uncertainty level before risk-taking* is a universal factor, as it is evident in both contexts. In fact, SMEs in their internationalization, no matter of their place, are needed to evaluate the levels of uncertainty before taking the risk. However, *the commitment of resources to the international projects where there is a risk of failure and the risk-taking for exploration of new markets* were evident only in the context of Italy. Therefore, they are considered as Italian context-based determinants.

The types of international risk-taking propensities not found to be important for the cases in this research are *risk-taking to try new technologies for production or selling, being a risk-taker manager and the existence of the risk in the nature of the business*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the international risk-taking propensity is represented in Figure 4.16, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.16 Schematic summary of the international risk-taking characteristics



4.3.6.3 International innovation

The next concept to be discussed is the international innovation. All firms were asked to identify: *something different or new the business had done in the past year to do with their international customers*. The questions in relation to international innovativeness can be seen in Appendix 1. The responses are analyzed in three contexts, Italy and Iran, and then the universal characteristics are determined.

4.3.6.3.1 Context one: Italy

Among Italian cases, one firm, (IT-Sg-04), as shown in column (A) of Table 4.36, viewed international innovation overall to be 'very strongly important' and other four firms indicated

‘strong importance.’ Two cases (IT-Mg-03, IT-Ms-05), as shown in column (B), introduced new product/ service in the international markets. Re-producing existing products in a new way, column (C), was evident in three firms in this research (IT-Sg-02, IT-Mg-03, IT-Sg-04). Similarly, three cases (IT-Mg-03, IT-Sg-04, IT-Ms-05) established a new method of production or offering the services, as shown in column (F), where three firms (IT-Sg-02, IT-Mg-03, IT-Ms-05) made initiatives in their products/ services, column (G). Four firms (IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Ms-05) opened new market/s, column (D), and, as it is shown in the column (E), only one case (IT-Sg-01) established a new method of selling abroad.

In Italy, the analysis of innovativeness in firms indicates that high levels of international innovation propensity, as shown in column (H), was noted in case IT-Mg-03 and case IT-Ms-05 while the moderate levels of innovativeness found in other four firms.

The data recognized four key factors of international risk-taking tendency, which positively impress the performance of the firm: (1) *Re-producing an existing product in a new way*, (2) *Opening new markets*, and (3) *Making initiative in an existing product/ service*. These findings are addressed below.

(1) Re-producing an existing product in a new way

Firms in this research noted that the ability of reproducing an existing product in a new way was one of the priorities of the firm. This is specifically evident in three of cases (IT-Sg-02, IT-Mg-03, IT-Sg-04). In this case, CASE IT-Sg-02 (second-hand machinery provider) transforms the most advanced technologies of production for the use of other companies based on their needs. For instance, the sales manager and co-founder of CASE IT-Sg-02 said that: ‘...*One innovative aspect of the company is to fit the products according to the specification needed for clients based on available equipment...so, first, we purchase the second-hand machines and production lines and then upgrade them based on the latest technology for producing ceramic tiles. In fact, we dismiss the old parts from the machines and enhance them with the latest technology and finally resell the adjusted products.*’

Table 4.36 Levels of international innovation in Italy

Case #	A	Type of innovation explicit in firm processes in an international environment						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	New product/ service in the foreign market	Re-producing an existing product in a new way	Opening new markets	New method of selling abroad, e.g. online store	Introducing new methods of production or offering a service	Making initiative in an existing production/ service	Level of risk-taking	
CASE IT-Sg-01	SI	-	-	✓	✓	-	-	Moderate	Creates an online platform to sell products abroad.
CASE IT-Sg-02	SI	-	✓	✓	-	-	✓	Moderate	Adopts the product specifications according their customer's need.
CASE IT-Mg-03	SI	✓	✓	✓	-	-	✓	High	Negotiates with the international costumers based on their culture and needs.
CASE IT-Sg-04	VSI	-	✓	-	-	✓	-	Moderate	Employs an innovative technology that increase our efficiency and productivity.
CASE IT-Ms-05	SI	✓	-	✓	-	✓	✓	High	Creates export system for classification of goods according to export compliance.
ITALY		2	2	3	4	1	3		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international innovation.

(2) *Opening new markets*

A total of four firms in this research (see, IT-Sg-01, IT-Sg-02, IT-Mg-03, IT-Ms-05) addressed that opening a new market in a foreign country was one of their innovative activities. In this regard, CASE IT-Sg-01 (online retailer) facilitates discovering new markets thanks to the internet. The CEO and founder of CASE IT-Sg-01 quoted that: ‘*Online*

boutique is an innovation itself. All of my business is on the internet. And in fact, I am constantly looking forward to selling the items in different places around the world. So expanding markets is one of my obligations in this business.' In addition, CASE IT-Ms-05 (regulator and non-profit advisor) is in the discovery of markets among the importing/exporting companies to promote the concept of export compliance and as a tool for facilitating the internationalization of firms. For example, the director general of CASE IT-Ms-05 addressed: *'As export compliance is an emerging issue, it is still unknown for many organizations in different nations. That is why we strongly in expanding our market and make the concept of export compliance worldwide.'*

(3) Making initiative in an existing product/ service

Making initiative in an existing product/ service was evident in three out of the five firms interviewed (IT-Sg-02, IT-Mg-03, IT-Mg-05). Experience plays a crucial role in making an initiative in the existing products through the feedback received from the market over the time, according to CASE IT-Mg-03 (manufacturer of equipment for industrial vehicles). For instance, the sales manager and member of the board of CASE IT-Mg-03 said that: *'...Of course, the most important thing about the innovation is "know how to do". For this important, if you are experienced in the business, you can be more innovative. For example, we are launching an innovative vehicle in Germany, in which different cylinders or steal materials are used. This innovation came from the research in the market and feedback of costumers that make us different from the rivals...'*

4.3.6.3.2 Context two: Iran

In Iran, three firms, (IR-Mg-06, IR-Ss-07, IR-Mg-08), as shown in column (A) of Table 4.37, viewed international innovation overall to be 'very strongly important' and other two firms (IR-Sg-08, IR-Mg-10) indicated 'strong importance.' Three cases (IR-Mg-06, IR-Sg-09, IR-Mg-10), as shown in column (B), introduced new product/ service in the international markets. Re-producing existing products in a new way, column (C), was evident in two firms in this research (IR-Mg-06, IR-Sg-09). Similarly, two cases (IR-Mg-06, IR-Ss-07) opened new market/s, column (D), where two firms (IR-Mg-06, IR-Mg-08) established a new method of selling abroad, column (H). Although only one case (IR-Mg-06) established a

new method of production or offering the services, as shown in column (F), four firms (IR-Mg-06, IR-Mg-08, IR-Sg-09, IR-Mg-10) made initiatives in their products/ services, column (G).

Among Iranian cases, the analysis of innovativeness in firms indicates that high levels of international innovation propensity, as shown in column (H), was noted in case of IR-Mg-06 while the moderate levels of innovativeness found in three firms (IR-Mg-08, IR-Sg-09, IR-Mg-10). In addition, the low levels were evident in CASE IR-Ss-07.

The data identified two key factors of international risk-taking tendency, which positively impresses the performance of the firm: *(1) New product/ service in the foreign market, (2) Making initiative in an existing product/ service.*

(1) New product/ service in the foreign market

Firms in this research indicated that the ability to establish new ideas and products for the foreign markets was one of the top priorities of the firm. This is particularly evident in three of the cases (IR-Mg-06, IR-Sg-09, IR-Mg-10). Use of the advanced technologies has also assisted international entrepreneurial firms in promoting products and services for international markets. For instance, CASE IR-Mg-06 (glass manufacturing company) addressed that: *'In our company we produce a wide range of innovative products of reflexive and smart glasses such as energy controller glass, anti-fog glasses, anti-reflective glasses etc...thanks to nanotechnology, one of the advanced technologies of the glass industry, we are able to customize different characteristics (e.g., color) of the glasses and are able to fulfill the foreign markets, especially in their need of energy-saving glasses.'* Introduce new products, is a crucial solution for firms to improve their international performance. For example, the factory manager of CASE IR-Mg-10 (irrigation and nutrition) stated: *'we are always looking for a way forward, and are trying to improve our performance with innovative actions. For example, we introduced several new products, such as Dried Sour Cherry and Sunflower Seeds, which were highly welcomed in the targeted markets.'*

Table 4.37 Levels of international innovation in Iran

Case #	A	Type of innovation explicit in firm processes in an international environment						H	Descriptive comment
		B	C	D	E	F	G		
	Level of Importance Overall	New product/ service in the foreign market	Re-producing an existing product in a new way	Opening new markets	New method of selling abroad, e.g. online store	Introducing new methods of production or offering a service	Making initiative in an existing production/ service	Level of risk-taking	
<i>CASE IR-Mg-06</i>	VSI	✓	✓	✓	✓	✓	✓	<i>Very High</i>	<i>Using nanotechnology and advanced equipment produce a wide range of foods for different markets.</i>
CASE IR-Ss-07	VSI	-	-	✓	-	-	-	Low	The first company in its sector exporting to China, which was against the general belief domestic rivals.
CASE IR-Mg-08	VSI	-	-	-	✓	-	✓	Moderate	Leverages the internet technology for its sale and the analysis of the market.
CASE IR-Sg-09	SI	✓	✓	-	-	-	✓	Moderate	Anticipates the potential need for future market and produce a product based on R&D report for the market.
CASE IR-Mg-10	SI	✓	-	-	-	-	✓	Moderate	introduced several new products with small initiatives that were highly welcomed in the market
IRAN		3	2	2	2	1	4		

Note. VSI = Very strong importance, SI = Strong importance, MI= Moderate importance, LI= Limited importance, NI= No importance, dashed line (-)= Not applicable, bold and italicized font= Indicates very high levels of international innovation.

(2) Making initiative in an existing product/ service.

A total of four firms in this research (see, IR-Mg-06, IR-Mg-08, IR-Sg-09, IR-Mg-10) emphasized that Making initiative in their products/ services leads to increase their performance in the global markets. In this regard, an international firm in the dairy industry, CASE IR-Sg-09, emphasized that without introducing the new product, adapted to their

consumption culture, exporting is not possible. For example, the factory manager of CASE IR-Sg-09 said that: *'We always try to examine the future market needs and competitors' movements, to make initiatives in our products. For example, through an R&D process, we found that traditional yogurt could be the high potential product for the future market of Iraq. So we started to produce this product and are currently the first exporting of traditional yogurt to Iraq. Of course, when designing a new product, we have to consider the culture of consumption, the tastes and market needs. As an example, Iraqis would prefer high-fat yogurt (between 5-10% fat), which is against Iranians' taste who would like to use low-fat yogurt (Maximum 3.5% fat).'* In another case, CASE IR-Mg-08 (cosmetic producer) benefits the technology for the marketing activities and monitoring the services, as the sales manager & deputy CEO discussed: *'the practical initiative we have been taking is controlling the marketers who tried to get help with technology to monitor our sales, analyze different data and improve our performance.'*

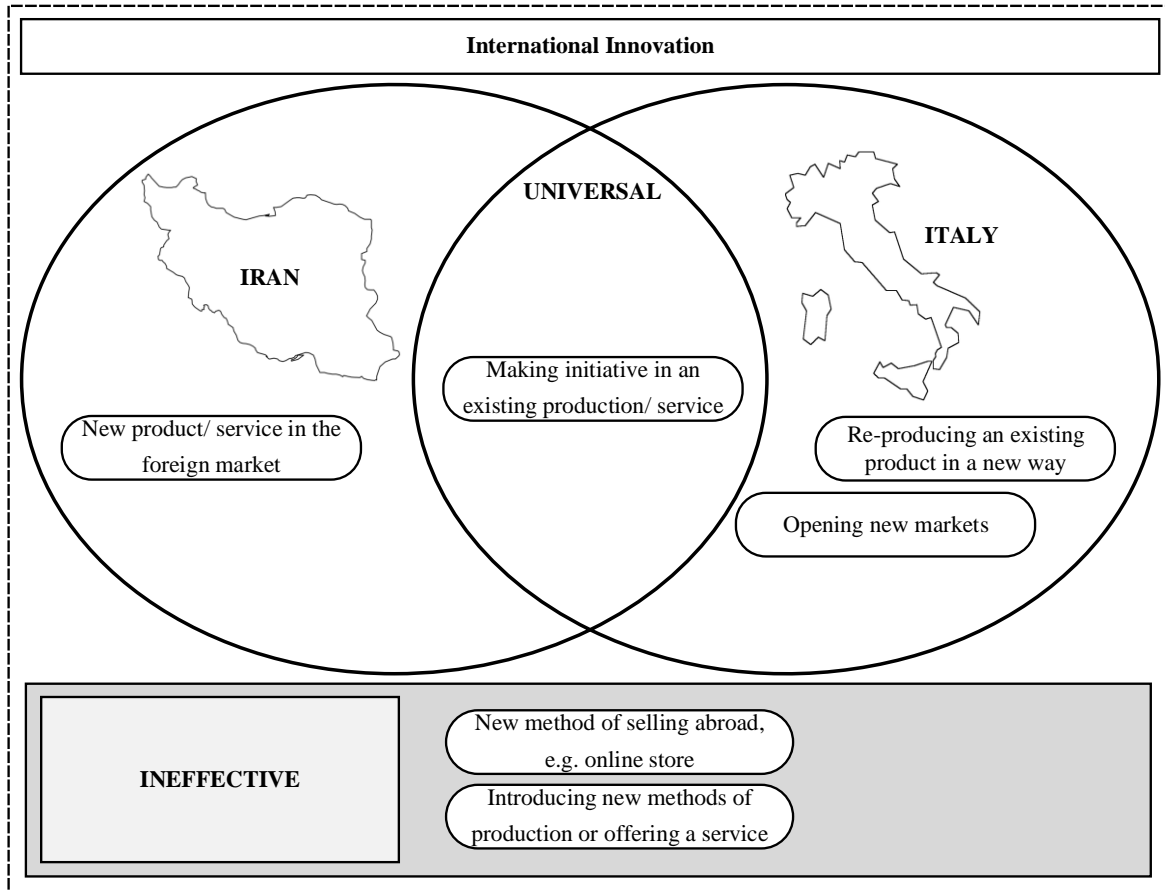
4.3.6.3.3 Overall discussion

A comparative analysis between the Italian and Iranian businesses represents that among the determinants regarding international innovativeness, *making an initiative in an existing production/ service* is a universal factor, as it is evident in both contexts. In fact, SMEs in their internationalization, no matter of their place, desire to make initiatives in the existing product as an innovative strategy for exporting. However, *reproducing an existing product in a new way* and *the Opening new markets* were evident only in the context of Italy while *new product/ service in the foreign market* was found only in Iranian businesses. Therefore, they are considered as Italian and Iranian context-based determinants.

The types of international innovativeness propensities not found to be important for the cases in this research are: *a new method of selling abroad, e.g. online store* and *introducing new methods of production or offering a service*. These factors were not indicated to be important either in Italian or in Iranian cases and will not be included in the entrepreneurial determinants of internationalization of firms.

The schematic summary of the determinants regarding the international risk-taking propensity is represented in Figure 4.17, based on the typologies of universal, context-based, and ineffective variables.

Figure 4.17 Schematic summary of the international innovation characteristics



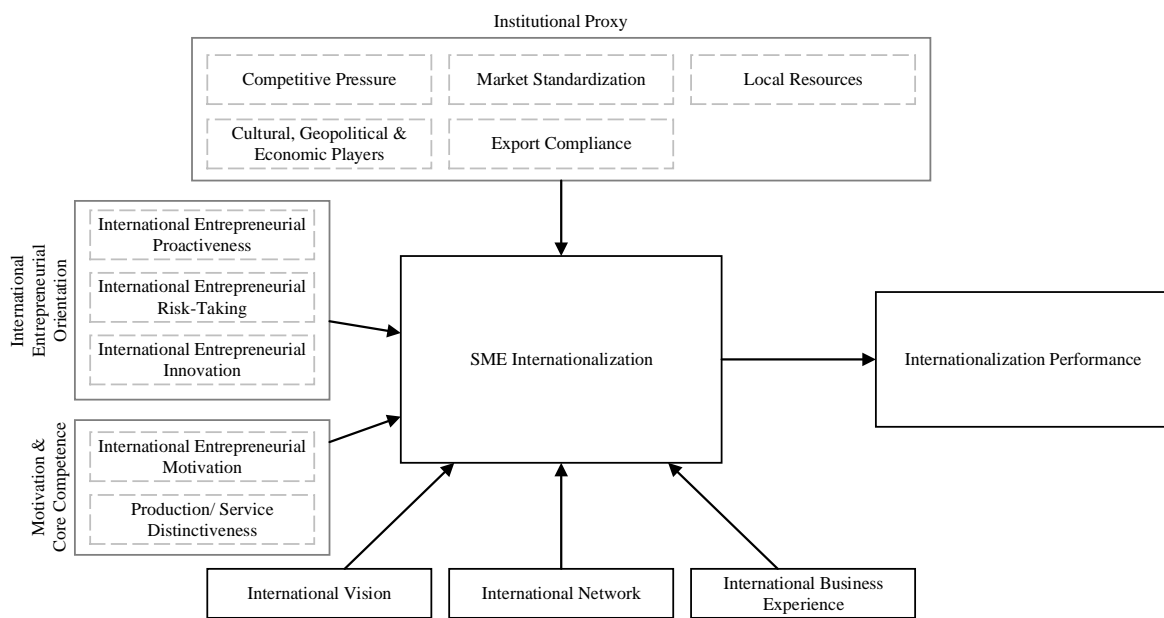
4.4 Evaluation of Chapter Four

The results of interviews lead to the 79 determinant for international entrepreneurship of SMEs. Among all variables, 18 factors recognized universal determinants, as they were evident in both context of Italy and Iran, 9 factors only contributed in Italian cases, Italian context-based, and 17 factors were Iranian context-based determinants, as they were effective only in Iranian businesses. However, 35 variables were ineffective, in which they were evident neither in Italian nor in Iranian cases.

Overall, Figure 4.18 represents that a relationship between thirteen (environmental, organizational, and individual) construct in six general category of determinants: 1:

Institutional proxy including 1.1:Competitive pressure; 1.2: Market standardization, 1.3: Local resources, Cultural, geopolitical, and economic players; and 1.4: Export compliance; 2: International network; 3: International vision; 4: International business experience; 5: Motivation and core competence including 5.1: International entrepreneurial motivation; and 5.2: Production/ service distinctiveness; 6: International entrepreneurial orientation including 6.1: International entrepreneurial proactiveness; 6.2: International entrepreneurial risk-taking; and 6.3: International entrepreneurial innovation, which influence the successful SME internationalization and international performance of the firm.

Figure 4.18 Proposed conceptual framework



4.5 Conclusion

This chapter provided the qualitative findings of the qualitative study. The results addressed two research questions **Q1**. *What are entrepreneurial characteristics needed for the internationalization of SMEs? In addition, how do these determinants influence the international performance of SMEs? And Q2*. *Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people ‘on their own terms’.* For this important, 10 in-depth interviews with Italian and Iranian entrepreneurs performed and 13 general concepts discussed. Explanation

of the inter-relationships between how these constructs are influencing the SME internationalization and the international performance of firms was also discussed. These key findings from a qualitative study led to the development of a conceptual model of international entrepreneurial firm-level constructs as shown in Figure 4.18. This conceptual model identifies how firm-level determinants of the international entrepreneurship are influencing the internationalization of SMEs and exploitation behavior of firms, consequently leading to international performance outcome for the firm.

Chapter Five “Discussion and Conclusion”

5.1 Introduction

The present IE research stresses on the explanatory variables related to the specific subject like internal characteristics of firms (Zhang et al., 2016). Numerous studies that examine the SME globalization issues fail to pay attention to the extent of how particular people in particular place leverage their unique recourses and capabilities to enhance their international activities. These resources, capabilities, beliefs, and practices that vary from place to place, culture to culture can be utilized for the development of entrepreneurship in the international context (Anderson et al., 2006). Similarly, there is still gap to differentiate how particular environmental characteristic of different context can facilitate or harden the process of internationally business creation.

As such, the objective of this research is to elucidate the empirical definitions of international entrepreneurship and to examine the entrepreneurial characteristics are needed for the internationalization of ventures in different places. It is further intended to determine (i) which of these characteristics are universal, and (ii) which ones are context (place/people) related? Hence, the research questions developed for exploration are;

Q1. What are drivers needed for the internationalization of SMEs in the different locations that have various characteristics? In addition, how do these determinants influence the international performance of SMEs?

Q2. Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.

Further, it is expected to differentiate the context-based drivers that are seen only in the process of international entrepreneurship in the specific place with those determinants that have the same impact IE processes regardless the nature of people/ place.

Chapter Five is divided into five main segments, as observed in Table 5.1. Firstly, introductory remarks are presented. Secondly, the overall key findings of the research are discussed followed by the contributions to theory and practice. Limitations and directions for future research are also addressed followed by concluding comments.

Table 5.1 An overview of Chapter Five

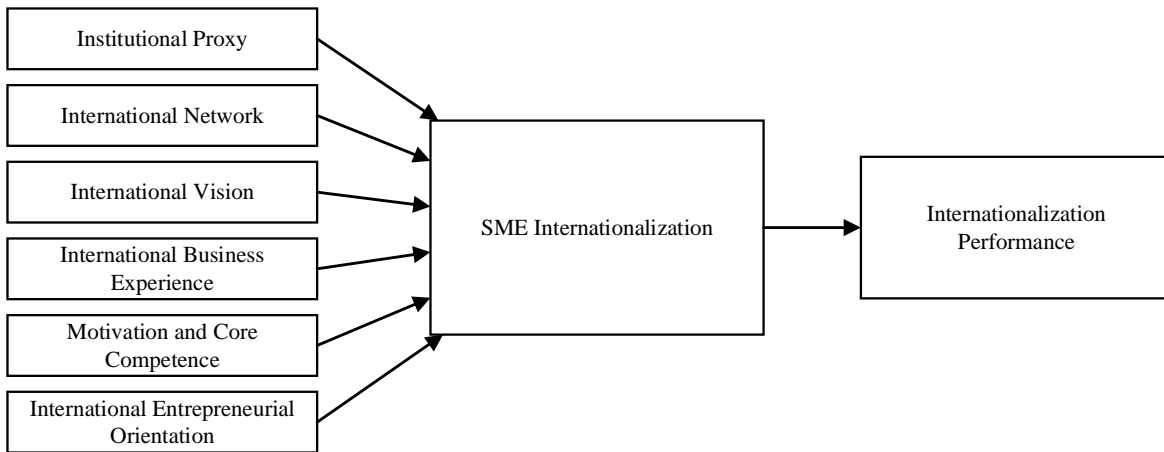
5.1	Introduction	
5.2	Overall key findings	
5.2.1	<i>Model conceptualization</i>	
5.2.2	<i>Determinant disentangle based on the place</i>	
5.2.2.1	<i>Context One: Italy</i>	
5.2.2.2	<i>Context Two: Iran</i>	
5.2.2.3	<i>Classification of determinants identified</i>	
5.3	Research contributions	
5.3.1	<i>Theoretical contributions</i>	
5.3.2	<i>Managerial contributions</i>	
5.4	Limitations and future streams of research	
5.5	Conclusion	

5.2 Overall key findings

5.2.1. Model conceptualization

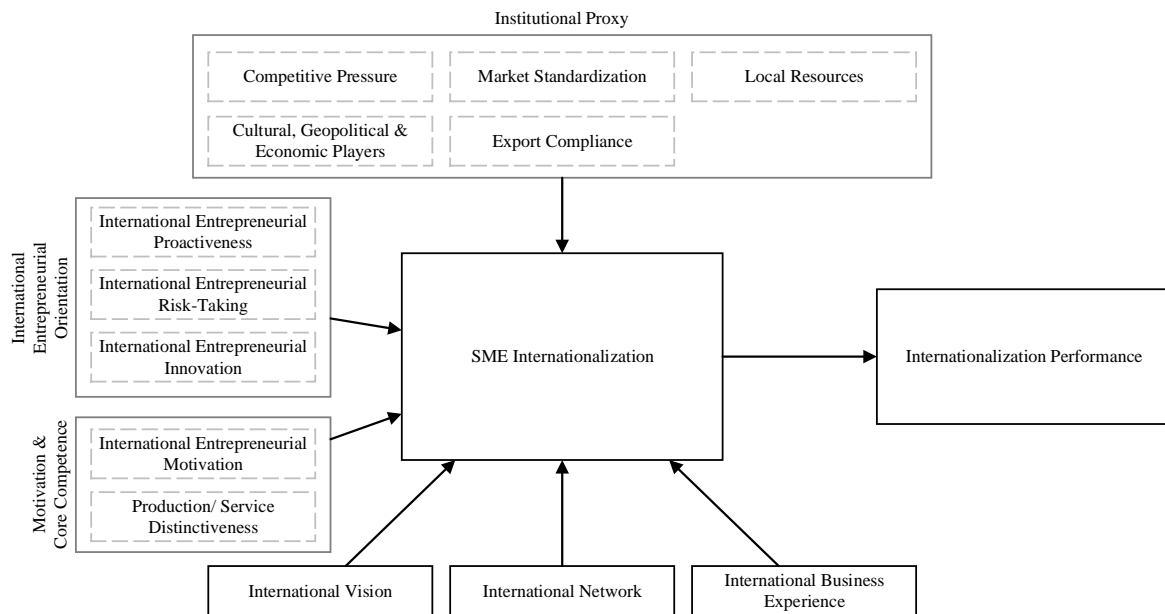
This thesis was aimed to contribute to the IE theories by combining institutional theory, RBV, and international entrepreneurial orientation, in which the SME internationalization was considered to be influenced by the individual, organizational, and environmental perspectives. Through reviewing the IE literature, five individual/ organizational dimensions that are expected to have a positive impact on the successful SME internationalization, such as international networks, international vision, international business experience, motivation and core competence, and international entrepreneurial orientation. The environmental determinant in the model discusses the institutional proxy. The preliminary proposed theoretical model for the case study investigation is represented in Figure 5.1.

Figure 5.1 The preliminary proposed conceptual model



However, the transcripts of the interview were separately analyzed and summarized based on the six themes recognized through establishing the crucial elements made by the interviewees in response to inquiries asked by the interviewer. As such, each of these six categories was broken down into various classifications. Consequently, the final conceptual model addressed six general category of determinants encompassing thirteen environmental, organizational, and individual constructs for successful SME internationalization, such as 1: Institutional proxy including 1.1:Competitive pressure; 1.2: Market standardization, 1.3: Local resources, Cultural, geopolitical, and economic players; and 1.4: Export compliance; 2: International network; 3: International vision; 4: International business experience; 5: Motivation and core competence including 5.1: International entrepreneurial motivation; and 5.2: Production/ service distinctiveness; 6: International entrepreneurial orientation including 6.1: International entrepreneurial proactiveness; 6.2: International entrepreneurial risk-taking; and 6.3: International entrepreneurial innovation. The final conceptual model for the case study investigation is represented in Figure 5.2.

Figure 5.2 Final conceptual framework



5.2.2. Determinant disentangle based on the place

The results of interviews lead to the identifying the determinant of SMEs’ international entrepreneurship in Italy and Iran. These variables are discussed as follows.

5.2.2.1 Context One: Italy

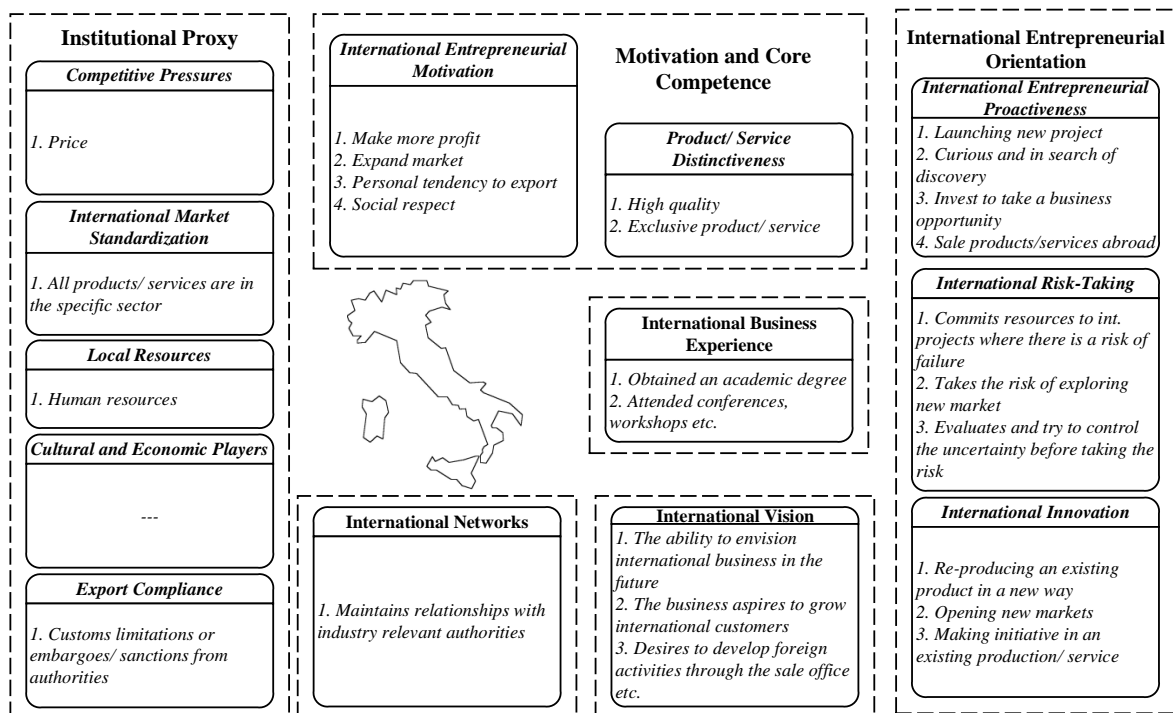
Competitive pressures in international markets were the first component of institutional determinants of SME internationalization examined in research. In his regard, Italian SMEs were seen to be pressured by the cheaper price offered by competitors. Concerning the international market standardization, they often received product/ service requests in a specific sector. Businesses in Italy shown that they take advantage from the sophisticated Italian human resources in their international activities, as the local resources. Although the findings indicate that these ventures do not influence the cultural and economic players, but they were restricted by customs limitations or embargoes/ sanctions.

As to discuss the organizational/ individual determinants, this study has seen eight factors. Findings indicate that the global networking contributes to the international performance of Italian firms via developing relationships with international partner/ representatives and maintaining relationships with industry relevant authorities. International vision, the second organizational/ individual construct, shows that Italian firms not only aspire to grow international customers but also desire to develop foreign activities through the opening sale or representative office. They also see themselves to be able to envision international business in the future. Furthermore, of the most seen characteristics of international entrepreneurs in Italy were having an academic degree and attending in relevance programs like conferences, workshops etc. Italian international entrepreneurs highlighted four motives, as the forth organizational/ individual construct, behind of their international activities: making more profit, expanding the market, increasing their social respect, and a personal tendency toward international activities. In addition, Italian SMEs leveraged the high-quality and also exclusive products/ services as their distinctiveness to be successful in internationalization.

Concerning the international entrepreneurial orientation, this study explored international entrepreneurial proactiveness, international entrepreneurial risk-taking, and international entrepreneurial innovation. International entrepreneurs in Italy indicated the launching new projects, being curious and in search of discovery, investing to take a business opportunity, and selling products/ services abroad as their commitment to international entrepreneurial

proactiveness. Italian entrepreneurs are highly risk-takers by not only committing resources to international projects where there is a risk of failure and taking the risk of exploring a new market, but also they try to evaluate and control the uncertainty before taking the risk. Italian firms indicate the international innovativeness through, firstly, reproducing an existing product in a new way and secondly, opening new markets and finally, making initiatives in an existing production/ service. Figure 5.3 represents the factors influencing the SME internationalization in Italy.

Figure 5.3 Determinants influencing the Italian SME internationalization



5.2.2.2 Context Two: Iran

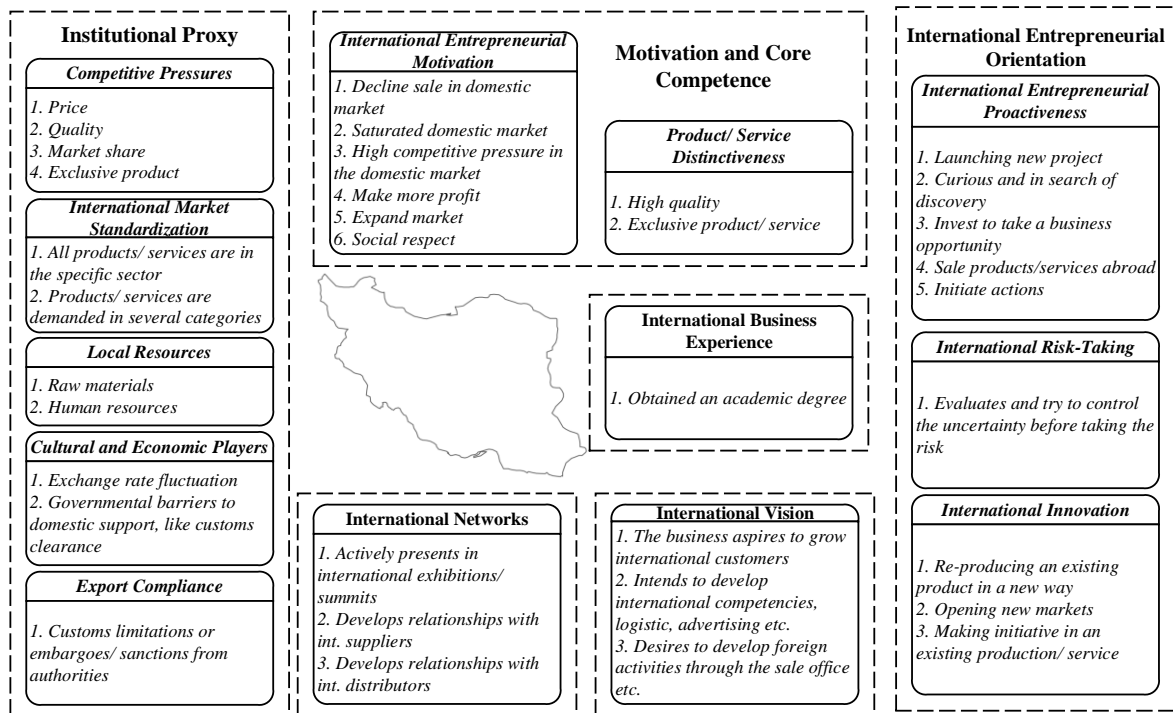
In Iran, SMEs were seen to be pressured by the cheaper price offered by competitors, quality, having a great share in international markets by rivals, and introducing a unique product by competitors. Regarding the international market standardization, they often received product/ service requests in a specific sector. Moreover, customers of Iranian SMEs normally demand their needed products/ services from several categories. Firms in Iran shown that they take advantage from the sophisticated Iranian human resources, and privilege the abundance of raw materials for their businesses as the local resources for international

activities. As for cultural and economic players, they were highly imposed by the exchange rate fluctuation and governmental barriers to domestic support, like customs clearance. They also suffered from the customs limitations or embargoes/ sanctions.

As to discuss the organizational/ individual determinants, findings indicate that the global networking contributes to the international performance of Iranian ventures through the persistent presence in international exhibitions/ summits, developing relationships with international suppliers, and developing relationships with international distributors. The international vision shows that Iranian entrepreneurs aspire to grow international customers, intent to develop international competencies, logistic, advertising etc., and also desire to develop foreign activities through the opening sale or representative offices etc. Furthermore, most international entrepreneurs in Iran were seen to have an academic degree. Iranian businesses are exclusively pushed to the international markets due to the declining their sale in the domestic market, facing the saturated domestic market, the existence of high competitive pressure in the domestic market, making more profit, expanding the market, and increasing their social respect. In addition, Iranian SMEs leveraged the high-quality and also exclusive products/ services as their distinctiveness to be successful in internationalization.

Regarding international entrepreneurial orientation elements, international entrepreneurs in Iran indicated the launching new projects, being curious and in search of discovery, investing to take a business opportunity, selling products/ services abroad, and initiating actions to which other organizations respond as their commitment in international entrepreneurial proactiveness. Iranian entrepreneurs were shown to be risk-takers by evaluating and controlling the uncertainty before taking the risk. Finally, international innovativeness was evident in Iranian SMEs by their effort to introduce new product/ service in the foreign market as well as their endeavor to make initiatives in an existing production/ service. Figure 5.4 represents the factors influencing the SME internationalization in Iran.

Figure 5.4 Determinants influencing the Iranian SME internationalization



5.2.2.3 Classification of determinants identified

The comparison of factors affecting SME internationalization in each economy can lead to distinguishing the specific context-based, universal, and ineffective determinants. In this regard, the results of interviews lead to the 78 determinant for international entrepreneurship of SMEs. Among all variables, 18 factors recognized universal determinants, as they were evident in both context of Italy and Iran, 9 factors only contributed in Italian cases, Italian context-based, and 16 factors were Iranian context-based determinants, as they were effective only in Iranian businesses. However, 35 variables were ineffective, in which they were evident neither in Italian nor in Iranian cases. In the following section, the level of importance of the SME internationalization and the type of determinant identified from the data will be presented in Table 5.2. Following Table 5.2, concluding remarks for Chapter Four will be provided, along with the proposed conceptual model for the qualitative findings of the qualitative study.

Table 5.2 Research issues: A holistic view of the determinant recognized

Construct variable identification	Level of importance		Type of determinant
	Italy	Iran	
Q1. <i>What are entrepreneurial characteristics needed for the internationalization of SMEs? In addition, how do these determinants influence the international performance of SMEs?</i>			
Q2. <i>Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.</i>			
PART A: ENVIRONMENTAL DETERMINANTS			
1. Institutional Proxy			
<i>1.1. Competitive pressures</i>			
1. Price	High (3/5)	Very High (5/5)	Universal
2. Quality	Moderate (2/5)	High (3/5)	Context (Iran)
3. Advertisement	Low (1/5)	Moderate (2/5)	-
4. Wide range of products	Low (1/5)	Moderate (2/5)	-
5. Market share	Low (1/5)	High (4/5)	Context (Iran)
6. Exclusive product	Low (1/5)	High (3/5)	Context (Iran)
<i>1.2. International market standardization</i>			
1. All products/ services are in the specific sector	High (4/5)	High (4/5)	Universal
2. Products/ services are demanded in several categories	Moderate (2/5)	High (3/5)	Context (Iran)
3. Market demands the standard products/ services	Low (1/5)	Low (1/5)	-
<i>1.3. Local resources</i>			
1. Energy privileges	Low (0/5)	Low (1/5)	-
2. Raw materials	Moderate (2/5)	High (4/5)	Context (Iran)
3. Technology and knowledge	Moderate (2/5)	Low (1/5)	-
4. Human resources	Very High (5/5)	High (3/5)	Universal
<i>1.4. Cultural and economic players</i>			
1. Different approach to negotiation and sale system	Low (1/5)	Low (1/5)	-
2. Cultural variations	Low (1/5)	Low (1/5)	-
3. Exchange rate fluctuation	Moderate (2/5)	Very High (5/5)	Context (Iran)
4. Governmental barriers to domestic support, like customs clearance	Low (1/5)	High (3/5)	Context (Iran)
5. Other economic factors, e.g., inflation etc.	Low (1/5)	Moderate (2/5)	-

1.5. Export compliance			
1. Lack of suitable recordkeeping	Moderate (2/5)	Low (1/5)	-
2. Unknown/ less known costumers	Moderate (2/5)	Moderate (2/5)	-
3. Dual-use violation	Low (1/5)	Moderate (2/5)	-
4. Using harmful materials	Low (1/5)	Moderate (2/5)	-
5. <i>Customs limitations or embargoes/ sanctions from authorities</i>	High (3/5)	High (3/5)	Universal
PART B: ORGANIZATIONAL AND INDIVIDUAL CHARACTERISTICS			
2. International networks			
1. <i>Develops relationships with int. partner or representatives</i>	Very High (5/5)	Low (1/5)	Context (Italy)
2. <i>Actively presents in international exhibitions/ summits</i>	Moderate (2/5)	High (4/5)	Context (Iran)
3. <i>Develops relationships with int. suppliers</i>	Moderate (2/5)	High (4/5)	Context (Iran)
4. <i>Develops relationships with int. distributors</i>	Low (1/5)	Very High (5/5)	Context (Iran)
5. Creates ties with industry-specific competition in a foreign country	Moderate (2/5)	Low (1/5)	-
6. Creates ties with foreign customers	Moderate (2/5)	Moderate (2/5)	-
7. <i>Maintains relationships with industry relevant authorities</i>	High (4/5)	Moderate (2/5)	Context (Italy)
8. Pays for international networks, advisor, influencer	Low (1/5)	Moderate (2/5)	-
3. International vision			
1. Encompasses an international mindset from the outset	Moderate (2/5)	Low (1/5)	-
2. <i>The ability to envision international business in the future</i>	High (4/5)	Moderate (2/5)	Context (Italy)
3. The business mission statement is geared towards international outcomes	Moderate (2/5)	Moderate (2/5)	-
4. <i>The business aspires to grow international customers</i>	Very High (5/5)	High (3/5)	Universal
5. <i>Intends to develop international competencies, logistic, advertising etc.</i>	Moderate (2/5)	High (4/5)	Context (Iran)
6. <i>Desires to develop foreign activities through the sale office etc.</i>	High (3/5)	High (3/5)	Universal
4. International business experience			
1. Achieved a certificate level qualifications	Moderate (2/5)	Moderate (2/5)	-
2. <i>Obtained an academic degree</i>	High (4/5)	High (4/5)	Universal
3. <i>Attended conferences, workshops etc.</i>	High (4/5)	Moderate (2/5)	Context (Italy)
4. International experience of living abroad and working in another firm	Moderate (2/5)	Low (1/5)	-

5. International experience of working in another firm	Moderate (2/5)	Low (1/5)	-
5. Motivation and core competence			
<i>5.1. International entrepreneurial motivation</i>			
1. Sale overproduction	Low (2/25)	Moderate (16/25)	-
2. <i>Decline sale in domestic market</i>	Moderate (12/25)	High (19/25)	Context (Iran)
3. <i>Saturated domestic market</i>	Moderate (14/25)	Very High (22/25)	Context (Iran)
4. <i>High competitive pressure in the domestic market</i>	Moderate (15/25)	High (21/25)	Context (Iran)
5. <i>Make more profit</i>	High (21/25)	High (20/25)	<i>Universal</i>
6. <i>Expand market</i>	Very High (22/25)	Very High (24/25)	<i>Universal</i>
7. Governmental support	Low (5/25)	Moderate (16/25)	-
8. <i>Personal tendency to export</i>	High (21/25)	Moderate (17/25)	Context (Italy)
9. <i>Social respect</i>	High (19/25)	High (21/25)	<i>Universal</i>
<i>5.2. Product/ service distinctiveness</i>			
1. Wide range of products/ services	Moderate (2/5)	Moderate (2/5)	-
2. Fast availability and delivery	Moderate (2/5)	Low (1/5)	-
3. High quality	High (4/5)	High (3/5)	<i>Universal</i>
4. Exclusive product/ service	High (3/5)	High (3/5)	<i>Universal</i>
5. Genuine products/ services	Moderate (2/5)	Low (0/5)	-
6. New feature/s in product	Moderate (2/5)	Moderate (2/5)	-
6. International entrepreneurial orientation			
<i>6.1. International entrepreneurial proactiveness</i>			
1. Desire to be his/ her own boss	Moderate (15/25)	Moderate (18/25)	-
2. Launching new project	Very High (23/25)	Very High (22/25)	<i>Universal</i>
3. Curious and in search of discovery	High (19/25)	High (21/25)	<i>Universal</i>
4. Invest to take a business opportunity	High (19/25)	High (21/25)	<i>Universal</i>
5. Create business in a foreign country	Moderate (15/25)	Moderate (17/25)	-
6. Sale products/services abroad	High (19/25)	High (20/25)	<i>Universal</i>
7. Take the initiative in a situation	Moderate (14/25)	Moderate (17/25)	-

8. Excel at identifying opportunities	Moderate (18/25)	Moderate (18/25)	-
9. <i>Initiate actions</i>	Moderate (13/25)	High (20/25)	Context (Iran)
6.2. International risk-taking			
1. <i>Commits resources to int. projects where there is a risk of failure</i>	High (3/5)	Moderate (2/5)	Context (Italy)
2. <i>Takes the risk of exploring new market</i>	High (3/5)	Moderate (2/5)	Context (Italy)
3. Takes the risk to try new technologies for production or selling	Low (1/5)	Low (1/5)	-
4. <i>Evaluates and try to control the uncertainty before taking the risk</i>	High (4/5)	Very High (5/5)	Universal
5. Personally is risk taker	Moderate (2/5)	Moderate (2/5)	-
6. Risk exists in the nature of the business	Moderate (2/5)	Moderate (2/5)	-
6.3. International innovation			
1. <i>New product/ service in the foreign market</i>	Moderate (2/5)	High (3/5)	Context (Iran)
2. <i>Re-producing an existing product in a new way</i>	High (3/5)	Moderate (2/5)	Context (Italy)
3. <i>Opening new markets</i>	High (4/5)	Moderate (2/5)	Context (Italy)
4. New method of selling abroad, e.g. online store	Low (1/5)	Moderate (2/5)	-
5. Introducing new methods of production or offering a service	Moderate (2/5)	Low (1/5)	-
6. <i>Making initiative in an existing production/ service</i>	High (3/5)	High (4/5)	Universal

Institutional determinants in SME internationalization were examined in research. The first concept to be addressed in this chapter was environmental construct 1: Competitive pressures in international markets displays that small and medium firms in both contexts are in the pressure of the cheaper price by their competitors. It is not a surprising result as all businesses around the world are in competition to offer the cheaper price with the highest quality of their products/ services. However, Iranian firms are exclusively in the competitive pressure of quality, having a great share in international markets by rivals, and introducing a unique product by competitors.

The data in relation to environmental construct 2: International market standardization indicates that it is common for firms to receive the request for the products and services in a specific sector. This determinant is universal and was evident in both countries. Moreover, only in Iran, customers normally demand their needed products/ services from several

categories. In fact, the market of Iran is likely to be standard in comparison to the Italian market.

The evidence of the environmental construct 3: Local resources indicates that human resources are the most important component of enhancing international performance in both contexts, as universal determinant seen Italy and Iran. In fact, the expert and sophisticated employees are always the most valuable treasure of firms in any places. Moreover, Iranians exclusively privilege the abundance of raw materials for their businesses.

The data in relation to environmental construct 4: Cultural and economic players prove that firms are affected by the environment that they operate. In this regard, although Italian SMEs do not suffer from the environmental restrictions, in the other side, Iranians are highly imposed by the exchange rate fluctuation, and governmental barriers to domestic support, like customs clearance. As a result, it is notable to state that environment is influential in the internationalization of firms. In fact, the performance of the international firms is increased if they do not face multiple environmental challenges imposed by governments and vice versa.

The data in relation to environmental construct 5: Export compliance shows that firms, no matter in the context they operate, need to comply with the regulations issued by authorities. In this regard, the customs limitations or embargoes/ sanctions were the most important universal component which challenges the firms in their process of internationalization.

Moreover, the individual, as well as organizational characteristics of the small and medium venture in their internationalization, is also addressed. The data in relation to organizational/ individual construct 1: International network capabilities shows that there is no common approach to networking in two countries and no universal determinants regarding the international network capabilities are found. However, the findings indicate that the networking is impacting on the international performance of Italian firms via developing relationships with international partner/ representatives and maintaining relationships with industry relevant authorities. In the other context, Iran, managers benefit

the persistent presence in international exhibitions/ summits, developing relationships with international suppliers, and developing relationships with international distributors.

The data in relation to organizational/ individual construct 2: International vision shows that the aspiration to grow international customers and the desire to develop foreign activities through the opening sale or representative office is a universal component of international vision. Moreover, the findings indicate that only Italians cases indicated that have the ability to envision international business in the future while the Intention to develop international competencies, logistic, advertising etc. was exclusively evident in Iran.

The evidence of the organizational/ individual construct 3: International business experience that although the international experience of living and/ or in another firm abroad were not an influential element of international experience, having an academic degree is a key and universal factor for internationalization of firm. In addition, only Italian entrepreneurs leverage their experience of attendance in relevance programs like conferences, workshops etc. in promoting their firms in global markets.

Evidence of the organizational/ individual construct 4: International entrepreneurial motivation indicates that SMEs, regardless their location, are attracted to the global markets for making more profit, expanding the market, and increasing their social respect. Nevertheless, only Italian entrepreneurs emphasized that they motivated to export their products/ services because of their personal tendency. In addition, Iranian businesses are exclusively pushed to the international markets due to the declining their sale in the domestic market, facing the saturated domestic market, and the existence of high competitive pressure in the domestic market. In fact, besides of the universal determinants, the domestic challenges in the market of Iran forced their firms to internationalize.

The evidence of the organizational/ individual construct 5: Product/ Service distinctiveness in international markets shows that in both countries, firms distinguish themselves by, firstly, the high-quality productions and secondly, exclusive product/ service. These critical elements of distinctiveness and are not dependent on a special place but are universal determinants. One interesting outcome represents that the desire to increase the

basket of products in Italy and Iran is not high and firms prefer to focus on special activities rather than expanding their product/ services.

Evidence of the organizational/ individual construct 6: International entrepreneurial proactiveness. Evidence from the research indicates that the SME international entrepreneurial proactiveness appears in both countries through launching a new project, curiosity and being in search of discovery, investing to take a business opportunity, and selling products/ services abroad. These key components are universal for internationalization of SMEs regardless the place that firm operates. Moreover, the initiation actions to which other organizations respond was seen as the critical factor of international proactiveness exclusively among Iranian businesses. However, no exclusive determinant in Italian context found in this research.

Evidence of the organizational/ individual construct 7: international entrepreneurial risk-taking propensity shows that evaluation and trying to control the uncertainty before taking the risk was noted as being the most influential component of risk-taking in universal context of entrepreneurial internationalization. Evidence from the case studies indicates that while risk-taking is one of the characteristics of international entrepreneurship, managers are not likely to jeopardize their business for taking the risk without analyzing it before. In addition, as result proved, Italians are highly risk-takers by committing resources to international projects where there is a risk of failure and taking the risk of exploring new market where Iranians do not prefer to do the same.

The last concept to be addressed in this chapter was organizational/ individual construct 8: International entrepreneurial innovation displays that businesses operating in both countries are likely to make initiatives in an existing production/ service as in innovative effort. In fact, firms leverage the innovative changes in their products or services to offer new thing for their global market. In addition, the Italian firms indicate the international innovativeness exclusively through, firstly, reproducing an existing product in a new way and secondly, opening new markets. However, Iranian businesses, solely, found the innovative solution as introducing new product/ service in the foreign market.

5.3 Research contributions

This research makes some important theoretical and managerial contributions. The theoretical contributions will be addressed first.

5.3.1 Theoretical contributions

In recent years, the research in international entrepreneurship has highly assisted in the development of theory and, this is the reason that IE theory remains fragmented and suffers from the unified direction in theory (Coombs et al., 2009; Peiris et al., 2012; Zahra & George, 2002). Literature in the field of IE highlight that at the macro level clarification and unification of methodologies are still remote (Coviello & Jones, 2004). Therefore, the main theoretical contribution of this research depends on the possibility of the research to lead the researchers' thought to the importance of theory development in IE. As such, this dissertation stresses on two challenges on the way of understanding the internationalization of entrepreneurial SMEs. Research investigating IE often do not provide a comprehensive insight of SME internationalization from the perspective of entrepreneurs, firms, and environment and usually stick to only the singular dimensioned theoretical construct. For example, Manolova et al. (2002) studied individual attributes, Zahra and Garvis (2000) explored firm attributes, and Bruton et al. (2010), as well as Busenitz et al. (2000), investigated environmental attributes. This thesis contributes to the IE theories by combining institutional theory, RBV, and international entrepreneurial orientation, in which the SME internationalization is considered to be influenced by the individual, organizational and environmental perspectives.

Given the constraint of the characteristics required for internationalization of entrepreneurial SMEs, it is assumed that this research will assist to identify the nature of the people/ place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'. Therefore, the findings of this research discussed on two kinds of determinants. First, the universal factors that influence on SME internationalization regardless the location of the firm. Second, the context-based factors, which are dependent on nature of the people/ place of the firm and differentiates the performance of the SMEs in the global markets. By doing so, it can be distinguished that

what kind of these multidimensional determinants are exclusively dependent on a specific context and which factors are influential in any places.

Expanding the international activities is crucial for firms, especially SMEs, to survive, succeed and growth (Dikova, Jaklič, Burger, & Kunčič, 2016; Majocchi, Bacchiocchi, & Mayrhofer, 2005) and promote their economic growth. Moreover, SMEs need to get along with various exporting challenges, depending on that from which country SME operates. For instance, SMEs belongs to transitional economies mainly meet internal derived challenges like unprincipled and unskillful behavior or lack of capital (Khattak, Arslan, & Umair, 2011) whereas firms from developed economies generally confront external problems like or import restriction policies or political instability (Neupert, Baughn, & Dao, 2006). This thesis contributes to the IE theory by adding the concept of export compliance as an institutional variable that firm should consider in their international activities. In this regard, as Jafari Sadeghi et al. (2017) state, export compliance emerges as a hot topic in the world of international business, which should be considered in studying the internationalization of firms. However, although the literature has scantily considered the export compliance issues in the IE literature in last few years, academia turned the attention to the essence of this multidisciplinary driver for internationalization of firms.

5.3.2 Managerial contributions

The findings of this thesis identify various variables affecting the internationalization-performance of the small and medium firms. Managers of the international entrepreneurial SMEs can take advantage of the key outcome of this research as a tool for reconfiguring their firm's processes so as to increase their competitive advantage and eventually international performance. For instance, the crucial resources needed to obtain performance in outside of the borders are the elements of the international entrepreneurial orientation such as international proactiveness, risk-taking, and innovativeness. The outcomes of the study highlight that these components of ventures are important for international business strategy. Similarly, other recognized determinants such as international vision, motivation, etc. are critical for international market success.

While the final model identified in this research represents a number of variables are needed for ventures to obtain optimal performance outcomes, managers should pay attention to the characteristics of the place that they want to make business. For instance, in order to have a successful international business in Italy developing relationships with industry relevant authorities is crucial while it is not necessarily required for the business creation in Iran. As such, this research assists international entrepreneurs and managers in identifying the most pertinent factors for establishing an internationally oriented SME in Italy and Iran. These variables that are listed as universal factors, which contributes in both countries, or Italian-, Iranian-context-based will help managers to identify which characteristics are required for creating an international business in addressed nations.

In last decade, one emerging issue for ventures desire to sell their products and services abroad is their commitment to avoid making conflict at international level. In fact, firms have to comply with the international regulations to prevent violations which make the world unsafe. However, exporting firms no matter their size, whether large and multinational firms or SMEs, may directly or indirectly face with the export compliance violations. The western governments for increasing their national security rely on the due diligence of exporters. However, there is an increasing concern linked to security, whether international or homeland, as well as terrorism and the proliferation of mass destructive weapons. Therefore, there should be a strong partnership between the public and private sector that prevent any diversion of dual-use items for devastating and harmful purposes (BIS, 2011). In this case, making a balance between national security, from one perspective, and commercial and efficiency interests, from the other perspective, is an essential issue for firms to consider which can be applied by promoting innovation while minimizing risks (Samson, 2015). For this reason, export compliance as a multidisciplinary tool assists managers to mitigate the risk of being imposed by sanctions, embargoes, and other restrictions. An important managerial continuation of this thesis is exploring the role export compliance in SME internationalization and introducing as a multidisciplinary tool for survival of firms active in the global market.

According to EIFEC (2017), export compliance is defined as a multidisciplinary and specialized framework, which supports enterprises in compliance risk management, like the

risk of reputation deterioration administrative or administrative sanctions or financial losses for non-compliance with rules, regulations, laws, and legislation, codes of conduct and good practice (Biancone & Jafari Sadeghi, 2016). It includes all international activities of organizations including export and import of any kind of commodities and/ or services, whether tangible or intangible assets (also the money transfer or payment) which somehow are subject to restrictive regulations (Dual-Use, Sanctions and restrictive measures etc.) enforceable to arrangement between two different jurisdictions/ states/ entities (EIFEC, 2017). The term organizations are intended as all public and private organizations that have activities falling within the scope of this charter including companies of any nature, associations and even bodies. The term export also refers to the international activity of organization; an import in a broader sense, as an indissoluble operation (EIFEC, 2017).

However, depending on the size and the nature of the firm, compliance programs might vary. For instance, some firms decide to appoint a single expert responsible for compliance endeavors as well as administration, performance, and coordination of export. Other kinds of organizations prefer to decentralize these authorities to a number of employees throughout the organization and supervise these responsibilities to make sure if essential compliance standards are maintained. To avoid of failing to comply with export regulations the size and organizational structure, and production/ distribution network of an organization act as the crucial determinants of where personnel and compliance functions should reside. Many enterprises amalgamate the administration of recordkeeping, training, dissemination of regulatory material, the alarm of failure to comply, and audits. However, wherever firsthand knowledge and information of customers is available, the actual screening efforts against different governmental restrictions of foreign individuals that ought to be avoided, known and tracked end-use and end-user activities, and violation risk may be carried out by personnel throughout the organization like in sales and marketing, order entry, or shipping (BIS, 2011).

At the first glance, it comes to the minds that export control and compliance regulations are a barrier, which threads firms for conducting an international business activity. Numerous rules, laws, and regulations create complexity and being compliant and resolving the challenges take energy and time from international oriented organizations. In another

perspective, however, export compliance is not a thread but also an opportunity to ensure their existence in the foreign markets. Depending on the size, as an ownership resource, and the nature of the firm, compliance programs might vary. For instance, some firms decide to appoint a single expert responsible for compliance endeavors as well as administration, performance, and coordination of export. Other kinds of organizations prefer to decentralize these authorities to a number of employees throughout the organization and supervise these responsibilities to ensure if essential compliance standards are maintained. By this means, enterprises can ensure that their international activities (like imports and exports) are safe both for themselves, which creates a safeguard to avoid imposing sanctions and for the global community to ensure that no harms thread the human. Moreover, export compliance creates this opportunity for the firms to prevent consequences of unwanted export compliance violations, including sanctions, blacklists, fines, penalties etc.

5.4 Limitations and future streams of research

The sample of this dissertation was initially restricted to the international entrepreneurs. In order to assure the accuracy of responses, Huber and Power (1985) propose that an effort should be made to recognize the person most knowledgeable in regards to the issue of interest. The selection of the interviewees was performed following the guidelines in selecting suitable interviewees (e.g. international entrepreneurs or founders/ owners or central-decision makers) presented by Huber and Power (1985). Hence, a pre-screen process of international entrepreneurs was conducted to make sure whether they were the founder, owner or at least central decision-maker in the firm. Similarly, another pre-screening was performed to distinguish entrepreneurs from non-entrepreneurs in the process of data collection. However, the information collected in this dissertation is based on self-reporting that increases the probability of being biased for social desirability responses, a long-standing issue for IE researchers. Future research should seek to verify the results of this thesis through an empirical analysis to ensure that whether the findings obtained in this research can be comprehended to the whole population of this context.

This research is also limited to the investigation of goods and service firms only. According to the World Bank (2016), the annual export value of goods and services combined is 29.8% of GDP in Italy and 22.4% of GDP in Iran. In 2008, 4.6% of the adult

population in Italy was involved in early-stage entrepreneurship, as a nascent or new entrepreneur (Corbetta et al., 2008). Iran also has witnessed and shown an increasing interest in various entrepreneurship fields, in higher educational settings, policymaking, and business (Karimi et al., 2010). Considering the entrepreneurial theme of this dissertation, exploration of key informants from the Italian and Iranian region was deemed appropriate. Future streams of research can expand the scope of this dissertation into other contexts/ countries with different characteristics.

The findings in this research are drawn only from SMEs, ranged between 1 to 250 employees, from the Italian and Iranian international firms (Jafari Sadeghi & Biancone, 2017a). Small ventures employ not more than 50 employees, and medium-sized firms between 51 and 250 employees (OECD, 2005). In the European Union, SMEs provide about 75 million jobs and represent 99% of all enterprises (ETSI, 2018). Specifically, SMEs make a significant contribution to the Italian economy (the first context of this study), representing 99.9% of enterprises and accounting for 80% of the industrial and service labor force (Eurostat, 2011; OECD, 2005). In the second context of this research, SMEs contribute to the 94% of Iran's industry sector and account for 70% of job opportunities and 50% gross domestic product (GDP) across the economy (AGAH, 2018). These statistics represent the importance of small and medium ventures to the economic prosperity of the studied countries, Italy and Iran. Future research should consider the type of firms not seen in this study. Such firms may include micro-enterprises and large multi-national corporations.

5.5 Conclusion

The Chapter Five has represented the discussion of the case study analysis that corresponds to the two research questions: *Q1. What are drivers needed for the internationalization of SMEs in the different locations that have various characteristics? In addition, how do these determinants influence the international performance of SMEs? Q2. Given the constraint of the required entrepreneurial characteristics (Q1), what are the nature of the people/place shaped characteristics that can contribute to successful international entrepreneurship by particular people 'on their own terms'.* Further, this chapter of the dissertation has differentiated the context-based drivers that are seen only in the process of international entrepreneurship in the specific place with those determinants

that have the same impact IE processes regardless the nature of people/ place. Furthermore, the theoretical and managerial contribution of the findings has been addressed. Subsequently, a discussion the research limitations followed by the suggestion for future studies have been presented.

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Appendix

CONFIDENTIAL

Interview Protocol

Disentangling the entrepreneurial determinants of the internationalization of small and medium-sized enterprises in the evolving economies

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INTERVIEW PROTOCOL

OPENING

Thank the participant for their time

Firstly, thank you for taking the time today to have this discussion with me. This Ph.D. research would not be possible without your valuable contribution. We have come together today to discuss the entrepreneurial determinants of the internationalization of small and medium-sized enterprises in the evolving economies. It is expected that the outcomes of this Ph.D. research will assist international entrepreneurs, such as yourself, in identifying your firm's unique resources and capabilities that can be used to explore international markets, including the ability to adapt the firm's services and products to foreign market needs. These key findings will further assist international entrepreneurially focused firms in understanding foreign market needs and demands, but also facilitate the development of knowledge crucial for internationalization especially for the indigenous entrepreneurs like you.

AIM OF THE RESEARCH

Explain the outcome of the Ph.D. research

The aim of this Ph.D. research is to explore and investigate an under-researched topic: the relationship between capabilities, resources, home country context and the international market performance among international entrepreneurial firms. The aim of this Ph.D. research is to demonstrate the role of a firm's unique resource/ capability bundle on the international market performance of the firm. The result of this research is going to help international entrepreneurs like to have a better insight of the entrepreneurial characteristics are needed for the internationalization of ventures in different places. The result is also expected to reveal how different people in different places develop themselves and their economies by leveraging the pure resources in their land to start new businesses across the borders.

PROCESS OF THE INTERVIEW

Explain how the interview will operate

In regard to our discussion today, there are no right or wrong answers to the questions we will discuss. I am simply interested in your opinions and experiences. This is a totally confidential conversation and information I record, such as your full name *and* demographic

information will be kept by the researcher or the University of Turin. For the safety of yourself and your firm, I will disguise your name, company name and any personal identifying information in the final report, so you remain anonymous unless prior permission in writing has been obtained by you to reveal your identity. All undisguised information will not be made public, nor will the information be given to a third party outside of my supervisors Professor Paolo Pietro Biancone, Professor Robert B Anderson, and Professor Jean-Marie Nkongolo-Bakenda. Today's process involves a conversation to discuss your opinions and experiences about the types of resources your firm uses to attract and attain customers in international markets. The complete interview process will take approximately ninety minutes. I would like to tape record today's session, as I will be transcribing this discussion for analysis purposes. When I have completed the analysis, I will provide you with a copy of the summary report for feedback and to ensure that your views have been appropriately represented.

As part of the University's ethical clearance policies, you are required you to complete the two forms in front of you:

- 1. A *participant consent form*;** it is a requirement of the university's research policy to complete this form. The document outlines that the research team will respect your confidentiality and that any information discussed here today will not be used to personally identify participants here today in any publications or conference discussions.
- 2. An *informant details sheet*;** general demographic information about you. Only members of the research team will be privy to this information.

***If you require confirmation or further details about the research project you can contact
my primary Ph.D. supervisor in Italy or Co-supervisor in Canada:***

Professor Paolo Pietro Biancone- Primary Supervisor

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Can I please get you to state your name and your business's name?

<i>Case number</i> -----	<i>Interview number</i> -----	<i>Date</i> -----
<i>Business name</i> -----		
<i>Interviewee's name</i> -----	<i>Interviewee's job title</i> -----	
<i>Interview location</i> -----		
<i>Interview start time</i> -----	<i>Finish time</i> -----	

PART A: OPENING QUESTIONS

1. What is the age of the business?
2. What is your role in this business?
3. Are you also the central/ one of the central decision maker/s within the business? If so, can you tell me about the types of decisions you make in your firm on a daily basis?
4. Can you please tell me about the main product or services of your business? Do you export products, services or both?
5. How many employees are involved in your business?
6. How many offices do you have? Do you have any offices in another country/ies?

PART B: INTERNATIONAL ENTREPRENEURIAL ORIENTATION

7. To what extent do you consider yourself an international-oriented entrepreneur? (Tick)

I ...

INTERNATIONAL ENTREPRENEURSHIP CHARACTERISTICS						
	Strongly Disagree	Disagree	Neither/ Nor Agree	Agree	Strongly Agree	Not Applicable
❖ would rather to be my own boss.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ am mostly in the launching new project.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ am rather curious and I am steadily in search of discovery.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ am ready to invest part of my capital to take a business opportunity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ prefer to create a business in a foreign country.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ intend to sale my products/services abroad.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ try to take the initiative in every situation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ excel at identifying opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ initiate actions to which other organizations respond.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Are you likely to make investments in new international projects that are risky? If so, could you explain what makes you do so?
9. Do you consider yourself to be highly innovative within your firm? If so, can you please give me an example/s of something different or new you have done in the past year to do with your international customers?
10. How important are following factors for you within your firm? (Tick)

IMPORTANCE OF INTERNATIONAL PROACTIVENESS				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>
IMPORTANCE OF INTERNATIONAL INNOVATION				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>
IMPORTANCE OF INTERNATIONAL RISK TAKING				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>

PART C: INTERNATIONAL ENTREPRENEURIAL OPPORTUNITY

11. How do the following statements most stimulate you to pursue the international opportunities? (Tick) I desire to internationalize my firm because:

	MOTIVATION					
	Strongly Disagree	Disagree	Neither/ Nor Agree	Agree	Strongly Agree	Not applicable
❖ I can sale my overproduction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ our sale in domestic market is decline.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ there is a high competitive pressure in domestic market.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ the domestic market is saturated.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ exporting makes more profit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ I can expand my market.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ I can benefit from governmental incentives (tax benefit and etc.).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ the has been a tendency to export inside of me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ exporting brings more social respect	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
❖ other (explain).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. In the environment that your firm operates, are there any influencing factors (political, technological, economic and etc.) which are changing over the time and impress the performance of your international activities? If so, please explain their impact.

13. Do you think that your business faces the competitive pressures within the industry? If so, to what extent, these pressure effect on your performance?

14. Do your customers in their purchase demand similar products/ services? Can you please explain the diversity of your customers' needs?

15. How different are your products/ services from your rivals? Can you please explain the distinctiveness of your products/ services?

16. How important is the international entrepreneurial opportunity for you? (Tick)

IMPORTANCE OF INTERNATIONAL ENTREPRENEURIAL OPPORTUNITY				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>

PART D: INTERNATIONAL FORESIGHT

17. Do you aspire to increase your current international activities? If so, how do you want to do this (your plan)?

18. Do you intend to target additional country markets within the next two years? Which markets and why?

19. Where do you envisage your firm to be in five years' time?

20. How important is it for you to have an international vision in your firm? (Tick)

IMPORTANCE OF INTERNATIONAL FORESIGHT				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>

PART E: INTERNATIONAL EXPERIENCE AND NETWORK

21. Can you please tell me about the training program in the context of entrepreneurship, international business and other relevant courses that you have attained?

TRAINING			
	Yes	No	More information
Academic degree	<input type="checkbox"/>	<input type="checkbox"/>
MBA or mini MBA programs	<input type="checkbox"/>	<input type="checkbox"/>
Special courses	<input type="checkbox"/>	<input type="checkbox"/>
Conferences	<input type="checkbox"/>	<input type="checkbox"/>
Workshops	<input type="checkbox"/>	<input type="checkbox"/>
On-job training programs	<input type="checkbox"/>	<input type="checkbox"/>
Online training programs	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>

22. Did you have previous international business experience prior to this business? If so, can you tell me about your previous experience?

23. How many years' experience do you have in this industry in which your business operates?

24. How many years' experience do you have in this current business?

25. Can you please indicate how important your international business experience is to your business success? (Tick)

IMPORTANCE OF INTERNATIONAL BUSINESS EXPERIENCE				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>

26. Do you have international business networks? If so, can you please explain the types of international networks you have?

27. In your opinion, do you think that your international networks have influenced your firm's international market performance? Why do you think so?

28. How important are your international networks to you? (Tick)

IMPORTANCE OF INTERNATIONAL NETWORKS				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>

PART F: LOCAL RESOURCES

29. Do you benefit from specific local resources for your business? If so, can you please explain the types of resources you have?

30. Does your business suffer from the scarcity of resources needed for its international activities?

31. In your opinion, how do your local resources leverage the performance of your firm in the international markets?

32. How important are your resources to you? (Tick)

IMPORTANCE OF LOCAL RESOURCES				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>

PART G: EXPORT COMPLIANCE

33. In your international market, is there any regulations or licensing requirements that restrict the export of your products/ services? If so, please give some examples these restrictions and explain how your firm ties to comply with them.

34. How well do you know the identity of your customers abroad? Do you think that recognition of end user/s help to avoid non-compliance with export control regulations?

35. Do you document your international activities to ensure if your firm is compliant with the international export regulation?

36. In your opinion, how does export compliance influence the international presence of your firm?

37. How important export control and compliance to you? (Tick)

IMPORTANCE OF EXPORT COMPLIANCE				
No importance <input type="checkbox"/>	Slight importance <input type="checkbox"/>	Moderate importance <input type="checkbox"/>	Strong importance <input type="checkbox"/>	Very strong importance <input type="checkbox"/>

PART H: INTERNATIONAL PERFORMANCE

38. Can you please tell me how many years your firm has been exporting?

39. Can you please tell me the number of countries/ markets your firm currently exports to?

40. Can you please tell me the average volume and value of annual export in last year?

41. Can you please tell me the percentage of your export in last year?

42. What are the top five continent/countries you export to? To which country did your firm first export?

FIRST EXPORT MARKET	
Country: -----	Country: -----
Country: -----	Country: -----
Country: -----	Country: -----
Country: -----	Country: -----
Country: -----	Country: -----

PART I: WRAP UP

43. Do you have any other comments in relation to the questions I have asked you today?

44. Can you provide the details of anyone who you think may be useful for this Ph.D. research project?

*Finally, thank you for your time.
Your input will be valuable for this Ph.D. research.*

Appendix 2 Consent form

CONSENT FORM

If you are happy to participate, please complete the consent form below

- I confirm that I have read the research project and have had the opportunity to consider the information and ask questions and had these answered satisfactorily. *Yes: _____ No: _____*

- I understand that my participation in this study is voluntary and that I am free to withdraw at any time without giving a reason. *Yes: _____ No: _____*

- I grant permission to be audio recorded. *Yes: _____ No: _____*

- I agree to take part in this project. *Yes: _____ No: _____*

Name of Participant

Signature

Date

Researcher's Signature

Date



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Appendix 3 Informant sheet letter

INFORMANT DETAIL SHEET

Name: ----- Business's name: -----

What is your age? -----

What is your gender? Male Female

What country were you born in? -----

Where do you live now? ----- How long have you lived there for? -----

What is your marital status? -----

What is the highest degree or level of school you have completed? If currently enrolled, highest degree received? -----

What languages are spoken in your home? -----

Date & Signature -----



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Appendix 4 Recruitment Email for interviews (English)

Subject:

Participate in a Ph.D. research study looking into how entrepreneurial firms can improve their international performance!

Recipient:

FIRM'S NAME

My name is Vahid Jafari Sadeghi from the Department of Management at the University of Turin. I am currently completing my Ph.D. on successful firm internationalization leveraging entrepreneurial characteristics in different environments, and am looking for respondents to help me complete my Ph.D. research.

I am looking for people like yourself to answer some questions about the different types of resources and capabilities your firm uses to leverage your international market performance. This is important given that the firm's success in international markets relies heavily on the firm's ability to recognize and deploy resource capabilities. In addition, I am trying to understand the nature of the people/ place shaped characteristics that can contribute to successful international entrepreneurship.

This would involve an interview (90 minutes of your time) that should be conducted to the founder/ owner of the firm or his/ her representative. I have attached a document providing more information about this Ph.D. research. Should you require more information, please do not hesitate to contact me to request further information. Please note that this study has been approved by the Department of Management at University of Turin, Italy, Professor Paolo Pietro Biancone, with the cooperation of Kenneth Levene Graduate School of Business at University of Regina, Canada, Professor Robert B Anderson and Professor Jean-Marie Nkongolo-Bakenda.

I hope that the results of my study will be of benefit to those organizations directly involved in the study, other voluntary recreation organizations not directly involved in the study, as well as to the broader research community.

I very much look forward to speaking with you and thank you in advance for your assistance in this project.

Warm regards,

Vahid Jafari Sadeghi

Ph.D. Candidate

Department of Management

University of Turin

Corso Unione Sovietica 218 bis 10134, Turin, Italy

Phone: +39388111222, Skype: v.j.sadeghi

Email: Vahid.JafariSadeghi@unito.it



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Appendix 5 Recruitment Email for interviews (Italian)



Alla Cortese Attenzione di

FIRM'S NAME

Oggetto: “Lettera di supporto al progetto “Entrepreneurial Determinants of the Internationalization of SMEs – Caratteristiche di imprenditorialità per l’internazionalizzazione delle PMI”

Gentilissimi,

con la presente, si chiede cordialmente la partecipazione al progetto di ricerca ad oggetto che verrà sviluppato nella tesi di Dottorato del PhD Vahid Jafari Sadeghi, dottorando afferente al Dipartimento di Management, Università degli Studi di Torino con la supervisione del Professore Paolo Pietro Biancone.

In particolare il progetto è volta ad indagare la mission, l’orientamento e le caratteristiche imprenditoriali adottate dalle imprese nel contesto internazionale e quali sono i risvolti all’interno della realtà aziendale in termini di performance e risultati attesi.

Il progetto, che ha un risvolto a livello internazionale verrà sviluppato formalmente dal dottorando Vahid Jafari Sadeghi con la supervisione del Professore Paolo Pietro Biancone e con la collaborazione estera di una Business School canadese, la Kenneth Levene Graduate School of Business, University of Regina che coinvolge il Professore Robert B Anderson e la Professore Jean-Marie Nkongolo-Bakenda. Sotto il profilo sostanziale, il progetto rappresenta una buona opportunità per sviluppare meglio il filone di ricerca del processo di

internazionalizzazione delle PMI e, allo stesso tempo, per contribuire allo sviluppo del proprio territorio.

La relazione con le aziende del territorio locale costituisce infatti una delle mission primarie del nostro Dipartimento e con riferimento al seguente progetto, il vostro contributo sul tema rappresenta un elemento distintivo e qualificante per il progetto stesso.

Nel caso in cui la Vostra mission sia allineata agli obiettivi del progetto, saremmo onorati di collaborare con Voi, sia nell'identificazione delle domande di ricerca di Vostro interesse, sia nella fruizione dei risultati del progetto nell'ambito della Vostra realtà aziendale.

La Vostra partecipazione formale al progetto si manifesta attraverso un'intervista della durata di un'ora nella quale vi verranno sottoposte le domande presenti nel questionario, del quale Vi alleghiamo una traccia. L'intervista sarà rivolta al manager aziendale, oppure al fondatore o ancora ad un suo delegato.

Rimango a disposizione per qualsiasi chiarimento e Vostra considerazione.

Confidando di poterci confermare la vostra partecipazione e sostenere l'idea progettuale, vogliate gradire i più cordiali saluti.

Vahid Jafari Sadeghi – Ph.D. Candidate
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