

XIAOTIAN ZHANG

Internationalization processes
of Chinese firms:
The role of knowledge



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LIST OF AUTHOR'S ORIGINAL PUBLICATIONS

I. Articles as international book chapters

1. **Vissak, T. and Zhang, X. (2013, forthcoming)**, The role of key foreign employees in successful development: do we need a wider research scope for internationalization studies? In: Etemad, H., Madsen, T. K., Rasmussen, E. S. and Servais, P. (eds), *Current Issues in International Entrepreneurship*. Edward Elgar Publishing.
2. **Vissak, T. and Zhang, X. (2013)**, The consequences of dishonesty in international partnerships: three Chinese cases. In: Vissak, T. and Vadi, M. (eds.) (*Dis*)*honesty in Management: Manifestations and Consequences*. Emerald Group Publishing.
3. **Zhang, X. and Larimo, J. (2012)**, Longitudinal internationalization processes of born globals: three Chinese cases of radical change and the global crisis. In: Marinov, M.A. (ed.), *Emerging Economies and Firms in the Global Crisis*. Houndmills, Basingstoke and New York: Palgrave Macmillan.
4. **Vissak, T. and Zhang, X. (2012)**, Which factors affect the internationalization of Chinese firms? In: Marinov, M. and Marinova, S. (eds), *Impacts of Emerging Economies and Firms on International Business*. Houndmills, Basingstoke and New York: Palgrave Macmillan.
5. **Vissak, T., Zhang, X. and Ukrainski, K. (2012)**, Successful born globals without experiential market knowledge: survey evidence from China. In: Gabriellson, M. and Kirpalani, V.H.M. (eds), *Handbook of Research on Born Globals*. Edward Elgar Publishing.
6. **Vissak, T. and Zhang, X. (2011)**, Becoming a true born global without any experiential market knowledge: three Chinese cases. In: Marinov, M.A. (ed.), *Internationalization of Emerging Economies and Firms*. Palgrave Macmillan.
7. **Zhang, X. (2011)**, John Deng. In: Zhang, W. (ed.), *Entrepreneurial and Business Elites of China – The Chinese Returnees who have Shaped Modern China*. FL: Emerald Group Publishing.
8. **Zhang, X. (2011)**, Hong Huang. In: Zhang, W. (ed.), *Entrepreneurial and Business Elites of China – The Chinese Returnees who have Shaped Modern China*. FL: Emerald Group Publishing.
9. **Zhang, X. (2011)**, Wu Ying. In: Zhang, W. (ed.), *Entrepreneurial and Business Elites of China – The Chinese Returnees who have Shaped Modern China*. FL: Emerald Group Publishing.

II. International conference articles

1. **Vissak, T. and Zhang, X. (2013)**, Opportunism in International Business: Three Chinese Cases. The 40th Academy of International Business Annual Conference (UK and Ireland Chapter): "International Business,

- Institutions and Performance after the Financial Crisis”. Aston Business School, University of Aston, UK.
2. **Zhang, X. and Tsukanova, T. (2012)**, Divers of Location Choices: Comparative Studies of Chinese Born Global and Non-Born Global Firms. The 38th European International Academy Annual Conference: “International Business and Sustainable Development”. University of Sussex, UK.
 3. **Vissak, T. and Zhang, X. (2012)**, Entrepreneurship of Chinese Immigrants: Case Evidence from Canada. The 38th European International Academy Annual Conference: “International Business and Sustainable Development”. University of Sussex, UK.
 4. **Larimo, J. Zhang, X. and Tsukanova, T. (2012)**, Market Strategy in Internationalization Process: Comparative Studies of Chinese Born Global and Non-Born Global Firms. The 15th McGill International Entrepreneurship Conference: “The Change in the Global Economy and the Future of International Entrepreneurship”. University of Pavia, Pavia, Italy.
 5. **Vissak, T. and Zhang, X. (2012)**, Chinese Immigrant Entrepreneurs’ Activities in Canada: Three Cases. The 15th McGill International Entrepreneurship Conference: “The Change in the Global Economy and the Future of International Entrepreneurship”. University of Pavia, Pavia, Italy.
 6. **Zhang, X. and Tsukanova, T. (2012)**, Drivers in Market Selection in Internationalization Process: Comparative Studies of Chinese Born Global and Non-Born Global Firms. The Academy of International Business UK & Ireland Chapter 39th Annual Conference: “New Global Developments and the Changing Geography of International Business”. University of Liverpool Management School, Liverpool, UK.
 7. **Vissak, T. and Zhang, X. (2012)**, Internationalization of Chinese Firms: Which Factors Matter? Revisiting Internationalization: Dynamics and Sustainability: “Revisiting Internationalisation: Dynamics, Diversity And Sustainability”. Center for International Business, Aalborg University, Aalborg, Denmark.
 8. **Zhang, X. and Larimo, J. (2011)**, Longitudinal International Development in Born Global Firms: Three Chinese Cases of Radical Changes in the International Operations. The 11th Vaasa Conference on International Business. Faculty of Economics and Business Administration, University of Vaasa, Vaasa, Finland.
 9. **Vissak, T. and Zhang, X. (2011)**, Chinese SMEs Internationalization Despite Lacking Knowledge: Survey Evidence. The 37th European International Business Academy Annual Conference: “Taking International Business to the Next Level – Emerging Issues, Strategies and Economies”. Faculty of International Business and Economics, Academy of Economic Studies, Bucharest, Romania.

10. **Zhang, X. and Larimo, J. (2011)**, Longitudinal Internationalization Processes of Born Globals: Three Chinese Cases of Radical Changes. The 37th European International Business Academy Annual Conference: “Taking International Business to the Next Level – Emerging Issues, Strategies and Economies”. Faculty of International Business and Economics, Academy of Economic Studies, Bucharest, Romania.
11. **Vissak, T. and Zhang, X. (2011)**, The Role of Key Inpatriates in Successful Inward Internationalization: Two Cases from China. The 14th McGill International Entrepreneurship Conference: “Opportunities and Challenges for International Entrepreneurial Firms in a Time of Economic Turbulence”. The University of Southern Denmark, Odense, Denmark.
12. **Zhang, X. (2010)**, Successful Born Global Without Knowledge: Case Study Evidence from China. The 36th European International Business Academy Annual Conference: “IB’S Role in Building a Better and Stronger Global Economy”. The University of Porto, Portugal.
13. **Zhang, X. (2010)**, New Internationalization Processes of Export-oriented Enterprises – Case Study Evidence from East of China. 11th Bi-Annual Conference of European Association for Comparative Economic Studies: “Comparing Responses To Global Instability”. University of Tartu, Estonia.
14. **Zhang, X. (2010)**, New Forms of Internationalization of Chinese SMEs, The 37th Academy of International Business Annual Conference (AIB UK & Ireland Chapter): “Regionalism and Globalization”. Trinity College Dublin, Dublin, Ireland.

III. Publications in other journals or business papers

1. **Zhang, X. (2010)**, Business relations between the Baltic States and China, Example of Estonia. *Journal of Baltic Rim Economies*, 5, 46–48.
2. **Zhang, X. (2011)**, Chinese Business Communities in the Baltic States, *Eesti Päevaleht – Ärileht*.
3. **Zhang, X. (2011)**, Export Estonian IT products and Services to China and the New Meanings of “Made in China”, *Äripäev*.
4. **Zhang, X. (2011)**, Attract More Chinese FDIs via Baltic Tourism Development, *Eesti Päevaleht – Ärileht*.
5. **Zhang, X. (2011)**, Resursiem bagātā Krievija un rijīgā Ķīna šķiet ideāls pāris. Vai vajadzētu sākt raizēties par to, ka Krievija pārorientēs savus energoresursus uz Āziju un atstās Eiropu ar “tukšām trubām”, *Dienas Bizness-Lietiska Diena*, Riga, Latvia.
6. **Zhang, X. (2011)**, When there is a Problem, There is a Need for Solution – What Can We Export to China? Environment Chapter, *Dienas Bizness-Lietiska Diena*, Riga, Latvia.
7. **Zhang, X. (2011)**, Export Estonian IT Products and Services to China – Situations, Problems and Solutions for the “Baltic Silicon Valley”, *Äripäev*.

8. **Zhang, X. (2011)**, Accomplish a Business Deal on the Dining Table? The Chinese Business Dinner Culture & Etiquette, Äripaev.
9. **Zhang, X. (2011)**, When Higher Education becomes International Business: Creating Better Future for Baltics via International Higher Education Cooperation, Dienas Bizness-Lietiska Diena, Riga, Latvia.
10. **Zhang, X. (2011)**, Tourism is a Key to the Baltics, Dienas Bizness – Lietiska Diena, Riga, Latvia.
11. **Zhang, X. (2011)**, Doing Business with Asia – How to Correctly Present a Business Card, Äripaev.
12. **Zhang, X. (2011)**, “Small State, Big Wisdom” – Create a Better Estonian Future via International Higher Education Cooperation, Postimees.
13. **Zhang, X. (2011)**, “Start your Business in Kunshan?” –Mainland China could be a better choice, Dienas Bizness – Lietiska Diena, Riga, Latvia.
14. **Zhang, X. (2011)**, “How to walk in the maze of Chinese B2B Platforms?” – The Correct Way to use Chinese B2B Platform for your Trading Business, Äripaev.
15. **Zhang, X. (2011)**, International Economic Relations between the EU and China, Eesti Päevaleht – Ärileht.
16. **Zhang, X. (2011)**, Strategy of “Go Together” – Enter Chinese Market with Sweden and Finland. Eesti Päevaleht – Ärileht.

INTRODUCTION

List of Papers

The thesis is a collection of five original publications. The specific publications are as follows:

- I. Vissak, T., **Zhang, X.** and Ukrainski, K. (2012), Successful born globals without experiential market knowledge: survey evidence from China. In: Gabrielsson, M. and Kirpalani, V.H.M. (eds), *Handbook of Research on Born Globals*. Edward Elgar Publishing, p. 353–380.
- II. Vissak, T. and **Zhang, X.** (2012), Which factors affect the internationalization of Chinese firms? In: Marinov, M. and Marinova, S. (ed.), *Impacts of Emerging Economies and Firms on International Business*. Houndmills, Basingstoke and New York: Palgrave Macmillan, p. 48–75.
- III. Vissak, T. and **Zhang, X.** (2011), Becoming a true born global without any experiential market knowledge: three Chinese cases. In: Marinov, M.A. (ed.), *Internationalization of Emerging Economies and Firms*. Palgrave Macmillan, p. 141–168.
- IV. **Zhang, X.** and Larimo, J. (2013), Longitudinal internationalization processes of born globals: three Chinese cases of radical change and the global crisis. In: Marinov, M.A. and Marinova, S (ed.), *Emerging Economies and Firms in the Global Crisis*. Houndmills, Basingstoke and New York: Palgrave Macmillan, p. 334–365.
- V. Larimo, J., **Zhang, X.** and Tsukanova, T. (2012), Market Strategy in Internationalization Process: Comparative Studies of Chinese Born Global and Non-Born Global Firms. The 15th McGill International Entrepreneurship Conference, “The Change in the Global Economy and the Future of International Entrepreneurship”. University of Pavia, Pavia, Italy.

The Importance of the Topic and Motivation for the Research

The internationalization process is a highly attractive topic, and has been widely studied by different streams of scholars. In the past few decades in particular, research interest in firms' internationalization processes has been increasing rapidly, with studies conducted through different theoretical approaches and many arguments being discussed in order to provide a commonly acceptable picture on what internationalization is, and how firms go international (Welch and Luostarinen 1988; Johanson and Mattsson 1988; Mattsson and Hertz 1998; Bell et al. 2003; Kuivalainen and Sundqvist 2006; Schweizer 2012; Hewerdine and Welch 2012; Xiao et al. 2013).

Two internationalization models dominate today: the "Uppsala Internationalization Process Model" (Johanson and Wiedersheim-Paul 1975; Johanson and Vahlne 1977; Johanson and Vahlne 2009) and the "Born global (BG)" model (Rennie 1993; Knight and Cavusgil 1996; Madsen and Servais 1997). Over the last two decades, BG studies have looked at both external and internal factors. Factors such as the owner's/key manager's background, entrepreneurial orientation and commitment, networking, the firm's tangible and intangible resources, modern communication methods, industrial clusters and government influence have been taken into account in order to analyze the drivers of BG firms' fast internationalization and illustrate their development paths (Coviello and Munro 1995; Madsen and Servais 1997; Sharma and Blomstermo 2003; Mascherpa and Zucchella 2011). According to Zou and Ghauri (2010), early studies of BGs mainly collected evidence from high-tech industries, while evidence from low-tech sectors were added later on (Majocchi and Zucchella 2003).

All of the internationalization process models include a common concept of "knowledge," which is considered extremely important for a firm's internationalization. Scholars such as Freeman et al. (2010), Brennan and Garvey (2009) and Saarenketo et al. (2004) have stated the importance of the role of knowledge in firms' internationalization processes. Previous studies on the Uppsala model, the Finnish (Helsinki) model and the innovation-related internationalization models show that firms that lack experiential knowledge¹ may be forced to internationalize more gradually by entering both geographically and culturally close countries via simple international operation modes, such as direct or indirect exporting. Culturally and geographically distant markets will only be considered and entered once the firms have acquired enough knowledge. Meanwhile, studies by Liu et al. (2008) and Naudé (2009) show that experiential knowledge is not always needed for fast internationalization. In a specific market such as China, a certain proportion of manufacturers in low-tech

¹ Experiential knowledge is defined as "all types of knowledge that firms accumulate by being active in foreign markets and implies the ability to search, analyze, and act on international business issues in local markets" (Blomstermo et al., 2004, p. 361).

sectors internationalized rapidly and became BGs without having any experiential knowledge in the early 1990s and 2000s. Therefore, the role of knowledge in firms' internationalization processes is still under investigation, making it difficult to form a generalization in this regard, considering the fact that little evidence has been collected from the East and other parts of the world. Hence, it is meaningful to implement further study in this field.

Another issue regarding firms' internationalization processes is the market selection strategies and location choice. Market selection, as a key step in a firm's internationalization process, has attracted a significant amount of attention. A number of approaches have been applied and different driving factors have been identified (Robertson and Wood 2001; Andersen and Buvik 2002) across various industrial sectors and geographic regions (Baena and Cerviño 2011; Brewer 2001). With respect to BG firms, market selection plays a significant role in their fast internationalization processes, especially during the first three years following their establishment, as one of the key features of BGs is to conduct cross-border actions in countries that are both culturally and geographically distant from the founding country (Rialp and Knight 2005; Kuivalainen et al. 2007; Rialp et al. 2011). Therefore, discovering the market selection strategies of Chinese BGs and non-born globals (NBGs), and the main drivers of these, will be useful.

Meanwhile, the existing internationalization process studies mainly focus on how firms initially go global, and illustrate what drives this internationalization; very few studies have paid enough attention to the later stages of firms' internationalization processes, meaning what the paths look like after they became international (Zettinig and Benson-Rea 2008). The work of Calof and Beamish (1995) and Benito (1997) on "de-internationalization," and of Welch and Welch (2009) and Javalgi et al. (2011) on "re-internationalization" shows that internationalized firms may drop from global markets, and can also re-enter foreign markets. Thus, firms' internationalization processes are not necessarily smooth; very often, the process could be described as a wavy line, rather than a curved or straight line. Therefore, in order to study firms' internationalization processes, the present study will not only consider the initial stages, but also take a long-term view.

In the last two decades, academics have paid increasing attention to Chinese firms' internationalization processes; however, these studies have been extremely limited, considering the total number and scale of Chinese firms (Wong 1999; Taylor 2002; Fan 2006; Gao et al. 2007; Deng 2007). China is currently the world's second-largest economy, and started its "Opening up and reform policy" a few decades ago. Compared to Western companies, Chinese firms have unique characteristics and concerns; hence, it is certainly valuable to examine the internationalization processes of Chinese firms, in order to discover whether the existing theories that have been built based on Western evidence apply to Chinese cases in the same way. It is also useful to study Chinese firms' internationalization processes with a focus on the specific issues

relating to the role of knowledge, market strategy, and the radical changes seen during the recent global financial crisis.

In addition, existing studies on Chinese firms' internationalization have mainly focused on large state-owned enterprises (SOEs), and relatively little research has been conducted on privately owned small and medium-sized enterprises (SMEs) (Hong and Sun 2006; Cui and Jiang 2010; Deng 2012). Due to the low transparency of information, and difficulties relating to collecting firm-level data in China, previous studies have mainly used secondary statistical data or case-based evidence to illustrate Chinese firms' internationalization paths (Liu et al. 2008; Yang et al. 2009a; Cui and Jiang 2010). Hence, research on private Chinese SMEs' internationalization conducted using first-hand data are extremely rare (Zhou 2007). Therefore, this thesis is based on first-hand, firm-level data, and thus is of high value.

In addition, from the methodological perspective, comparative studies between fast Chinese internationalizers (BGs) and slower internationalizers (non-born globals (NBGs)) is still missing (Deng 2012), and mixed-method approaches using quantitative and qualitative studies are rare in internationalization process studies, particularly those from emerging economies (Wong 1999; Taylor 2002; Fan 2006; Gao et al. 2007). Thus, conducting comprehensive research on the internationalization of Chinese BGs and NBGs is highly important.

Hence, to conclude, the internationalization processes of firms in the Chinese context is an extremely valuable topic that has received limited attention from previous research. Focuses on specific issues, such as knowledge and its roles in market selection, and the radical changes that have arisen during crisis periods, will allow this thesis to provide contributions to both international business literature and business practices.

The idea that knowledge is crucial for driving firms' internationalization processes is commonly accepted by most scholars (Saarenketo et al. 2004; Nummela et al. 2005; Freeman et al. 2010; Brennan and Garvey 2009), yet different opinions exist (Liu et al. 2008; Naudé 2009). For example, some suggest that knowledge is not necessary for firms' initial internationalization, and under certain circumstances knowledge may have a negative impact on firm's internationalization. Thus, these arguments have driven the author to investigate the role of knowledge in the case of China, and, specially, to discover the role of knowledge not only at the initial stage, but also later stages (exit and reentry), through a longitudinal lense. The exact research gaps and detailed theory-driven questions will be presented in the theory section of this dissertation.

Research Aims and Objectives

Using both quantitative and qualitative methods, and combining comparative studies and longitudinal analysis, the aim of this dissertation is to identify the role of knowledge in internationalization processes of Chinese firms. This will be achieved by systematically reviewing the literature on internationalization studies in the Chinese context, and by using firsthand firm-level data, and five original publications results, which are united under the same goal and yet have separate research tasks, and focus on different aspects using various methodologies.

The research aim of this dissertation is well distributed to five original works that is carried by each work. More specifically, Study I conducts a quantitative analysis that aims to show that Chinese BGs have internationalized successfully despite having less experiential market knowledge compared to other internationalizers. Study II aims to identify which factors are most important within the internationalization of globally more active Chinese firms. Study III considers how three Chinese firms have become true BGs without having any experiential market knowledge. Study IV, through a longitudinal approach, aims to analyze the development of the international operations of BGs in the long run, rather than over a short period of time. It summarizes the key features and operationalizations of BGs, and analyzes BG cases and their international operational development in the long run, with a focus on changes in terms of foreign market exit and reentry. Finally, Study V uses a quantitative method, and aims to analyze key aspects of the market strategies of Chinese firms by reviewing the similarities and differences between traditional exporters and BGs, using a comparative study approach.

In order to achieve the above aim, the following research tasks have been identified for this thesis:

1. Provide a theoretical overview of existing theories to explain firms' internationalization processes;
2. Conduct a systematic literature review of studies on Chinese firms' internationalization;
3. Collect first-hand, firm-level data on Chinese internationalizers;
4. Analyze the above data;
5. Compare the empirical findings with theoretical conclusions.

Contribution of the Individual Authors of the Studies within the Dissertation

This dissertation is based on five original studies, as outlined above. All of these studies were co-authored, and the author of this dissertation performed different roles in each study. The respective contributions of the author of the dissertation and the co-authors in the studies are described in Table 1.

Table 1 provides an overview of how the author contributed to each study, and how this then established the basis of the corresponding sub-chapters of the dissertation. In Study I, the dissertation author was responsible for the data collection process. Together with the co-authors, the author was involved in formulating the general research framework design, and conducting a discussion of the findings of the empirical data analysis. The co-authors were primarily responsible for the theoretical part of the study, which included quantitative processing and analysis. In Study II, the author jointly contributed to the study framework and the discussion of empirical data analysis findings via a secondary role. The author was mainly responsible for data collection, and assisted the co-authors in formulating the aims, contributions, policy implications and limitations of the study.

Table 1. Contribution of the author to the studies, and summary of how the chapters in the thesis correspond to the respective studies

Studies	Contribution of the author	Corresponding sub-chapters in this thesis
Study I	Responsible for quantitative data collection	2
	Assisted in general research framework design Assisted in the discussion of the findings	4.2–4.3
Study II	Responsible for quantitative data collection	2
	Assisted in general research framework design Assisted in the development of the theoretical framework	1.1–1.4
	Assisted in the discussion of the findings	4.2–4.3
Study III	Responsible for qualitative data collection	2
	Assisted in the general research framework design Assisted in the discussion of the findings	4.2–4.3
Study IV	Co-responsible for the design and development of the theoretical framework	1.1–1.4
	Responsible for reviewing the literature	1.1–1.4
	Responsible for data collection and analysis	2
	Responsible for the discussion of the findings	4.2–4.3
Study V	Co-responsible for the research design and development of the theoretical framework	1.1–1.4
	Responsible for reviewing the literature	1.1–1.4
	Responsible for data collection	2
	Responsible for the analysis of the findings, the discussion and conclusion	4.2–4.3

Source: compiled by the author

In Study III, the author conducted the data collection process. In an additional, supplementary role, the author contributed to the study framework design, discussion of the quantitative analysis findings, and the limitations of the study. The co-authors were responsible for the theoretical part of the study, and also the data processing and analysis. In addition, the co-authors contributed to the study framework design, methodology, discussion and conclusion. In Study IV, the general research framework, the theoretical part of the study, the qualitative data collection process, the methodology, and the discussion of the empirical findings were mainly the responsibilities of the author. The co-authors assisted with the research framework design, the theoretical framework and the discussion of the empirical findings. In Study V, the author primarily contributed to the theoretical part of the study, and the discussion of the quantitative data analysis findings and conclusions. In addition, the author conducted the data collection process. The co-authors mainly contributed to the data processing and analysis stages, and assisted in the research design, theoretical framework and findings analysis.

Research Contribution

The present thesis contributes to the internationalization literature, especially in the context of China. First, this research explored the role of knowledge in the early stages of firms' internationalization (in relation to both faster and slower internationalizers), and discovered that firms may internationalize successfully despite a lack of experiential knowledge. This discovery provides a critical argument and also fills a gap in current internationalization theories, wherein knowledge is considered crucial for internationalization (Liu et al. 2008; Naudé 2009; Xiao et al. 2013; Liu, et al. 2013).

Second, and more specifically, this research contributes to the BG studies by showing evidence regarding firms that internationalized rapidly and became BG internationalizers without any, or with extremely limited, foreign experiential knowledge. This adds new understanding to the BG literature, as well as filling a gap in current BG literature in terms of a lack of evidence from the East, and emerging markets such as China (Deng 2009, 2011).

Third, from the angle of export market choice, this thesis further analyzes both Chinese BG and NBG firms, and illustrates their foreign market strategies and expansion paths. The findings critically challenge the traditional Uppsala model (Johanson and Vahlne 1977, 1990, 2009; Johanson and Wiedersheim-Paul 1975) by illustrating that both BG and NBG firms choose to enter geographically and culturally more distance countries, rather than close ones; further, the research highlights the main drivers of firms' foreign market selections.

Fourth, from the methodology point of view, empirical studies focusing on firms from mainland China that contain reliable financial data are, to date, still

rare (Liu et al. 2008; Yang et al. 2009a). Perceptual measures of performance gathered from surveys have often been used in previous works on Chinese firms' internationalization performances, and secondary statistical data or case-based evidence have been applied to illustrate Chinese firms' internationalization paths (Cui and Jiang 2010). Therefore, firsthand, firm-level data regarding Chinese internationalizers are highly valuable for improving the reliability of the research findings and analyzing new research questions. In this thesis, the author self-collected first-hand firm-level data on 380 Chinese firms, thereby providing extremely valuable evidence to the international business research.

Fifth, the author applied mixed methods (Jick 1979, Scandura and Williams 2000; Creswell 2003; Erzberg and Kelle 2003) by using both quantitative and qualitative methods to analyze the data (Hurmerinta-Peltomäki and Nummela 2006), and longitudinal and comparative study approaches to investigate BG and NBG firms. This study can be considered one of the most comprehensive in the literature regarding Chinese firms' internationalization.

In addition to these contributions to theories and methodologies, the findings of the research provide government officials and policy makers with a good basis for decision-making in the context of promoting firms' export and other internationalization activities, as well as enhancing firms' improvement in knowledge acquisitions and innovations. The research results also provide managerial suggestions and guidelines for company owners and managers in terms of foreign market entry strategies, global expansions and firms' sustainable international growth.

Thesis Structure

This thesis consists of five chapters (see Figure 1). The first begins with an overview of internationalization studies, including: definitions of internationalization, internationalization process studies, BG studies, firms' foreign market strategies and export market choices and the radical changes seen during firms' internationalization processes (sub-chapter 1.1). The chapter then offers a comprehensive introduction to the role of knowledge in firms' internationalization processes, and focuses on illustrating how firms acquire foreign market knowledge (sub-chapter 1.2). This is followed by sub-chapter 1.3, which offers an overview of previous studies of internationalization in the context of Chinese firms. Sub-chapter 1.4 provides summaries of the studies, and their theoretical conclusions. Sub-chapters 1.1 and 1.2 are based on Studies I, II, III, IV and V. Sub-chapter 1.3 has been written especially for this thesis.

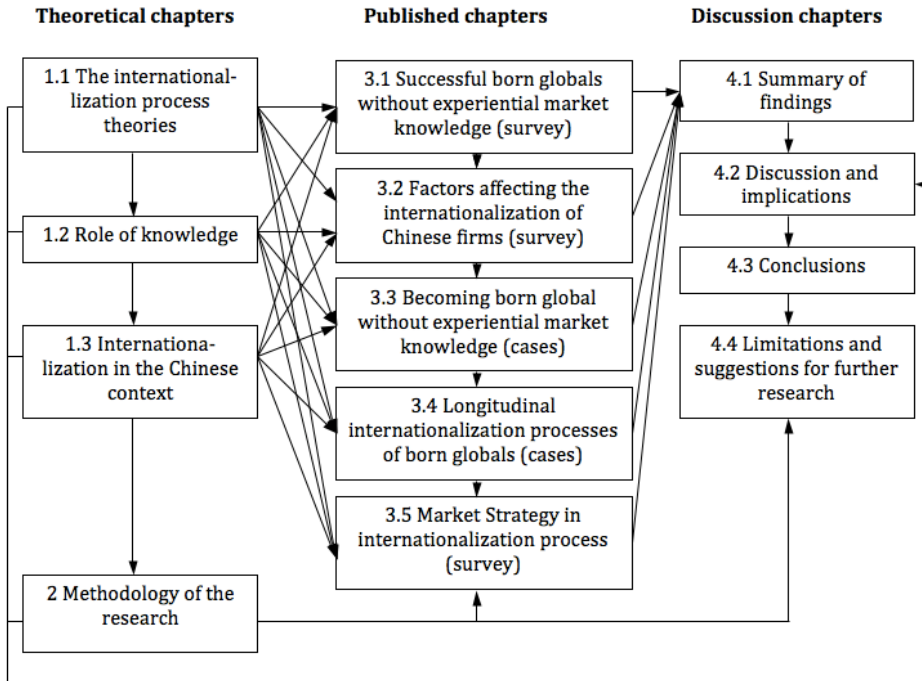


Figure 1. Structure of the dissertation
Source: compiled by the author

The third chapter presents five empirical studies, which are in the form of original publications. Five studies were conducted and arranged in the order shown in Figure 2.

The second chapter introduces the data collection and testing methodologies used in the empirical part of the study. Mixed methods are used in the studies. The first part of the chapter is dedicated to the quantitative data collection and testing methods. It begins by explaining the advantages of using quantitative analysis, and then provides a description of the full data collection process. The second part of the chapter starts by introducing the reasons for applying multi-case methods, and then gives a detailed illustration of the case interviews and qualitative data collection methods. In addition, the chapter presents and explains the special conditions and difficulties faced during data collection in emerging markets such as China.

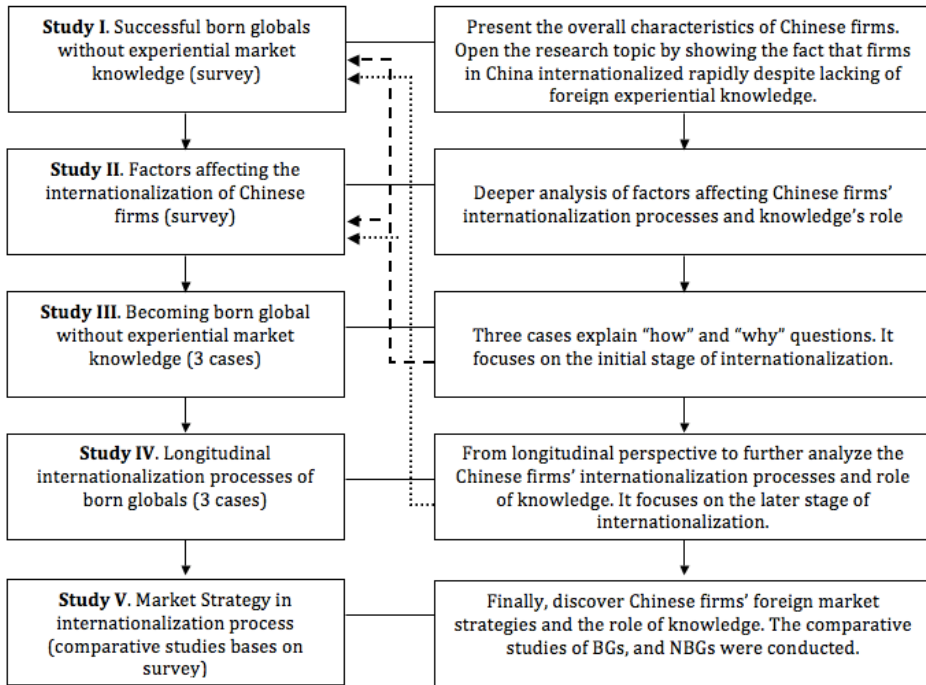


Figure 2. The five original works as presented in this dissertation
Source: compiled by the author

The reasons for presenting the studies in this order are as follows: 1) the authors first carried out a quantitative study (Study I) presenting the overall special characteristics of Chinese firms and opening the topic by showing that firms in China internationalized rapidly despite lacking knowledge. 2) Afterwards, in Study II, through another quantitative study, the authors implemented deeper analysis by investigating the specific factors that matter most to the internationalization of Chinese firms. 3) In order to explain “how” and “why” questions, the authors completed multiple case studies (Study III); the paper focuses on explaining the initial stage of firms’ internationalization processes. 4) Further, the authors applied a longitudinal approach (Study IV) to analyze three Chinese case firms’ internationalization processes, and the paper focuses on the radical changes and firms’ later stages of internationalization. 5) Finally, through Study V, the authors summarized the internationalization of Chinese firms by comparing BGs and NBGs, and illustrated their foreign market strategies. This order provides a comprehensive understanding of Chinese firms’ internationalization by highlighting the role of knowledge within the process.

In the fourth chapter of the thesis, the findings of the empirical investigation are presented. Given the different findings of each study, this chapter discusses the research questions and provides cross-article analysis and comparative

explanations. The general findings and a discussion are then outlined in the form of figures and tables, with detailed explanations. The chapter ends with the conclusions of the thesis. Based on the findings and research results, the final chapter offers suggestions to governmental policy-makers and firm managerial staff; it also describes the limitations of the research and provides suggestions for future research directions.

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I. THEORETICAL FRAMEWORKS AND THE CHINESE CONTEXT

I.1. Internationalization Process Approaches

Internationalization: definitions and models

Internationalization processes have been the subjects of widespread research efforts over the past few decades (Leonidou and Katsikeas 1995; Ruzzier et al. 2006; Welch and Paavilainen-Mäntymäki 2013). As the concept of internationalization is still elusive (see Table 2), even after intensive study (Kuivalainen and Sundqvist 2006; Grosse and Fonseca 2012), views of the internationalization process need to be re-conceptualized (Bell et al. 2003; Schweizer 2012). Welch and Luostarinen (1979 p.36) defined internationalization as “a process of increasing involvement in foreign operations and commitment with international markets. A company becomes involved in international business when it sells its products to foreign markets, buys products from abroad or starts to cooperate in some area with a foreign firm. Internationalization is a process which starts with inward operations, continues with outward operations and finally is strengthened with cooperative models.” Later, Luostarinen (1994 p. 41) provided a clearer definition of internationalization, as “a step-by-step process of international business development whereby a firm becomes increasingly committed to and involved in international business operations through specific products in selected markets.”

Scholars such as Johanson and Mattsson (1988 p.11) defined internationalization as “the number and strength of the relationships between the different parts of the global production network increase.” Korhonen et al. (1996) made the distinction between inward and outward activities. Ahokangas (1998, p.85) also stated that internationalization “is a cumulative process in which relationships are continually established, developed, maintained, and dissolved in order to achieve the objectives of the firm.” In Javalgi et al.’s (2003, p. 186) work, “internationalization is considered to be the process through which a firm moves from operating solely in its domestic marketplace to international markets.” Buckley and Ghauri (1999, p. 32) suggested that internationalization refers to the changing state of a firm’s operations. Cavusgil and Knight (2009, p. 5) also stated that “international business refers to the performance of trade and investment activities by companies across national borders.”

Table 2. Selected literature on internationalization classified by research focuses

Publication	Key Descriptions	Research Focuses
Welch and Luostarinen (1979 p.36)	A process of increasing involvement in foreign operations and commitment with international markets.	Process, firm's operations
Johanson and Mattsson (1988 p.11)	The number and strength of relationships between the different parts of the global production network increase.	Process, firm's operations
Luostarinen (1994 p.41)	A step-by-step process of international business development whereby a firm becomes increasingly committed to and involved in international business operations through specific products in selected markets.	Process, firm's operations
Ahokangas (1998, p.85)	Internationalization is a cumulative process in which relationships are continually established, developed, maintained, and dissolved in order to achieve the objectives of the firm.	Process, resources
Buckley and Ghauri (1999, p.32)	Internationalization refers to the changing state of a firm's operations.	Firm's operations
Javalgi et al. (2003, p.186)	Internationalization is considered to be the process through which a firm moves from operating solely in its domestic marketplace to international markets.	Process, firm's operations
Cavusgil and Knight (2009, p.5)	Internationalization refers to the performance of trade and investment activities by companies across national borders.	Process, firm's operations

Source: compiled by the author

It is clear, then, that over a few decades, distinguished scholars have presented different streams of views on internationalization, though none of these views has been widely accepted. However, in general, a firm's internationalization is viewed as a process that involves learning, cross-border operations, relationship building, commitment building, and so on. As mentioned above, views of the internationalization process need to be re-conceptualized (Bell et al. 2003). Thus, there are still many research gaps, such as conducting internationalization process studies in a specific market context, which can be filled in order to provide a clearer picture of internationalization. The evidence from emerging markets is extremely valuable considering the different home market environ-

ment, new methods of trading and entrepreneurial orientations, and so on, which may bring a new understanding of internationalization processes (Deng 2009). In terms of research focuses, previous studies mainly consider firms' operations and processes; however, the author believes there are possibilities to improve study by focusing on the specific issues, such as knowledge, that allow us to study internationalization processes from new perspectives.

Scholars have also identified different types of international firms according to their different internationalization patterns. "The Uppsala Internationalization Process Model" (Johanson and Vahlne 1977) and "The International-at-founding" model (Oviatt and McDougall 1994), which is also referred to as the "Born globals" model, can be considered two of the most widely researched models. However, there are several other internationalization process models, such as the "Finnish or Helsinki model" (Luostarinen 1979; Welch and Luostarinen 1988), and the "Innovation-related internationalization models" (Andersen 1993; Fina and Rugman 1996).

Uppsala Internationalization Model

Johanson and Vahlne (1977, 1990) and Johanson and Wiedersheim-Paul (1975) developed the Uppsala model, which suggests that firms gain experience from the domestic market before they move to foreign markets, and that the cross-border operations of firms usually start from culturally and/or geographically close countries, and then move gradually to culturally and geographically more distant countries and regions. In the early period, simple modes, such as exporting, are often used when firms begin their foreign operations. They then gradually move to using more intensive and complicated operation modes (for instance, sales subsidiaries), both at the firm and the target country level.

Since the Uppsala model was presented through empirical observations of four Swedish cases in 1977, changes have occurred in both business practices (company behavior, business environment, etc.) and theoretical fields. Hence, Johanson and Vahlne (2009) published a revised version of the model, wherein two preconditions are stipulated for a firm's internationalization: insidership in relevant network(s), and relationships that give firm chances to learn and to build trust and commitment. Originally, internationalization was studied in the context of the business environment, which is viewed as the firm's network. In the new "business network internationalization process model," however, the authors emphasized the roles of trust building, knowledge, and the creation of opportunities within relationships.

Later on, Lemos et al. (2010) examined the concept of commitment and uncertainty, which are two variables of risk within the Uppsala model. Based on the revised Uppsala model, Silva et al. (2012) studied a European textiles producer's internationalization within the Chinese market; here, the authors studied the firm's network and explained the impact of knowledge creation on the firm's internationalization behavior. Their study emphasized the important roles of trust building, knowledge, and creation of opportunities within

relationships. Forsgren (2002), as well as Petersen et al. (2003), studied the Uppsala model with a focus on the process of learning and its concepts of knowledge. The arguments focus on the fact that the Uppsala model applies a rather narrow interpretation of learning than that allowed by the literature, which means that the model has limitations in terms of explaining certain forms of internationalization behavior.

The Uppsala model is very often criticized. Studies of Internet-related firms by Forsgren and Hagström (2007) resulted in the argument that the internationalization behavior seen by new types of firms may differ from what the Uppsala model describes. The model is also seen as less suitable for firms in the services sector (Lam and White 1999). It emphasizes the importance of knowledge and experience in firms' internationalization process, but, at the same time, it overemphasizes the barriers to knowledge acquisition (Forsgren 1989, 2002). Also, the four steps of firms' internationalization process proposed by Johanson and Vahlne (1977, 1990) only look at a single entry mode – exporting (Bell 1995).

Furthermore, the Uppsala model describes firms' internationalization as occurring at slow speeds and following a gradual process. However, it does not explain why firms start from exporting and then move to operating through foreign subsidiaries. It also fails to offer explanations on how a firm begins its internationalization (Pedersen 1999). In the case of a specific country, the Uppsala model does not take into account factors relating to geographic location. For instance, Chinese firms might not be able to expand to geographically close countries such as the Philippines due to political concerns in certain periods. Also, the Philippines have similar labor-cost advantages, and thus it is rather difficult to gain substantial profits by internationalizing there. Thus, Chinese firms have to jump to geographically more distant countries in order to enable their foreign expansion at the very beginning.

The Uppsala model also fails to take into account factors such as demand-pull. For firms in some markets, the demand-pull factor may cause them to internationalize rapidly without considering the short-term risks, and thus geographic and cultural distances may become less relevant in terms of firms' foreign market selection. Demand-pull can also be recognized as “demand-oriented internationalization motives” (Glowik and Smyczek 2011, p.8). Under certain circumstances, the demand of foreign markets may provide better conditions for economies of scale effects for a firm's production and exporting. In this case, firms that are engaged in the foreign market have more advantages and easier access to exporting, particularly with respect to the products that fit the tastes of foreign markets (Glowik and Smyczek 2011). The typical demand markets are BRIC (Brazil, Russia, India and China) countries, among other emerging markets. However, due to increasing labor costs and the global financial crisis, the demand factor has reduced rapidly in recent years. Thus, the factors driving and affecting Chinese firms' internationalization need to be re-analyzed.

In addition, considering the large size and rapidly growing domestic market, local Chinese firms may be strongly attracted to stay in the home market, rather than looking for opportunities to enter neighboring countries. The Uppsala model considers firms' slow internationalization as being due to a lack of knowledge and experience, which results in their entering culturally and geographically closer countries. Thus, considering the special characteristics of Chinese firms, it would be valuable to discover Chinese firms' internationalization processes and examine the role of knowledge within this.

Born global studies

Since the early 1990s, scholars including Lindqvist (1991), Rennie (1993), Oviatt and McDougall (1994), Bell (1995), Knight and Cavusgil (1996), and Madsen and Servais (1997) have highlighted a number of new ventures that have internationalized rapidly since founding, in contrast to the Uppsala model's slow internationalizers. However, there are various definitions of the phenomenon of early and fast internationalizing firms (Madsen 2013). Faster internationalizers are referred to by Lindqvist (1991) as "infant multinationals," and by Oviatt and McDougall (1994) as "international new ventures (INV)." As one of the subgroups of INV, "born globals" (Rennie 1993; Luostarinen and Gabrielsson 2006; Servais et al. 2007) is the most commonly recognized and widely used (see, e.g., Rialp et al. 2005).

"The Born Global Model" (McKinsey & Co. 1993; Knight and Cavusgil 1996; Madsen and Servais 1997) was formulated in a survey for The Australian Manufacturing Council by the consultants McKinsey & Co. (McKinsey & Co., 1993; Rennie 1993).

There is still no commonly accepted definition of a BG, as different scholars provide different measure terms. Firstly, regarding timing in terms of beginning international sales, recommendations range from two, to six, and even to nine years (see Rialp et al. 2005; Mascherpa and Zucchella 2011). Secondly, regarding export share, Zhou et al. (2007) considered at least 10% to be reasonable, while others (see Rialp et al. 2005; Mascherpa and Zucchella 2011) argue that it should be at least 25%, but limited to occurring within the first three years of founding. Luostarinen and Gabrielsson (2004) gave even stricter requirements of at least 50%, while Lummaa (2002) added that international sales should be performed in at least five foreign countries located in a minimum of two cultural clusters. Others suggest that firms should internationalize during the first three years following establishment, that they should enter culturally distant foreign countries and regions, and that they should achieve at least a 25% share of turnover from abroad during this period (Kuivalainen et al. 2007).

With respect to the firm's decision makers, the background of the owners and the key management team also determines how quickly a firm will internationalize. Liesch (1993) argued that in BG firms, the managers' global mindset is already in existence from the establishment of the company, and that

these companies start their foreign business very quickly. Birley and Norburn's (1987) early work shows that owners of international new ventures (INV) usually have more overseas travel, work and education experience. In addition, the owners' entrepreneurial orientation, prior knowledge and commitment facilitates the firm's internationalization processes and affects the speed thereof (Knight and Cavusgil 1996; McAuley 1999; Freeman and Cavusgil 2007).

Networking can help firms to quickly gain access to resources in foreign markets, instead of having to develop them by themselves (Gulati 1999), and also helps to reduce operating risks. Networking has proven to be important to the internationalization of BGs (Granovetter 1985; Ellis and Pecotich 2002; Sharma and Blomstermo 2003; Hara and Kanai 1994; Bell 1995). Coviello and Munro (1995, p.53) defined global social networks in terms of "the web of personal connections and relationships for the purpose of securing favors in personal and/or organizational actions."

Meanwhile, international alliances and cooperation can help BGs to enter foreign markets and benefit from their foreign partners' local knowledge and marketing capabilities (Chetty and Campbell-Hunt 2004; Reid and Freeman 2006). It is worth pointing out the key facilitating factors, distinctive features and triggers for BGs' internationalization outlined by Cavusgil and Knight (2009), based on their and other scholars' work (see Table 3).

In order to better understand BG firms, international entrepreneurship (IE) literature looks at the interrelatedness between international business and entrepreneurship (Rialp et al. 2005), and allows us to use entrepreneurship theories to enhance our understanding of firms' internationalization processes (Andersson 2000). Previous studies have shown that entrepreneurs can consider different directions for their firms' internationalization (Andersson and Evangelista 2006); as firms do not follow the internationalization pattern of the Uppsala model (Johanson and Vahlne 1977), the new patterns take into account the fact that the founding entrepreneur already has certain level of knowledge prior to a firm's fast internationalization (Johanson and Vahlne 2009). Later on, Johanson and Vahlne used effectuation theory (Sarasvathy 2001) to analyze firms' internationalization.

Effectuation theory (Sarasvathy 2001) links entrepreneurs' abilities for opportunity creation with firms' network partners. Causation models (Kotler 2003) illustrate that firms start with a self-analysis, including their environment, which results in a plan, which firms implement with certain controls. However, effectuation processes are driven by entrepreneur's characteristics, including their knowledge level and networks. Thus, effectuation theory addresses the importance of individuals and their knowledge levels and networks in firms' internationalization processes (Coviello 2006; Andersson and Evangelista 2006), while "firms act in environments where effectuation theory ought to be effective" (Andersson 2011, p.631). One of the major advantages of effectuation theory (Sarasvathy 2001, 2008) is that it looks at both the individual and firm level, and at the same time takes into account network impacts through a process

perspective. Through a qualitative study, by applying the effectuation theory Andersson (2011), showed that BG firms internationalized rapidly by cooperating with local network partners, and that founders' prior knowledge and networks are crucial to explain fast internationalization patterns.

From the above-mentioned literature, six key characteristics of BGs can be identified. First, BGs internationalize very rapidly following their establishment. Even though there are arguments regarding timing, the most commonly agreed time period for internationalization is within the first three years from founding (Madsen and Servais 1997; Rialp et al. 2005; Kuivalainen et al. 2007; Mascherpa and Zucchella 2011). Second, as with timing issues, export share is commonly debated, although 25% of export share is widely used. Third, BGs' international sales activities may occur in only a few foreign markets; however, the first targets can also be culturally and geographically distant countries.

Fourth, the owners' and key management teams' previous global experience is important, and it is vital that they have a global mindset, with commitment to international markets. Fifth, networking and strategic alliances can speed up firms' internationalization processes and foreign market entries. Sixth, the firms' internationalization processes are not always smooth, but rather usually involve unstable and unexpected internationalization moves, which increase and decrease international operations. In this study, the author will analyze which features considered typical of BG firms can be identified in the Chinese case firms, and what links can be identified between these features.

Taking into consideration the parameters above, in this thesis, BGs are defined as firms that have entered at least two continents outside of their home continent, and reached a minimum 25% export share within the first three years since their foundation. This definition follows those used by Madsen and Servais (1997), as well as Kuivalainen et al. (2007). The term "non-born globals" is defined as firms that do not meet the requirements to be considered BGs, and follow slower internationalization processes.

One more often-discussed issue is the importance of the firm's home market for internationalization (Rennie 1993; Madsen and Servais 1997; Knight et al. 2004; Knight and Cavusgil 2004; Fan and Phan 2007). In large and populated countries like the USA and Germany in the West, and China and India in the East, firms have enough space in the domestic market for long-term growth, while others in small domestic markets, such as Baltic and Scandinavian countries, are under higher pressure to internationalize faster (Rialp et al. 2005; Mascherpa and Zucchella 2011). Also, according to Zucchella et al. (2007), SMEs that are located and operate in regional clusters and industrial zones have more possibilities to internationalize faster.

Table 3. Born global firms' distinctive features

Distinctive Features (based on Cavusgil and Knight 2009)	Sources (compiled by the author)
Highly active in international markets from or close to founding	Lindqvist (1991); Rennie (1993); Bell (1995); Knight and Cavusgil (1996); Madsen and Servais (1997); Cavusgil and Knight (2009).
Characterized by limited financial and tangible resources	Rennie (1993); Bell (1995); Rialp et al. (2005); Kuivalainen et al. (2007).
Found across most industries	Majocchi and Zucchella (2003); Deng (2007); Cavusgil and Knight (2009); Zou and Ghauri (2010); Vissak et al. (2012); Vissak and Zhang (2012).
Managers have a strong international outlook and international entrepreneurial orientation	Birley and Norburn (1987); Liesch (1993); Knight and Cavusgil (1996); McAuley (1999); Freeman and Cavusgil (2007).
Often emphasize differentiation strategy	Coviello and Munro (1995); Lummaa (2002).
Often emphasize superior product quality	Majocchi and Zucchella (2003); Rialp et al. (2005); Mascherpa and Zucchella (2011).
Leverage advanced communications and information technologies	Lindqvist (1991); Rennie (1993); Bell (1995); Knight and Cavusgil (1996); Madsen and Servais (1997); Freeman and Cavusgil (2007).
Typically use external, independent intermediaries for distribution in foreign markets	Granovetter (1985); Hara and Kanai (1994); Bell (1995); Coviello and Munro (1995); Gulati (1999); Ellis and Pecotich (2002); Sharma and Blomstermo (2003); Chetty and Campbell-Hunt (2004); Reid and Freeman (2006).

Source: compiled by the author based on the literature mentioned in the table

Hence, to conclude, current BG literature considers knowledge as crucial for BG firms' fast internationalization, and suggests that BG firms must have a certain level of knowledge and a strong network in relation to the foreign markets in question as a prerequisite for fast expansion. BG firms usually have limited financial and tangible resources; they are characterized as often emphasizing superior product quality and a differentiation strategy, and their managers often have a strong global mindset and entrepreneurial orientation.

However, the BG model has a number of limitations in the context of this thesis: first, existing BG theory has mainly been developed from studies based on Western evidence, while the characteristics of firms from Eastern countries have not been taken into account with respect to illustrating the fast internationalization path (Cavusgil and Knight 2009). BG firms have been found

across various industries, but previous evidence has mainly been drawn from high-tech firms, particularly from the information communication technology (ICT) sector (Mascherpa and Zucchella 2011). This leaves a large gap in terms of testing the BG model in other industries, and investigating the potential impacts caused by the characteristics of the industrial sector.

Second, early studies of BG firms have mainly considered SMEs (Coviello and McAuley 1999), due to the different standards and definitions for SMEs (for instance, in terms of employee number, SMEs are defined by the European Commission as having less than 250 people, but in China, a firm that employs less than 3000 people in manufacturing is considered an SME), currently the BG model fails to make a distinction in this regard. In addition, the model lacks evidence from larger-sized firms. Third, the BG model overemphasizes the manager's international outlook and background (Birley and Norburn 1987; Liesch 1993; Knight and Cavusgil 1996, 2009). It says that managers have a strong international outlook and international entrepreneurial orientation, however, it lacks explanation or measurement regarding how this orientation affects firms' fast internationalization (McAuley 1999).

Fourth, the model does not include all possible entry modes; it only mentions that BGs typically use external, independent intermediaries for distribution in foreign markets. Thus, studying different types of entry modes is indispensable (Granovetter 1985; Hara and Kanai 1994; Gulati 1999; Reid and Freeman 2006). Fifth, due to their very fast internationalization right after establishment, BGs usually lack stability and support from their home market; this factor has been largely ignored, and thus requires attention. Studies show that smaller domestic markets push firms to go international faster, and that firms in clusters and industrial zones also have more chances to internationalize faster (Rialp et al. 2005; Zucchella et al. 2007; Mascherpa and Zucchella 2011). However, the model is missing a discussion and illustration of how the size of a firm's home country and its macroeconomic environment affects its internationalization speed. In the case of China in particular, the large size of the market and fast domestic market growth may lead firms to follow a different internationalization path. Furthermore, at the end of the 1980s through to the early 1990s, factors such as demand-pull may have placed firms in an enabling environment in which they could internationalize faster. Especially in the initial stages of firms' internationalization, a large demand-pull influence may cause firms to internationalize much quicker within the first three years following their foundation. Therefore, it is worth exploring whether current BG theory can explain the fast internationalization of Eastern firms in the same way, as well as investigating the reasons behind this.

Other internationalization models and approaches

One of the most often-used and -cited theoretical frameworks of the internationalization processes was formulated by Mattsson and Hertz (1998), as well as Johanson and Mattsson (1988). Johanson and Mattsson (1988) developed the

network approach to internationalization. During the internationalization process, firms begin to build up connections in foreign markets, which later become partnerships. Through such activities, firms may gain local knowledge, along with access to the resources of the foreign market.

A number of scholars (Welch and Luostarinen 1988; Luostarinen 1989; Korhonen et al. 1996; Luostarinen and Welch 1997) developed the Finnish model (also named the Helsinki model). Similarly to the Uppsala model, it agrees that firms first gain experience from the home market, and then, later on, start to enter geographically, economically and culturally close markets. Firms may not enter distant markets until they have enough knowledge, considering the fact that distant markets have high levels of uncertainty and risks. Knowledge is viewed as being important in the Finnish model, especially foreign market knowledge, which may determine the success of foreign operations in more distant countries. However, firms may acquire the necessary knowledge via different channels, such as importing (Chetty 1999). By acquiring more knowledge, firms may have higher confidence in terms of operating globally and using more complicated operational modes (Welch and Luostarinen 1988; Luostarinen 1994; Luostarinen and Welch 1997).

The Finnish model has its limitations (Vissak 2003). Even though the model describes a broader framework for studying firms' internationalization processes than the Uppsala model, it has attracted less attention. The Finnish model does not take into account all the possible dimensions of internationalization, which leaves a research gap. It includes leapfrogging and exogenous variables, but fails to explain how firms can speed up their internationalization processes. Also, in the empirical samples, the development histories of sample firms and founders' backgrounds have not been included for analysis. Similarly to the Uppsala model, the Finnish model limits itself to a small number of firm types; limited attention has been paid to service firms and firms in other sectors (Roolaht 2002). Thus, research gaps remain.

The innovation-related internationalization model focuses on the firm's adoption of innovation and the involvement of this in the firm's learning process during the internationalization period. It also agrees with the Uppsala model that firms' internationalization processes can be gradual. Firms need to make decisions regarding foreign expansion based on their experiential learning and the foreign market's uncertainty and risks (Fina and Rugman 1996; Morgan and Katsikeas 1997). However, unlike the Uppsala model, the innovation-related internationalization model illustrates that knowledge is not the only factor that may influence firms' internationalization. Wiedersheim-Paul et al.'s study (1978) showed that firms with foreign ownership might internationalize faster, as they could benefit from the parent company's knowledge and global network.

The limitations of the innovation-related internationalization model are primarily caused by the limited amount of related empirical work, even though past studies have analyzed the importance of individual knowledge acquisition,

firms' managerial staff and incremental decisions. Similar to the Uppsala model and the Finnish model, the innovation-related model has limitations in terms of its geographical scope, industrial sectors and types of firms. It also focuses mainly on exporting; however, it only provides a partial explanation of the exporting process and does not explain firms' progress in their internationalization processes. Finally, the managerial value of the model is not mentioned.

Hence, both the Finnish model and the innovation-related internationalization model follow the gradual process of internationalization, which is similar to the Uppsala model. However, the knowledge needed for foreign expansion can be acquired through different sources, and, in fact, knowledge is not the only factor which determines the speed of internationalization.

Radical changes

The initial stage of firms' internationalization is certainly important, and has attracted a great deal of academic attention. Previous studies have focused on the determinants and effective factors that illustrate how a firm becomes a BG or a slower internationalizer, yet not enough research has been devoted to the later stages of firms' internationalization processes. Hence, some questions remain: what happens to the internationalized firms after they have rapidly become international, and what do their post-internationalization processes look like?

Due to both internal and external factors (Javalgi et al. 2011), firms' internationalization processes are not necessarily smooth, gradually expanding paths; rather, their development paths are often "wave-shaped," and involve changes – even radical ones – in terms of the role of international operations. In some situations, firms reduce or cease their activities in some specific markets or all foreign markets by reducing the ownership of a joint venture, decreasing their export shares or investing fewer human resources in international operations. Some scholars call this phenomenon "de-internationalization" (Calof and Bea-mish 1995; Benito 1997; Freeman 2007; Johanson and Vahlne 2009).

After exiting some or all of their foreign markets, firms may the return to some of them later. Welch and Welch (2009, p.568) define this as "re-international-ization," which is a "process involving a period of international business activity, then exit from international operations, followed by a time-out period of some duration, then a process of international reentry, concluding with successfully renewed international operations." In some cases, firms may cut off all of their cross-border operations and return to their domestic market, usually for more than ten years and without planning to internationalize again. They may then suddenly go international again due to critical incidents, and this internationalization takes place rapidly. Bell et al. (2003) call such firms "reborn globals."

However, there are a number of other internationalization processes that have received less attention in the literature (Bell et al. 2001; Meyer and Gel-buda 2006), such as those defining firms as "born internationals" or "born-again

internationals.” Vissak (2011) identified 24 types of internationalization patterns, including 12 inward and 12 outward. In her early studies (2010, p.195) on nonlinear internationalization processes such as partial and complete de- and re-internationalization, and the internationalization of born-again globals and born-again internationals, she shows that “nonlinear internationalization is neither an irregular deviation nor an exceptional case of linear internationalization but that linear internationalization is an exceptional case of nonlinear internationalization.” Vissak and Francioni’s (2013) recent nonlinear internationalization studies also give new evidence that firms’ internationalization processes are not smooth, it is even could be perturbed.

Javalgi et al. (2011) outlined a framework of global market re-entry which shows that both the global environment (economic factors, political factors and culture factors) and the host country environment (changing economic factors, changing political factors and cultural factors) influence firms’ reentry decisions. The main objectives of firms with respect to reentry are: growth and diversification, salvaging sunk costs, and capturing resources. The international knowledge and experience gained earlier gives the company a good basis on which to make their reentry decision, select the markets, and decide on which operational strategies they will apply during the reentry.

Hence, previous studies focus on the determinations and effective factors that illustrate how a firm becomes a BG, and limited research has been done on the radical changes that occur during later-stage internationalization. Studies of “de-internationalization,” “re-internationalization” and “reborn globals” give high value to the internationalization literature, however the field still lacks longitudinal analyses of BGs’ internationalization processes. Thus, this thesis will analyze both BGs’ and NBGs’ internationalization processes via a longitudinal approach, with specific focuses on foreign market exit and reentry.

Foreign market strategy

From the perspectives of international marketing scholars (Ayal and Zif 1979), there are two dominating international expansion strategies: 1) concentration of marketing efforts on a few major markets and gradual expansion to other new markets; and 2) diversification into a many markets and divided marketing efforts to all of these markets within a short period of time. According to Piercy (1982, p.23), market concentration is the “purposeful selection of relatively few markets, and the channeling of resources into these markets with the objectives of securing significant market shares” (see also Albaum et al. 1989). Market specialization, economy of scale, greater market knowledge and high degree of control are the four main strengths of market concentration. Market diversification is defined as the “allocation of resources over a large number of markets in an attempt to reduce risks of concentrating resources and to exploit the economies of flexibility” (Piercy 1982, p.23). The three key strengths of market diversification include: greater flexibility, less dependence on a single market, and lower risk perception.

Regarding firms' market strategies, Robertson and Wood (2001) identified that the primary environmental dimensions, subsidiary export dimensions and specific decision variables are the three levels of export market selection information. Before deciding to enter a new market, a firm has to consider the market potential (in terms of the foreign buyers' ability to pay for imported products, and the competition in the foreign market), legal environment (in relation to non-tariff and tariff barriers), geographic distance (Sashi and Karuppur 2002; Burton et al. 2000), cultural distance (Anderson and Gatignon 1986; Burton et al. 2000), uncertainty avoidance and individualism (Mitra and Golder 2002; Hoffman and Preble 2001), and the economic development of the foreign target market (Quinn and Doherty 2000; Alon et al. 2010). These terms may determine the success of a firm's foreign operations in the new target market.

Sakarya et al. (2007) conducted similar studies focused on macroeconomic and political factors. They considered these to be the two main factors within traditional market selection analysis; however, this type of analysis usually fails to account for the dynamism and future potential of emerging markets resulting from rapid change, national attributions that affect specific sectors, and market receptiveness. By combining Arnold and Quelch's (1998) market demand-driven model, Hofstede's (1980, 2001) cultural dimensions to measure cultural distance, and Porter's (1990) competitive analysis model, Sakarya et al. (2007) argued that the long-term potential of the market, cultural distance, the competitive strength of the related industry, and the receptiveness of customers should be added as four additional criteria for assessing emerging markets as foreign expansion opportunities.

Dunning (1977, 2000) developed the ownership, location, and internalization (OLI) paradigm. The aspects of the paradigm are three potential sources of advantage that impact on firms' decisions to go international and become multinational. Ownership advantages address the question of what causes certain firms to go international instead of others. It shows that firm-specific advantages allow multinational enterprises (MNE) to overcome the operation costs in a foreign country and perform successfully (Porter 1980, 1985; Dunning 1999). Location advantages look at issues of MNEs' location choices and are considered a key determinant of MNEs' foreign productions (Dunning 1998). Subramanian and Lawrence's (1999) work shows that national locations remained distinctive. The cultural differences, policy barriers and geographic differences are part of the distinctiveness. As national borders are still matters (Subramanian and Lawrence 1999), foreign direct investment (FDI) continues to be an important tool for firms to bridge cross-border discontinuities (Buckley 2009b). Internalization advantages focus on firms' operations in a foreign country, transaction savings, and so on.

Previous studies on FDI draw attention to distinctions between "horizontal" and "vertical" FDI (Brainard 1997; Tatoglu and Glaister 1998; Markusen 2002; Buckley and Ghauri 2004; Park and Park 2005; Buckley et al. 2007; Buckley

2009a). Through horizontal FDI, firms establish plants abroad in order to improve their market access to foreign consumers, while via vertical FDI, firms seek to access lower production costs in foreign markets. Both types of FDI motives are considered important (Yeaple 2003). In the case of China, increases in labor costs, among other changes, Chinese firms could be affected by both motives. When domestic firms launch their production units in other markets, technology, knowledge and capital become highly important (Buckley 2009b).

To summarize this section, extant studies of market strategy behavior and decisions have mainly collected empirical evidence from firms in Western economies, whereas very limited attention has been paid to Asian firms. Furthermore, the comparative studies of market concentration and market diversification have been solely based on analyzing decisions by multinational corporations, while studies on SMEs and larger sample comparisons between traditional exporters and fast internationalizers are rather limited.

1.2. Role of Knowledge in Internationalization

Importance of Foreign Market Experiential Knowledge

The role of knowledge in firms' internationalization processes is considered an important topic (Mitra and Golder 2002; Morgan et al. 2003; Bengtsson 2004; Saarenketo et al. 2004; Ling-yee 2004; Pedersen and Petersen 2004; Weerawardena et al. 2007; Brennan and Garvey 2009; Casillas et al. 2009; Freeman et al. 2010; Zou and Ghauri 2010; Grosse and Fonseca 2012; Hewardine and Welch 2012; Xiao et al. 2013). Acquiring relevant knowledge in firms' internationalization processes is very often viewed as crucial. Yet our understanding of the role of knowledge in firms' internationalization processes still remains a largely unfilled gap in literature (Fletcher, Harris and Richey 2013).

Knowledge can be classified according to three types (Eriksson et al. 2000, p.310): 1) business knowledge, including knowledge of competitors, foreign market conditions and customers; 2) institutional knowledge, including knowledge about the foreign country's government, institutional structures, legal systems, etc; and 3) internationalization knowledge: including firms' tangible and intangible resources, and international operation capabilities.

From the resource-based perspective, knowledge is viewed as one of the recourses that firms need for internationalization (Wernerfelt 1984; Barney 1991). One of the motivations that drive firms to expand to foreign markets is to access a better resource base (Westhead et al. 2001b). The resource-based view is linked with supply-oriented internationalization motives (Wernerfelt 1984; Penrose 1995; Fahy 2002). Firms have a desire to gain various resources such as production materials, human capital, managerial know-how and so on. In light of globalization and technology development, intangible resources such as knowledge are viewed as increasingly important for firms' internationalization.

Firms may gain knowledge resources from educated labor forces, R&D, networks and other channels (Chidlow et al. 2009).

Among various types of knowledge, a number of scholars consider foreign market experiential knowledge as key in firms' internationalization processes (Johanson and Vahlne 1977; Kogut and Zander 1993; Eriksson et al., 1997; Mandhok 1997). The term "foreign market experiential knowledge" is defined as "all types of knowledge that firms accumulate by being active in foreign markets and implies the ability to search, analyse, and act on international business issues in local markets" (Blomstermo et al. 2004, p.361). This thesis focuses on the role of firms' foreign market experiential knowledge in internationalization processes.

Some scholars (Johanson and Vahlne 1977, 1990; Johanson and Wiedersheim-Paul 1975; Vahlne and Johanson 2002) have observed knowledge as being necessary for a firm's internationalization. If a firm lacks (experiential) knowledge, it may be forced to internationalize slowly, often using simple international operation modes such as direct or indirect exporting, and initially enter culturally and geographically closer countries, with low commitment to the global market. During this learning process, firms may gain knowledge, and then choose to use more complicated operation modes to enter culturally and geographically distant markets, with much higher commitment to the foreign market.

Meanwhile, other scholars (Liu et al. 2008; Naudé 2009), have argued that firms can internationalize very quickly, despite having little or no foreign experience, and that (experiential) knowledge is not always necessary for the initial stages of fast internationalization. In the case of China, the Chinese central government started its "Opening up and Reform Policy" in 1978, which involved allowing private enterprises to conduct business in mainland China. Later on, local governments began to strongly promote exporting and attracting FDIs in order to achieve successful political performance, which is mainly measured by local GDP growth. Hence, the majority of first-generation entrepreneurs, who previously served as farmers, construction workers and even civil servants, had no time or opportunity to receive a proper education, gain experience or collect knowledge, but very rapidly established small-scale, low-tech manufacturing businesses or hand-workshops to supply the huge domestic market, and the even larger, and increasing, demand from the global market. Within this general environment, many Chinese firms became successful BGs without having any experiential knowledge, and with many lacking other market knowledge as well.

In the Uppsala model, Johanson and Vahlne (1977, 1990), Johanson and Wiedersheim-Paul (1975), and Vahlne and Johanson (2002) explained that firms usually acquire experiential foreign market knowledge through their cross-border operations. This experiential market knowledge can help firms to reduce foreign market uncertainty and risk, and gain new business opportunities. Generally, this process happens slowly, as firms need time to learn, practice and

benefit from this knowledge. They first enter neighboring countries, where operation modes change from indirect exporting to direct exporting, and then establishing overseas subsidiaries (sales, production, logistics, etc.). However, case studies of IT firms (Vahlne and Johanson, 2002) have shown that firms in certain sectors may internationalize faster by initially entering culturally and geographically distant countries and establishing subsidiaries during very early stages, and some firms even enter via acquisition.

The innovation-related internationalization models also agree with the Uppsala model that a firm's foreign market expansion is a gradual process that depends on its experiential learning and uncertainty regarding its decisions in relation to internationalization (Fina and Rugman 1996; Morgan and Katsikeas 1997). The Helsinki school's studies on internationalization also describe similar processes with respect to firms' internationalization paths, and emphasize the importance of foreign market knowledge. However, the Finnish model explains that firms may acquire knowledge from other channels, such as importing (Luostarinen 1989; Luostarinen and Welch 1997; Welch and Luostarinen 1988). In addition, Chetty's (1999) study shows that some firms may leapfrog certain stages and become internationalized faster.

In the case of the BG model, early studies are mainly based on evidence from high-tech (ICT) sectors, and firms usually have a high level of knowledge, which certainly drives their fast foreign expansion activities (Cavusgil and Knight 2009). The global mindset usually already exists before the establishment of the firm, and the key managers of BGs have a strong international outlook, as well as having study, work and travel experiences in foreign markets. Thus, their foreign experiential knowledge exists at the very beginning of internationalization (Knight and Cavusgil 1996; Lummaa 2002). In addition, BGs often prepare a differentiation strategy (Coviello and Munro 1995; Lummaa 2002), which they need a certainly level of knowledge in order to successfully launch and implement.

Thus, the role of knowledge in firms' internationalization is still unclear and under discussion. Firms that lack knowledge may internationalize slowly and prefer simple modes, while others can still jump to distant markets despite having little or no knowledge of them. Knowledge also has different levels of importance with respect to firms' internationalization processes. Hence, it is worth discovering the role of knowledge in firms' internationalization by analyzing evidence within the Chinese context.

Ways to acquire foreign market knowledge

Foreign market knowledge plays different roles in firms' internationalization processes, and there are various ways to acquire knowledge (see Figure 3). Slater and Narver (1995) identified three main sources of information: 1) direct experience, 2) organizational memory, and 3) experience from others. Holm et al. (1996) viewed corporate relationships in the context of a network of

businesses, and suggested that cooperation could increase the value of business relations.

In Johanson and Mattsson's (1988) early work, the network approach to internationalization states that firms establish and develop business relations in foreign networks, and that through these networks they can gain benefits from their local partners by: 1) tapping into their local partners' knowledge of the domestic market, without having to have experienced it (Eriksson et al. 1998; Brennan and Garvey 2009); 2) learning about their local partners' capabilities, strategies and needs, business conditions, etc. (Johanson and Johanson 1999); and 3) expanding in leaps (Hertz 1996). However, even when a firm is part of a network, a gradual processes of acquiring knowledge is still involved (Blankenburg 2001), and the networks may assist, but not necessarily guarantee, the firm's internationalization success (Ford 1998; Ling-yee 2004).

Some previous studies (Lauter and Rehman 1999; Hadley and Wilson 2003) discovered the connections between foreign direct investments and host country exports by comparing foreign subsidiaries and local firms. Because they are able to benefit from their parent companies' knowledge, foreign subsidiaries usually have better international business skills, general know-how, technology and contacts with high parent company's brand values. The owners can help the subsidiaries to design new products/services, launch new distribution channels, attract customer groups, control quality and follow safety standards, gain the necessary licenses and certificates, and establish other key capabilities. As a result, these foreign subsidiaries export more than local firms.

However, where firms are not able to gain the above-mentioned advantages from a parent company, there are other ways in which to acquire foreign market knowledge. Firms may conduct market research and make pre-entry visits to potential foreign markets (Eriksson et al. 1997; Pedersen and Petersen 2004; Zou and Ghauri 2010), employ other firms' former expatriates (Downes and Thomas 1999), or hire foreign immigrants (Pécoud 2002) or people from other firms that have been active in a specific market (Bengtsson 2004; Brennan and Garvey 2009). In addition, acquisition in the target country or forming alliances and cooperating may allow them to acquire the necessary knowledge (Pajunen and Maunula 2008; Bengtsson 2004). In case of rapidly internationalization SMEs, Fletcher and Prashantham's (2011) work shows that knowledge sharing is important for firms' fast internationalization, and in terms of assimilating knowledge, firms usually apply high levels of formality. Later on, Fletcher and Harris (2012) discover that in some circumstances it is rather difficult for smaller size firms to acquire knowledge. Smaller firms may not have relevant experience or valuable networks and they very often, through recruiting personals, receive advice from governmental agencies and consultants to acquire indirect experience.

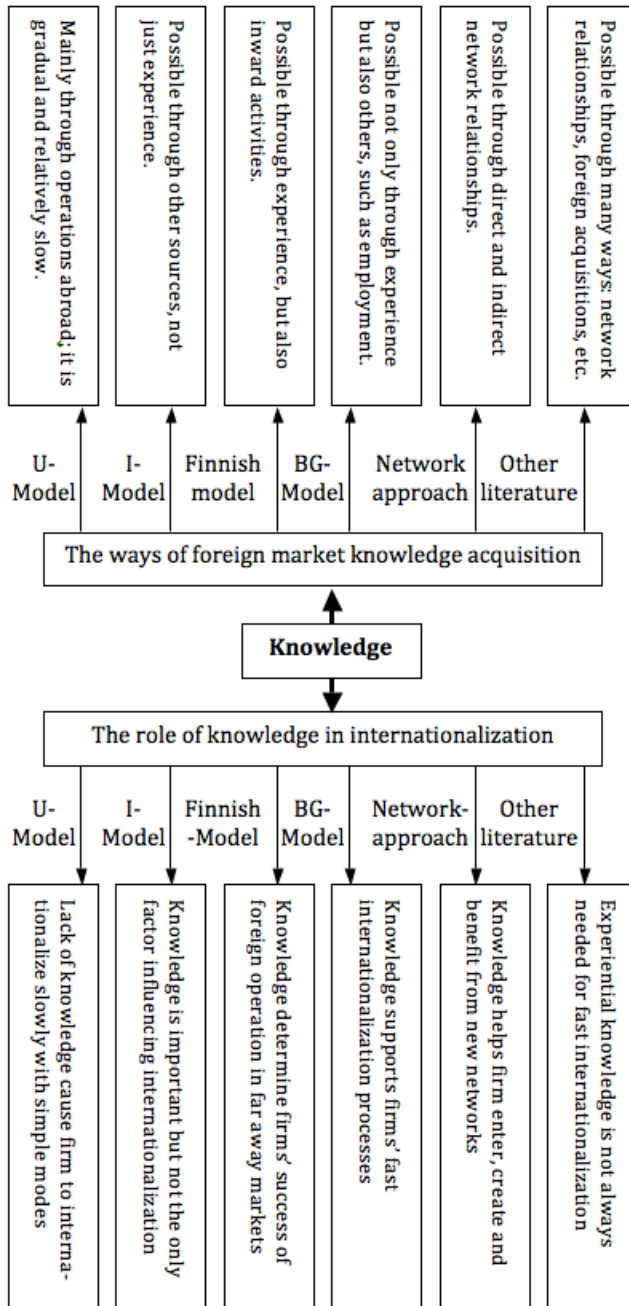


Figure 3. Routes by which to acquire foreign market knowledge, and the role of knowledge in firms' internationalization
 Source: compiled by the author

Besides this, especially in Chinese cases, firms can receive support from trade organizations and agencies, industry associations, chambers of commerce, and governmental facilities (Seringhaus and Mayer 1988; Child and Rodrigues 2005; Hadley and Wilson 2003). In some regions, attending exhibitions and trade fairs has proven to be an efficient way in which to gain initial knowledge, even though the knowledge may be quite limited (Liu et al. 2008).

Thus, to conclude, the majority of previous literature has shown that knowledge plays a significant role in firms' internationalization processes. Lack of knowledge may cause internationalization to occur more slowly, with simpler foreign operation modes and lower commitment to the global market. Firms may acquire this knowledge via diverse channels; however, some scholars have discovered that knowledge has a negative impact on firms' internationalization, arguing that firms can internationalize very quickly despite having little or no foreign experience, and that (experiential) knowledge is not always necessary for the initial stages of internationalization (Liu et al. 2008; Naudé 2009; Xiao et al. 2013; Liu, et al. 2013). Hence, the role of knowledge in firms' internationalization is still unclear, especially in the Chinese context.

1.3. Chinese Firms' Internationalization

In 1999, the Chinese central government introduced and started to promote a "going out strategy" (*zouchuqu zhanlue*) to encourage local Chinese enterprises' internationalization, in particular innovation and technology-intensive firms. This strategy supports advanced Chinese firms to go global with the major purposes of upgrading their technology, establishing global brands and increasing their global market share. In the case of low-tech firms, this strategy guides local manufacturers' exporting (OECD 2008) (Luo et al. 2010). During the last two decades, academic attention to Chinese firms' internationalization has been increasing, yet it is still extremely limited considering the number and scale of Chinese firms (Wong 1999; Taylor 2002; Fan 2006; Gao et al. 2007; Deng 2007). Research on internationalization of Chinese firms (see Appendix 1) has been conducted on a piecemeal basis (Deng 2012).

According to the studies of Child and Rodrigues (2005), Chinese firms mainly follow three internationalization routes: 1) the contract manufacturer/joint-venture (JV) route, where local Chinese firms export their products globally via contracting, JV or licensing. This route is mainly followed by medium and low-tech manufacturers; 2) the mergers and acquisitions (M&A) route, through which Chinese firms can gain access to better raw materials, natural resources, technologies and foreign-market know-how. Some larger-sized firms also acquire global brands, for example in the cases of Lenovo vs. IBM, Geely vs. Volvo and Dalian Wanda vs. AMG; and 3) the greenfield investment route, which allows Chinese firms to exploit technology and better integrate their global management. For instance, ZTE entered Sweden in 2002

and JAC Motors entered Italy in 2005. Due to the fact that the Chinese central government started its “Opening up and Reform Policy” in 1978, which allowed private enterprises to conduct business in mainland China, Chinese firms started their internationalization rather late, mainly from the 1990s onwards, in the shadow of their lack of knowledge and experience. Hence, most Chinese firms have followed the first route, and are gradually moving up in the value chain in terms of upgrading themselves from original equipment manufacturers (OEM) to original design manufacturers (ODM) and original brand manufacturers (OBM) or original idea manufacturers (OIM) (Hobday 1995; Child and Rodrigues 2005; Deng 2007; Bonaglia et al. 2009).

Previous studies on Chinese firms’ internationalization have mainly focused on large SOEs, and relatively little research has been conducted on privately owned SMEs (Hong and Sun 2006; Deng 2009; Cui and Jiang 2010). Due to the low transparency of information and difficulties in collecting firm-level data in China, previous studies have mainly used secondary statistical data or case-based evidence to illustrate Chinese firms’ internationalization paths (Liu et al. 2008; Yang et al. 2009a; Cui and Jiang 2010). Hence, research on Chinese private SMEs’ internationalization that has been based on first-hand data is extremely limited (Zhou 2007). Therefore, this thesis, which is based on first-hand, firm-level data, is of high value.

As suggested by Song et al. (2011), in order to study Chinese firms’ internationalization and foreign expansion patterns, it is necessary to distinguish between SOEs and privately owned enterprises (POEs). This is because: 1) SOEs have different motivations for internationalization as they have much better access to governmental financial and political support, while POEs can rarely access these advantages (Sutherland and Ning 2011); 2) the Chinese government has strong control over SOEs; as a result, their internationalization objectives are mainly political, rather than economic. Child and Rodrigues (2005) suggested that Chinese SOEs’ outward internationalization decisions are often made according to political objectives, while those of Chinese POEs follow profit-maximizing objectives. Buckley et al. (2007), as well as Kolstad and Wiig (2012), discovered that in OECD countries, Chinese firms’ internationalization decisions are driven by market-seeking motivations, while in non-OECD countries they are motivated by resource requirements. Recent work by Amighini et al. (2013) compared the differences in internationalization strategies between Chinese SOEs and POEs. They realized that Chinese POEs are attracted to large markets and host-country strategic assets, while SOEs follow their home country’s strategic needs.

Regarding Chinese firms’ foreign market strategies, based on data from 63 Chinese firms, Ramasamy et al. (2012) and Duanmu (2012) found that SOEs choose locations that have rich natural resources and high political risks. This does not necessarily mean that Chinese firms have a high-risk-seeking mindset, but rather that they are attracted to areas that offer political benefits (Li and Liang 2012). When POEs enter these locations, they are often following SOEs

and act as their suppliers of products and related services. Ramasamy et al. (2012) and Lu et al. (2011) studied Chinese exporting companies, and concluded that exporting companies' foreign market strategies are driven by market motives. Furthermore, Chinese firms are more willing to enter markets that have larger Chinese communities. These communities usually give firms foreign market information, connections, access to networks, and other knowledge. This is also supported by the quantitative findings of Gu (2009) and Song (2011).

Based on survey data on 607 Chinese firms, Liu et al. (2011) studied the relationships between Chinese firms' internationalization and their ownership structure and strategic orientations, and found that entrepreneurial orientation is positively related to internationalization, while the relationship between market orientation and firms' internationalization is "U-shaped." Scholars such as Nummela et al. (2004) and Knight and Cavusgil (2004) also agreed that entrepreneurial orientation is important for BG SMEs. Using primary data from 210 Chinese SMEs from Beijing and Hong Kong, Tang's (2011) recent work on the influence of networking on internationalization discovered that the availability of foreign business resources is positively related to Chinese SMEs' success in terms of rapid internationalization, while the availability of general organization resources does not have a similar association.

Tseng (1994), Cui (1998), Warner et al. (2004), and Yang et al. (2009b) argued that Chinese firms use their internationalization in foreign markets as a springboard to gain resources, with the result that they may become more competitive, both in the home market and abroad. Boisot and Meyer (2008) found that many Chinese firms enter foreign markets in order to avoid the risks and disadvantages associated with operating only in their home market. Psychic distance is an important term in the Uppsala model, with firms entering psychically close and familiar countries first. However, in Chinese cases, firms tend to look at ethnically based social networks than psychic distance (Sim and Pandian 2003). Cai's (1999) and Deng's (2004) early studies show that Chinese firms prefer to enter foreign markets that contain Chinese social networks which they can benefit from (Zhou et al. 2007). From data on 887 publicly listed Chinese firms, Chen and Tan (2010) discovered that location within internationalization strongly impacts Chinese firms' internationalization-performance relationships. Regarding the speed of Chinese firms' internationalization, Zou and Ghauri's (2010) multi-case studies found that Chinese high-tech firms internationalize much faster than the gradual internationalization model predicts, but slower than BGs.

To summarize (see Figure 4), the literature on internationalization regarding Chinese firms has increased in the past decade, yet there has been an extreme lack of theoretical development and empirical evidence. Scholars have looked at SOEs, but POEs have been studied to a much lesser extent.

In fact, in order for this thesis to make a comprehensive theoretical contribution, its study of the internationalization of Chinese firms will be

conducted with the following distinctions: 1) ownership. SOEs, POEs, JVs with foreign ownership, and mixtures of any of these two or three types of ownership may result in different firm characteristics, which will stimulate unique internationalization behavior in the Chinese context; 2) size. MNEs and SMEs receive different types of support during their initial stages of internationalization, and different financial, personal and production capabilities cause firms to follow very different internationalization paths; 3) advancement of technology. Chinese high-tech and low-tech firms internationalize according to various motives and drivers.

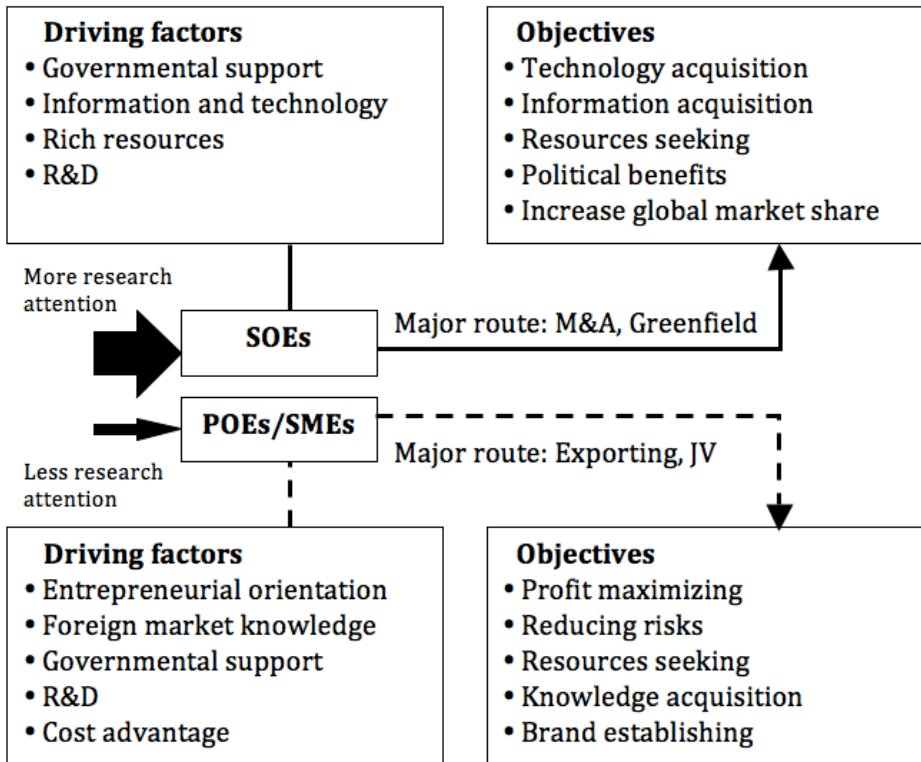


Figure 4. Previous research on Chinese firms' internationalization
 Source: compiled by the author based on Kling and Weitzel 2010; Zou and Ghauri 2010; Chen and Tan 2010; Tang 2011; Liu et al. 2011; Ramasamy et al. 2012; Minin et al. 2012; Amighini et al. 2013.

Deng (2012) collected literature on the internationalization of Chinese firms published in major journals in the past two decades (from 1991 to 2011). His study applied content analysis and illustrated the antecedents, processes and outcomes of Chinese firms' internationalization. Deng (2012) concluded that the previous research on Chinese firms' internationalization is piecemeal, and numerous issues have been under-investigated. Thus, more studies should be conducted in order to continue to examine and model the antecedents, processes and outcomes of the internationalization of Chinese firms. Hence, Chinese low- and medium-tech SMEs, which are all privately owned, shall be studied further here. From a methodological point of view, comparative studies of slower and faster Chinese internationalizers are still missing, as is longitudinal study of Chinese firms' global expansion. Therefore, in order to provide a comprehensive picture of Chinese firms' internationalization, both qualitative and quantitative methods shall be applied in this thesis, and a longitudinal approach used to conduct the comparative studies (Werner 2002; Newman et al. 2003; Hurmerinta-Peltomäki and Nummela 2006).

1.4. Theoretical Summary and Research Gaps

Based on the above literature review, the main points are as follows: 1) foreign market knowledge is important to firms' internationalization, but the exact role is unclear. A lack of it may slow down the internationalization process and cause firms to initially enter their closest countries using the simplest entry modes (Johanson and Vahlne 1977; Johanson and Vahlne 2009; Brennan and Garvey 2009; Freeman et al. 2010; Saarenketo et al. 2010); 2) firms may acquire foreign market knowledge not only through direct market experience, but also by hiring certain types of personnel, cooperation, and so on (Pécoud 2002; Pedersen and Petersen 2004; Bengtsson 2004; Brennan and Garvey 2009); 3) foreign market knowledge may positively affect firms' internationalization processes, but does not guarantee success (Liu et al. 2008; Naudé 2009); 4) firms' internationalization is not necessarily a smooth path, but rather a wave-shaped process that involves unexpected and radical changes (Bell et al. 2001; Meyer and Gelbuda 2006; Welch and Welch 2009; Vissak and Francioni 2013); 5) during firms' internationalization processes, before choosing a foreign market they must consider numerous factors for successful entry, and market strategies require firms to have a certain level of knowledge (Mitra and Golder 2002; Morgan et al. 2003).

By reviewing all of the above literature, the author has identified the research gaps in internationalization process studies, and presents studies within this thesis that fill the gaps (see Table 4).

Table 4. The major research gaps identified from literature review, and studies in the thesis that fill these gaps.

Limitations of Previous Studies	Research Gaps	Studies Serving to Fill the Gaps
Initial stage of internationalization		
1. The types of knowledge are confusing. No clear identity of the role of knowledge for initial stages of internationalization (important vs. not necessary).	Clarify the types of knowledge that impact on firms' initial internationalization, and select one type to analyze its impact.	Study I, II, III, IV
2. Previous studies on firms' fast internationalization only looked at firms in which owners/decision makers already have knowledge.	Investigate firms that have internationalized rapidly despite lacking knowledge.	Study I, II, III, IV, V
3. Ignored some industries and firm types. Did not clearly distinguish high/low-tech sectors.	Select a specific sector with clear differentiation of characteristics of this sector/type of firm.	Study I, II, III, IV, V
4. Only looked at the firm's expansion path; lack of in-depth explanations from both firm and individual levels.	Illustrate firms' early expansion path, answer the "how" and "why" questions.	Study I, II, III, IV, V
5. Based on limited amount of empirical works.	Collect new evidence to add new understanding.	Study I, II, III, IV, V
Later stage of internationalization		
1. Only illustrated certain situations (de-/re-internationalization), lack of comprehensive view of firms' behaviors in later stage of internationalization.	Conduct a quantitative study of firms' later stage of internationalization; discover their behaviors.	Study I, II, V
2. Lack of deeper explanations of drivers of firms' later stage of internationalization.	Conduct a qualitative study of firms' later stage of internationalization; answer "how" and "why" questions.	Study IV
3. The role of knowledge is unclear in firms' later stage of internationalization.	Examine the role of knowledge in firms' later stage internationalization, especially in relation to situations of market exit and reentry.	Study IV
4. Later-stage internationalization studies lack connections with firms' early-stage internationalization and the characteristics of this.	Use a longitudinal approach to gain an overall understanding of firms' international development to better explain firms' later-stage internationalization.	Study IV

Limitations of Previous Studies	Research Gaps	Studies Serving to Fill the Gaps
Methodological perspective		
1. Lack of mixed methods.	Conduct both quantitative and qualitative studies.	Combination of five studies
2. Lack of comparative studies of faster and slower internationalizers.	Comparative studies of BGs and NBGs.	Study I, II, V
3. Lack of first-hand firm-level data from emerging countries.	Collect first-hand firm-level data from emerging markets to conduct the above studies.	Study I, II, III, IV, V
In the Chinese context		
1. Most studies focus on SOEs, limited attention on SMEs.	Study SMEs' internationalization processes.	Study I, II, III, IV, V
2. Entry modes are focused on M&As, JVs, etc.	Focus on export-oriented internationalization.	Study I, II, III, IV, V
3. Mainly use secondary statistical data or case-based evidence.	Collect first-hand firm-level data from different parts of China.	Study I, II, III, IV, V

Literature Sources: Johanson and Wiedersheim-Paul 1975, Johanson and Vahlne 1977, Wiedersheim-Paul et al. 1978, Birley and Norburn 1987, Welch and Luostarinen 1988, Luostarinen 1989, Lindqvist 1991, Rennie 1993, Liesch 1993, Oviatt and McDougall 1994, Bell 1995, Coviello and Munro 1995, Knight and Cavusgil 1996, Fina and Rugman 1996, Madsen and Servais 1997, Morgan and Katsikeas 1997, Bell et al. 2001, Lummaa 2002, Chetty and Campbell-Hunt 2004, Reid and Freeman 2006, Meyer and Gelbuda 2006, Cavusgil and Knight 2009, Welch and Welch 2009.

Source: compiled by the author

This dissertation focuses on filling the following gaps through five original works. 1) Previous studies mainly focus on firms' initial internationalization process, and lack continual analysis of firms' international development. 2) In the case of slower internationalizers (Uppsala model), there is an overemphasis on the role of market-specific knowledge and a lack of exhaustive analysis of factors that affect firms' internationalization choices. For instance, in the case of China, the large size of the domestic market may cause firms to stay in China instead of entering foreign markets, because of their lack of knowledge. In addition, considering the special political conflict with Japan and the fact that Chinese products in Thailand, Vietnam, etc. have much fewer price advantages, Chinese firms may not be willing to enter geographically close countries first. In addition, at the individual level, the entrepreneurial orientation of Chinese managers is very different from the Western style. Thus, conducting studies on early-stage internationalization from more locations is highly necessary. 3) In the case of faster internationalizers (BGs), the role of knowledge is viewed as crucial; however, there is a lack of explanation on firms' that have internatio-

nalized rapidly without knowledge. 4) From a methodological point of view, mixed-method and comparative studies are rare, and a longitudinal approach is seldom taken. In addition, there is a lack of first-hand firm-level data, especially from emerging markets. Thus, to fill these gaps, this dissertation applies both quantitative and qualitative methods, and combines comparative studies and longitudinal analysis. The work identifies the role of knowledge in the internationalization processes of Chinese firms, primarily in terms of foreign market selection.

The conclusions summarized from the literature review lead to a number of sub-research questions (Table 5). These will be answered by the five studies presented in the empirical section of this thesis.

Table 5. Theoretical conclusions and sub-research questions

Theoretical Conclusions	Sub-research Questions
<p>1. Foreign market knowledge is important to firms' internationalization. A lack of it may slow down the internationalization process and cause firms to initially enter the closest countries, using the simplest entry modes.</p>	<p>What is the knowledge level of Chinese BGs and NBGs? How does the knowledge level affect their internationalization speed and foreign market selection?</p>
<p>2. Firms may acquire foreign market knowledge not only through direct market experience, but also by hiring certain types of personnel, cooperation, and so on.</p>	<p>What channels are used by Chinese BGs and NBGs to acquire foreign market knowledge?</p>
<p>3. Foreign market knowledge may positively affect firms' internationalization processes, but does not guarantee success.</p>	<p>What are the connections between Chinese firms' knowledge level and their internationalization success?</p>
<p>4. Firms' internationalization is not necessarily a smooth path, but rather a wave-shaped process that involves expected and radical changes.</p>	<p>Are the internationalization processes (exit and reentry) of Chinese firms smooth, or do they encompass changes? What is the role of knowledge during changes?</p>
<p>5. During firms' internationalization processes, before choosing a foreign market they must consider numerous factors for successful entry, and market strategies require firms to have a certain level of knowledge.</p>	<p>What are the expansion strategies and foreign market knowledge levels of Chinese BGs and NBGs?</p>

Source: compiled by the author

Based on the conclusions of the literature review, it can be said that this thesis can bring value and make notable contributions to the literature in the following ways. 1) It explores the role of knowledge in the early stages of firms' inter-

nationalization (both faster and slower internationalizers) and discovers that firms may internationalize successfully despite a lack of experiential knowledge. This discovery provides a critical argument, and also fills a gap in current internationalization theories, in which knowledge is considered crucial for internationalization (Liu et al. 2008; Naudé 2009). 2) More specifically, the research contributes to BG studies by showing evidence of firms that internationalized rapidly as BGs despite having limited or no foreign experiential knowledge. This adds a new understanding to the BG literature, as well as filling the gap in current BG literature in terms of a lack of evidence from the East and emerging markets such as China (Deng 2009, 2011). 3) From the angle of market selection and export market choices, this thesis further analyzes both Chinese BG and NBG firms, and illustrates their foreign market strategies and expansion paths. The findings critically challenge the traditional Uppsala model by illustrating that both BG and NBG firms choose to enter geographically and culturally more distant countries, rather than close ones; further, the research discovers the main drivers of firms' foreign market selections (Johanson and Vahlne 1977, 1990, 2009). 4) This thesis applies both quantitative and qualitative methods to analyze the data, and, via longitudinal and comparative study approaches, investigates BG and NBG firms' internationalization. Thus, a comprehensive contribution to the literature can be expected.

In addition, previous studies on Chinese firms' internationalization are extremely limited. According to Deng (2011), in the past two decades, there have been only eight quantitative studies and 21 qualitative studies published in major journals about the internationalization of Chinese firms. In the last two years, the number of published articles has been increasing, yet it is still limited. In particular, existing works mainly focus on Chinese SOEs; studies on POEs are rare, and very often look only at macro-level aspects, rather than firm-level issues. Furthermore, previous studies on fast Chinese internationalizers have been based on high-tech firms, and study of low-tech firms' fast internationalization is still missing. Chinese BGs' internationalization processes are under-investigated, and investigation of BGs' and NBGs' knowledge level, early-stage foreign market selection, foreign expansion strategies and radical changes during their longitudinal internationalization process is also lacking, among many other gaps. From the methodological perspective, secondary statistical data or case-based evidence has often been used to research Chinese firms' internationalization; however, first-hand, firm-level data have not been collected and analyzed to any significant degree.

Hence, internationalization studies in the Chinese context are still far from sufficient, yet this is an extremely important area within the internationalization literature. Therefore, this thesis will fill this gap by collecting first-hand, firm-level data to analyze the internationalization process of Chinese low- and medium-tech firms, with focuses on the role of knowledge, foreign market selection, and radical changes during the longitudinal internationalization process.

2. METHODS

In order to obtain a comprehensive understanding of research questions, an increasing number of international business (IB) scholars have been applying multiple methods in their research, particularly in the past decade (Hurmerinta-Peltomäki and Nummela 2006). Even though the value of mixed methods is elusive (Werner 2002) and the definitions of mixed methods have not yet been commonly agreed, such methods still contain unique advantages. For instance, they allow researchers to improve the validity of research (Jick 1979; Scandura and Williams 2000; Creswell 2003), and gain a better understanding of the research subject (Newman et al. 2003; Erzberg and Kelle 2003).

Previously, scholars have conducted analyses on mixed-methods research. In 1998, Tashakkori and Teddlie classified eight types of mixed methods studies. Later, Hurmerinta-Peltomäki and Nummela (2006) separated the data collection and data analysis steps and used a two-by-two matrix to evaluate selected mixed-methods studies. As a result, 13 types of combinations were identified. In line with Hurmerinta-Peltomäki and Nummela's (2006) work, this thesis applies mixed methods (Hurmerinta-Peltomäki and Nummela 2006; Hohenthal 2006; Ghauri and Grønhaug 2010; Susan and Donna 2012). The types of mixed methods applied in this dissertation use the following process: collect qualitative data and analyze the data qualitatively, and collect quantitative data and analyze the data quantitatively.

The mixed methods meet the needs of this research well. The quantitative methods will provide an overall picture of Chinese firms' internationalization processes, as well as showing the levels of knowledge in different phases of their internationalization. The qualitative case studies will assist the analysis and help to identify the drivers of Chinese firms' internationalization processes, the reasons firms have different levels of knowledge, the drivers of foreign market selections, and firms' behavior during the longitudinal internationalization processes.

Data Collection

The data collection stage consists of two parts: surveys and case interviews. Studies I, II and V are based on the survey data, and Studies III and IV are based on the case interview data. The data collection steps and the order of the empirical studies are presented in Figure 5.

To date, empirical studies focusing on firms from mainland China that contain reliable financial data are still rare (Chen and Tan 2012). This is mainly due to the low transparency of company information, governmental restrictions and difficulties in terms of firm-level data access, which is a common challenge within research on emerging markets such as China (Wright et al. 2005). Perceptual measures of performance gathered from surveys have been used in most of the previous works on Chinese firms' internationalization performances (e.g., Brouthers et al. 2005), while secondary statistical data or case-based

evidence has been applied to illustrate Chinese firms' internationalization paths (Liu et al. 2008; Yang et al. 2009; Cui and Jiang 2010). Therefore, first-hand, firm-level data on Chinese internationalizers will be highly valuable for improving the reliability of the research findings and analyzing new research questions.

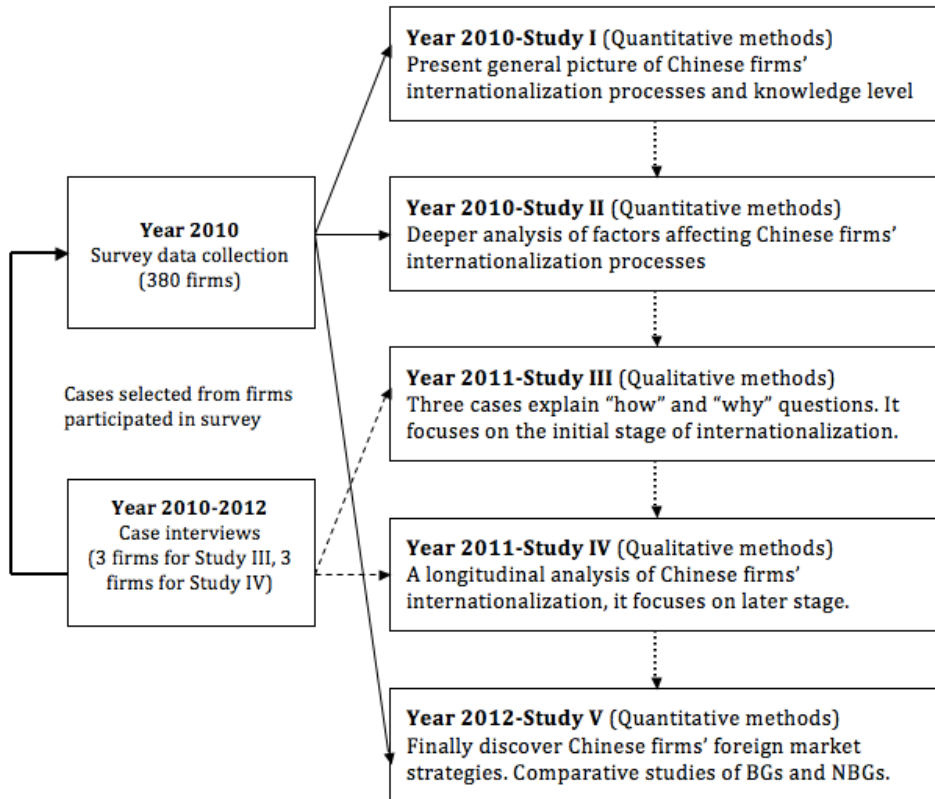


Figure 5. The data collection steps and the order of the empirical studies
Source: compiled by the author

Quantitative methods and survey data collection

In social sciences, quantitative research methods are very often used, as they make it possible to state the research problems in very specific and set terms, thus providing clear positioning in terms of both the independent and dependent variables (Frankfort-Nachmias and Nachmias 1992). By conducting the quantitative methods properly with reliable data, the research can strictly follow the original set of research goals and reach a more objective conclusion. Hence, the study could achieve high levels of reliability due to controlled observations and mass surveys (Balsley 1970) with minimized subjectivity of judgment

(Kealey and Protheroe 1996). In the context of international business research, within quantitative research, the phenomena are described numerically with descriptive and inferential statistics (Allan and Randy 2005). Quantitative research measures the degree and extent of attitudes (Neuman 2003), and focuses on specific questions or hypotheses with the primary advantage of a large sample, which enhances the statistical validity and accurately reflects the population (Van der Stroep and Johnson 2010).

The authors developed the questionnaire based on the reviewed literature and the theoretical sections of the published papers. The first part concerns general data, such as the firms' foundation year, turnover, number of employees and main business areas; as well as the characteristics of their internationalization, including the number of foreign countries in which they operate, R&D cost, and other foreign activities. In the second part, firms were asked to offer more detailed data, such as the year they first reached a 25% export share, and the year they entered the first, second and third foreign market, and foreign markets outside of Asia. The respondents were then asked to assess their knowledge sources before internationalization, and also the knowledge of their first, second and third foreign market. The fourth part of the questionnaire focuses on the firms' market selection. Entry mode, entry timing and the firms' knowledge of the first, second and third foreign markets were highlighted, and respondents were asked to provide a measurement of these on a scale from 1 to 7. In the last part of the questionnaire, firms provided considerations regarding their future strengths in the global market (see Appendix II).

In total, 18,353 firms from four Chinese provinces – Anhui, Guangdong, Jiangsu and Zhejiang – were contacted from December 2010 to January 2011. The main reason for selecting these four regions is that these were the first subjects of China's Opening Up and Reform Policy, after which firms began international activities from the mid-1980s and early 1990s. In addition, most of the low- and medium-tech manufacturers are located in the township prefectures of these areas. The potential respondents were identified mainly through lists of firms obtained from local governments, authorities and import/export associations. The author also contacted the Business Administration Committees of the local and provincial Special Economic Zones and Industrial Zones, in order to reach the target manufacturers, since, in China, both domestic and foreign firms employ local managers for their network building (Li et al. 2008), and consider networking with government officials to be strategically important (Li and Zhang 2007).

The data collection process included online surveys, a questionnaire attached to an email, and also printed questionnaires. The original questionnaire was prepared in English and translated into Chinese by the author, who is a native Chinese speaker. In total, 420 firms completed the survey. Among these, 158 firms completed it online, 174 firms via email attachment, 43 firms via printed survey, and 45 firms were interviewed and also completed printed surveys. These latter 45 firms were interviewed in Anhui (Tianchang, Chuzhou, Hefei),

Jiangsu (Nanjing, Yangzhou), Zhejiang (Hangzhou) and Guangdong (Guangzhou). The author's local university partners also assisted during the data collection process.

Among collected survey evidence from Chinese firms, 104 are BGs and 276 are NBGs (where, as outlined above, BGs are defined as firms that have entered at least two other continents outside of their home continent and reached a 25% export share within three years since their foundation. This definition follows those by Madsen and Servais (1997) and Kuivalainen et al. (2007), rather than that by Gabriëlsson et al. (2004), in order to encompass the speed of initial internationalization. As BGs were to be compared with slower internationalizers, data from 40 firms without any international activities were excluded, and the resulting sample size was 380. Among the sample, firms are mainly in the sector of low-tech electronic productions and toy producers in both BG and NBG cases, and the ownerships of the firms are mostly private (over 99%).

The author also had access to the firms' financial and import and export data in Anhui province (Tianchang, Chuzhou, Hefei); these data are provided by the Statistics Bureau of Anhui Province, the City Administration of Industry and Commerce Bureaus, and the City Administration of Local Taxation Bureaus, among other local authorities. However, unlike Western countries in which firms' annual reports and general financial data are public, in China firms (especially exporters) usually change their bookkeeping and submit "updated" financial reports to local authorities in order to benefit more from tax return policies, local support programs and other regulations. Hence, the author considered data collected directly from firms to be more trustworthy.

The low response rate (ca. 2%) is mainly due to the fact that: 1) firms in the email lists may only operate in domestic markets; 2) the questionnaire required respondents to have a longitudinal and in-depth understanding of their firms' development, hence making the survey rather complex; 3) the questionnaire included questions about the firms' financial records, which in China are considered very sensitive data considering that many firms have "gray area" operations; and 4) firms that were showing a negative performance at that time may not have been willing to answer the questionnaire, which is understandable according to Chinese business culture.

Another reason for the very low response rate could be that the questionnaire contained a large number of questions on firms' activities on continents outside of Asia. Thus, domestic firms or regional exporters may not have responded to the survey. It is evident that non-responding firms also included firms that did not have any exports, however it is impossible to estimate the proportion that these represent.

Considering that this research aims to compare Chinese BG and NBG firms, in Study I and V, in order to assess differences in firm characteristics and between BGs and NBGs, a simple one-way analysis of variance (ANOVA) model was used and estimated via Statistical Package for the Social Sciences (SPSS). The samples were distributed normally, so that ANOVA could be

performed. Levene’s test (Levene 1960) was conducted to assess whether or not the standard deviations varied significantly across BG and NBG groups. Considering the survey data’s violation of the homogeneity of variance requirement, the more robust Brown–Forsythe (Brown and Forsythe 1974) and Welch (Welch 1951) tests were also used for assessing the equality of means.

Validity is an important criterion in creating and assessing research quality (Boudreau et al. 2001). Construct validity is based on how the items connect together in such a way that they can be considered one construct (Bryman and Bell 2007). Some research aims to deduce a hypotheses from a theory that is related to the concept. Due to issues with nonresponse bias, mailed surveys have been criticized (Armstrong and Overton 1977). The commonly accepted protection against nonresponse bias is the reduction of nonresponse itself (Kanuk and Conrad 1975, p.443). Another approach is to estimate the nonresponse bias (Daniel 1975). According to Armstrong and Overton (1977, p.397), there are three methods of estimation: “comparisons with known values for the population, subjective estimates and extrapolation.”

The low rate of response in our survey may lead to the nonresponse bias when respondents to a survey differ from nonrespondents (Bryman and Bell 2003). However, a low level of response can be unbiased if the respondents in the survey are representative of the total sample. Unfortunately, information on nonrespondents is unavailable due to the extreme difficulties in China, and this creates a challenge. In order to avoid misjudging risks, and to keep the low level of response unbiased, the study tried to estimate the nonresponses by dividing the sample and comparing the early respondents with later ones (Armstrong and Overton 1977). The results (Table 6) indicate that there is no statistically significant difference between early and late respondents concerning average total sales, number of employees, and share of exports from total sales, and only a minor difference concerning the year of establishment, starting year of exports, export age, and number of target countries (Larimo et al. 2012).

Table 6. Early respondents vs. later respondents: test results for the two groups

Variable	Obs	Mean	Std. Dev.	Min.	Max.
Establishment					
Early respondents	190	1996.042**	3.959894	1983	2005
Late respondents	190	1997.184**	3.117244	1991	2005
Turnover (2010)					
Early respondents	190	32.18253	19.48422	5	102.55
Late respondents	190	31.622	19.36021	9	125.69
Employees					
Early respondents	190	237.4895	159.6938	35	1125
Late respondents	190	226.1632	163.8433	52	1352

Variable	Obs	Mean	Std. Dev.	Min.	Max.
Export year					
Early respondents	188	1999.394**	3.78208	1988	2006
Late respondents	181	2000.287**	3.03229	1992	2007
Export age					
Early respondents	188	3.367021	2.453499	0	10
Late respondents	179	3.201117	2.237022	0	10
Export share					
Early respondents	190	37.59363	26.77	5	100
Late respondents	190	41.22716	28.22671	5	100
Number of countries					
Early respondents	190	3.021053*	2.334371	1	12
Late respondents	190	3.421053*	2.379716	1	9

* 0.1, **0.05, *** 0.01 and **** 0.001 level difference

Source: compiled by the author

Qualitative methods and case interviews

In this thesis, three quantitative studies present a general picture of Chinese BG and NBG firms' internationalization processes, with specific focuses on the role of knowledge. The qualitative research methods (see Table 7) were intended to offer a more realistic explanation of the specific research questions that cannot be answered from the numerical data and statistical analysis used in the quantitative research. It also provided flexible channels through which to collect data, perform subsequent analyses, and interpret the collected information. As a result, the method may provide a holistic view of the phenomena under investigation (Bogdan and Taylor 1975; Patton 1980; Cassell and Symon 1994). In order to gain in-depth knowledge, the case method was used in this thesis (Dyer and Wilkins 1991; Chetty 1996; Piekkari et al. 2009). As suggested by Yin (1994, p.29), the case method is suitable for explaining "how" and "why" questions, which "allows the author to combine existing developed theories and new empirical evidences." As suggested by Eisenhardt, "this research approach is especially appropriate in new topic areas" (1989, p.532); it allows novel, testable and empirically valid theoretical and practical insights to be identified (Voss et al. 2002). This method allows researchers "to account for issues of equivalence and comparability with regards to data quality, which is central in systematic qualitative research" (Sinkovics et al. 2008, p.922). Scholars such as Liu and Li (2002) and Low (2007) have applied single-case methods to investigate Chinese firms' international strategies. However, in order to avoid the risk of misjudging a single situation, the author chose the multi-case study approach (Ghauri 2004), which allows case analysis and cross-case comparisons (Chiesa and Frattini 2007; Eisenhardt and Graebner 2007).

Respondent validation has been welcomed by qualitative researchers, as it can ensure that a good correspondence exists between the research findings, the perspectives and the research participants' experiences (Bryman and Bell 2003). In his qualitative research book, Mason (1996, p.21) argues that "reliability, validity, and generalizability are different kinds of measures of the quality, rigour and wider potential of research, which are achieved according to certain methodological and disciplinary conventions and principles." However, LeCompte and Goetz (1982), as well as Kirk and Miller (1986), took a different opinion from Mason, even though they all agree with the relations of reliability and validity to qualitative research. Internal validity refers to whether or not the observations match the theoretical ideas, while external validity refers to the findings that can be generalized across social settings (LeCompte and Goetz 1982).

Lincoln and Guba (1985) suggest that for qualitative studies, different criteria shall be used to judge or evaluate. "It is necessary to specify terms and ways of establishing and assessing the quality of qualitative research that provide an alternative to reliability and validity" (Bryman and Bell 2007, p.411). Thus, Guba and Lincoln (1994) propose trustworthiness and authenticity as two primary criteria for assessing the qualitative research. The natural science model (Eisenhardt and Graebner 2007) categorized various research actions under the following criteria: construct validity, internal validity, external validity and reliability (Cook and Campbell 1979; Behling 1980); these criteria have been adapted to case study methods (Yin 1994; Denzin and Lincoln 1994).

Table 7. Case methods and data collection

Study No.	No. of Firms	Interview Hours	Interview Timing	Interviewees
III	3	Firm A: 20 Firm B: 23 Firm C: 4	Firm A: March–June 2010 Firm B: March–June 2010 Firm C: December 2010	Firm A: general manager, deputy manager and a local city official. Firm B: owner and manager. Firm C: founder/general manager
IV	3	Firm A: 5 Firm B: 3 Firm C: 3.5	Firm A: October 2011 Firm B: October 2011 Firm C: October 2011	Firm A: 3 founders and 1 sales manager. Firm B: 2 owners Firm C: 2 founders

Source: Compiled by the author

In order to ensure construct validity there are two main strategies, the first of which is triangulation (Denzin and Lincoln 1994; Yin 1994; Stake 1995). In this thesis, the author triangulated different sources of data including interview data,

participatory and direct observation in the factory. The author conducted all the interviews himself via multiple visits. Second, the author followed a clear chain of evidence; this approach allows readers to reconstruct the study themselves, from the research questions to the final results (Yin 1994).

Regarding internal validity, in this research the author formulated a research framework (Yin 1994) and provided verbal descriptions of the relationships between variables and outcomes. The author also compared and briefly discussed relationships between the collected data and previous research (Zou and Ghauri 2010). To ensure external validity, neither single nor multiple cases can make statistical generalizations (Lee 2003), but this does not mean that generalization should be given up. "The key is the differentiation between statistical generalization and analytical generalization. Analytical generalization denotes a process that refers to the generalization from empirical observations to theory, rather than a population" (Gibbert and Ruigrok 2010, p.12). Eisenhardt (1989) suggests that a cross-case analysis involving four to ten cases shall be able to give a sound basis for analytical generalization. In this thesis six cases were involved, in line with these suggestions.

The author followed the general recommendations for interviews set forth by Daniels and Cannice (2004). In order to better illustrate several firms' development trends, make improved generalizations, and reduce the risk of misjudging a single or particular situation (Leonard-Barton 1990), a multiple case study alternative (Miles and Huberman 1994) was selected. Several key informants were selected from three firms in order to access multiple viewpoints and to reduce the risk of misinterpretation (Ghauri 2004; Voss et al. 2002).

In Study III, three Chinese firms were interviewed. All of the interviews used semi-structured, open-ended questions, which were sent to the interviewees at least one week before the interview. The questions related to the following areas: the establishment of the firm, its first export orders and other cross-border activities, the further development pattern of the company, the main reasons for its success so far, the firm's future plans and strategies, and other related topics. All of these interviews were recorded digitally and transcribed verbatim. In addition, field notes were made.

In Study IV, three cases were selected from a Chinese survey focusing on the internationalization of Chinese SMEs during 2009. In order to analyze the changes during firms' longitudinal processes of internationalization, all of the three case firms were selected from the south and east of China, as in these regions there are many export-oriented firms, which started exporting from the 1980s. The three selected companies were also established during the same period, and have similar employee numbers and turnovers, which facilitated the comparative research of their internationalization processes.

In-depth interviews and structured questionnaires were used for the data collection. All of the interviews were conducted in Chinese by the author, who also ensured that the questions were clearly understood and answered. Questions related to the establishment of the firm, its first export orders and

other cross-border activities, the further development pattern of the company, firms' activities during radical changes (global financial crisis), firms' foreign market exits and reentries, the main reasons for its success so far, the firm's future plans and strategies, and other related topics. The author received additional documents from the firms' financial officers and local authorities, including firms' export and import records, annual revenue, etc.

In addition, the author collected secondary data (from the firms' websites and annual reports, local business press, and other sources) for data triangulation and to ensure that key information had not been ignored. In addition, the author received several financial documents from the interviewees via email. The author followed the "24 hour rule" (Ghauri and Grønhaug 2007 2010; Yin 1994); all of the interviews were translated and transferred into full English texts and written into case stories, which were sent back to the interviewees for any corrections and clarifications. These activities helped to establish a chain of evidence and guarantee construct validity (Lee 1999).

Due to a request from the companies' owners to retain anonymous, the firms' names and some parts of the financial data have not been disclosed. For the same reason, the interviewees will only be referred to according to their occupational titles.

In the following sections, five original published articles will be presented. The order of the articles has been arranged according to the study logic of this dissertation.

3. EMPIRICAL STUDIES

4. DISCUSSION OF RESULTS AND CONCLUSIONS

The research in this thesis is formed from a collection of five original articles. By using both quantitative and qualitative methods, and combining comparative studies and longitudinal analysis, the aim of this dissertation is to identify the role of knowledge in internationalization processes of Chinese firms. It focuses primarily on the role of knowledge in foreign market strategy.

4.1. Summary of Studies

In this section, the main findings of the five empirical studies will be summarized. The titles correspond to each of the articles presented.

Successful born globals without experiential market knowledge: survey evidence from China (Study I)

The first study aimed to discover the overall characteristics of Chinese firms, along with their knowledge level. It demonstrated that Chinese firms internationalize successfully despite lacking experiential knowledge. This includes BGs, who also internationalize very quickly despite a lack of knowledge, and the fact that slower internationalizers actually have more knowledge of their first foreign market than BGs do. In general, when BGs are compared to other internationalizers, there is no difference in terms of establishment year (average was 1996) and number of employees (average 230). However, BGs started to export and seek FDI opportunities earlier than other firms. Also, BGs had a higher export share and larger revenues, and invested more into R&D compared to other firms.

Regarding foreign market expansion, BGs and other internationalizers chose to enter the USA first by exporting or making FDI, followed by Germany. Among BGs, 72% selected the USA as their first foreign market, while Canada and Germany were the second most popular choices. Among other internationalizers, 49% selected the USA as the first foreign market, followed by Germany and the UK. Interestingly, in the whole sample, only a few firms selected an Asian country as the first entry target.

Regarding the level of knowledge, it is surprising that BGs had almost no prior knowledge before entering their first foreign market (mean scores were between 1 and 1.5, measured on a scale from 1 to 7, where 1 means the lowest level of knowledge and 7 means the highest), nor did they have any experiential knowledge prior to internationalization. Other internationalizers also had low levels of prior knowledge, yet this was much higher than that of BGs (mean scores were between 2.5 and 3.5). Firms tended not to use any other means by which to acquire such knowledge; the only highly appreciated channel was gaining support from government organizations (50% of BGs and 79% of other

internationalizers). In general, BGs had lower mean scores than other internationalizers in terms of gaining knowledge. This result takes into consideration that BGs often started their internationalization earlier than other internationalizers, and had no access to modern methods of gaining information, such as the Internet, during that period.

Hence, this article contributes to the field by exploring the role of knowledge in the early stages of firms' internationalization (both faster and slower internationalizers), and the discovery that firms may internationalize successfully despite a lack of experiential knowledge. This discovery provides a critical argument, and also fills a gap in the current internationalization theories, in which knowledge is considered crucial for internationalization (Liu et al. 2008; Naudé 2009). More specifically, this research contributes to BG studies by showing evidence of firms that internationalized rapidly and became BG-type internationalizers despite having extremely limited or no foreign experiential knowledge. This adds a new understanding to the BG literature, as well as filling a gap in current BG literature with respect to a lack of evidence from the East and emerging markets such as China (Deng 2009, 2012).

Which Factors Affect the Internationalization of Chinese Firms? (Study II)

The second study aims to focus on analyzing which factors are most important for internationally more active Chinese firms' internationalization. The following characteristics of internationalization were selected: the scale of internationalization, the extent of foreign operations, geographic scope, the timing of initial and subsequent international activities, and firms' overall internationalization performances (Oviatt and McDougall 1994; Jones and Coviello 2005; Hashai 2011; Leonidou and Samiee 2012). The article looks at factors such as foreign market knowledge acquisition before internationalization, firms' knowledge about the first market, the drivers of first market selection, and the firms' strengths. The comparative studies were applied and the findings are presented in the following paragraphs (see also Table 8).

From the export share perspective, firms with higher export shares had less knowledge of their first market compared to firms with lower export shares, and were also less active in terms of knowledge acquisition before internationalization (Pécoud 2002; Pedersen and Petersen 2004; Brennan and Garvey 2009). However, both groups of firms had similar reasons for selecting the first foreign market, which relate to market size, customer contacts, favorable production circumstances and the support of local government.

Table 8. Main empirical findings of Study II

Firm Groups	Knowledge of the First Foreign Market *	Active Rate of Knowledge Acquisition before Firm's Internationalization **
Higher export share	Less	Lower
Lower export share	More	Higher
With subsidiary	Less	Lower
Without subsidiary	More	Higher
More foreign markets	Less	Lower
Fewer foreign markets	More	Higher
More foreign continents	Less	Lower
Fewer foreign continents	More	Higher
Born globals	Less	Lower
Non-born globals	More	Higher

* Differences are significant.

** Differences are significant in terms of knowledge acquisitions via working in local firms, working in foreign firms, studying abroad, employing personnel, learning from other firms, owners' background, paying foreign visits and receiving governmental support.

Source: compiled by the author, based on Table 4.8 in Study II.

Regarding foreign subsidiaries, firms with subsidiaries and firms without (simple exporters) had very similar strengths. However, simple exporters had more knowledge of their first market, and were even more active in acquiring knowledge than firms with subsidiaries.

In terms of number of foreign markets, firms operating in more foreign markets had less knowledge of their first foreign market, and were less active in knowledge acquisition compared to firms operating in fewer foreign markets. Different main drivers were noted for first foreign market selection. Firms operating in more foreign markets were driven by customer contacts and the local Chinese government's support. Moreover, firms operating in continents besides Asia did not acquire much knowledge before their first cross-border operations, and their first market selections were strongly influenced by factors such as market size, customer contacts, favorable production circumstances and local Chinese government's support.

Furthermore, compared with BGs and NBGs, BGs had less knowledge of their first market (Cavusgil and Knight 2009). However, BGs and NBGs had similar main strengths. For BGs, the most important driving factors of first foreign market selection were customer contacts, favorable production

circumstances and support from the local Chinese government. These findings are similar to those of Zeng et al. (2010) and Lau et al. (2010). However, they differ from our existing understanding of firms' initial internationalization processes, especially in terms of the main drivers of early foreign market selection (Rialp et al. 2005; Mascherpa and Zucchella 2011). The results critically challenge current internationalization theories, in which knowledge is considered crucial for internationalization (Liu et al. 2008; Naudé 2009; Xiao et al. 2013; Liu et al 2013).

Becoming a true born global without any experiential market knowledge: three Chinese cases (study III)

The third study uses a qualitative approach and aims to study how Chinese firms have become true BGs without having any experiential market knowledge. It demonstrates that the case companies have mainly gained their knowledge through participating in trade fairs, learning from their personal networks and long-term cooperation partners, and receiving support from local governments.

All three case firms had a similar path of initial internationalization in terms of knowledge acquisition (Table 9). None of the founders/owners of the case firms had a substantial educational background or business experience before the establishment of the firms. All three firms operated in low- and medium-tech sectors, without any foreign ownership. They had not experienced any inward internationalization prior to their outward internationalization. The main channels for gaining knowledge during the early stages were found to be through owners' personal networks and the firms' cooperation partners, while local investment and trade fairs played a significant role in their initial knowledge acquisition.

Regarding their internationalization paths, all three case companies selected the USA and Germany as their first foreign markets, despite the fact that those firms did not have any previous experiential knowledge of these markets. All three case firms also have subsidiaries abroad, which are mainly located in the USA, Germany and Russia. Their development strategies are very similar, in that they concentrate on exporting to continents outside of Asia. Thus, via a qualitative approach, this research contributes to BG studies by showing evidence of firms that have internationalized rapidly and become BG internationalizers despite having extremely limited or no foreign experiential knowledge. This represents a critical challenge to the current BG literature (Oviatt and McDougall 1994; Rialp et al. 2005; Mascherpa and Zucchella 2011).

Table 9. Study III: background information on three case companies' internationalization processes, and foreign market knowledge acquisition

Internationalization Process	Foreign Market Knowledge Acquisition
Firm A: Electronics producer founded in 1993 by two brothers	
<p>The first customer was from the USA in 1993; in 1994 the firm started to export to Germany, and in 1996 to France and the UK. Since 2000, it has exported to Poland and the Netherlands; from 2001 to Malaysia and Vietnam; from 2003 to Russia; and from 2005 to the Ukraine. It founded sales offices in Düsseldorf, Germany in 2000, Chicago, USA in 2000 and Moscow, Russia in 2005. Firm A never had sales in the domestic market.</p>	<p>The firm's owners and key management staff had no educational background or business experience prior to the founding of the firm. The first client came through another firm. The firm mainly gained its knowledge from participating in trade fairs in the early stages in China, and then in the USA and Germany from 1999. In 1995, the firm hired two technicians. It also gained knowledge from its cooperation partners.</p>
Firm B: Toy manufacturer founded in 1997 by one farmer	
<p>Indirect export to the USA from 1997, then direct export to the USA from 1999. Since 1999, firm has exported to Germany and the Netherlands. Firm B stopped all domestic sales in 1999. Since 2003, it has exported to Finland and from 2007 to Russia and Romania. Firm B founded sales offices in Hamburg, Germany in 2004, Los Angeles, USA and Moscow, Russia. It imports materials from the Netherlands and Finland. It plans to expand to South Asian countries in the near future.</p>	<p>Initially, firm B's owner was a farmer and had no related education or business experience. First, firm B learned from Chinese partners, then actively participated at investment seminars and trade fairs, first in China and later globally (since 2000 in the USA and Germany). Governmental support was one of the major channels through which firm B gained its knowledge. In 2004, two toy designers from the USA were hired.</p>
Firm C: Footwear producer founded in 1998 by one founder	
<p>Indirect export to the USA in 1998, then direct export to the USA in 1999. In 2000, it started exporting to Germany and the Netherlands. Since the end of 2000, firm C has had no sales in the domestic market. Since 2003 it has exported to Japan, since 2004 to Russia, and since 2007 to the Ukraine. Firm C founded a sales office in Hamburg, Germany in 2004. It started to export to South Asia in 2012 and it planned to found a new sales office in Moscow, Russia in 2013.</p>	<p>Firm C's owner/founder had no educational background or business experience of the footwear industry. Via <i>guanxi</i>, he learned from his former classmates and the firm's early trade agency partner. Firm C actively participated in investment and trade fairs in China, and, since 2001, in the USA and Germany. Firm C also received governmental support in terms of participating at fairs and business matchmaking events.</p>

Source: compiled by the author

Longitudinal internationalization processes of born globals: three Chinese cases of radical change and the global crisis (Study IV)

Study IV aims to analyze the development of the international operations of BGs in the long run. Through a longitudinal approach, the study summarizes the key features and operationalization of Chinese BGs, and analyzes their development paths with a focus on the changes in terms of foreign market exit and reentry. It discovers that three case companies (see Table 10) had different levels of knowledge towards foreign markets at the initial stages of internationalization, yet all of them successfully became BGs. In terms of radical changes, the foreign experiential knowledge level positively correlates with the firm's performance in foreign markets. Regarding decisions relating to reentry, firms with higher levels of knowledge decide on reentry, in some cases even with new partners and reentry modes.

Three case companies were selected for this study. All of these case firms have similar internationalization processes in terms of foreign market strategies: USA-Canada-Germany. The three firms all smoothly internationalized up to 2007; however, from late 2007, the three firms started to de-internationalize. Case A partly exited from some foreign markets, then started reentry. Case B fully exited from all foreign markets and became a domestic firm, then started reentry. Case C also fully exited from all foreign markets, but decided to stay in the domestic market without having any plans for cross-border operations in the future. Regarding reentry, Case A reentered with previous partners via the same model with innovative products. Case B reentered developed markets with previous partners via the same model, and developing markets with new partners via a JV.

This study concludes that there are three types of change that could happen to BG SMEs, as follows: (1) internationalize as a BG, continue internationalization and de-internationalize, then re-internationalize; (2) internationalize as a BG, continue internationalization and de-internationalize until becoming a fully domestic firm, and then start to re-internationalize; (3) internationalize as a BG, continue with internationalization growth and de-internationalize until becoming a fully domestic firm, and do not plan to return to the international market in the future. Unexpected external forces, such as the global financial crisis, policy changes, international trade distractions and limitations, partnership changes, and so on all influenced the "de-internationalization" part of the firms' internationalization processes (Calof and Beamish 1995; Benito 1997; Freeman 2007; Johanson and Vahlne 2009). However, the owners' decisions, the firms' strategic planning, and better opportunities in the domestic market were the main determinants of their decisions to return to the global market (Oviatt and McDougall 2005; Welch and Welch 2009; Javalgi et al. 2011).

Table 10. Study IV: background information of three case companies' internationalization processes and foreign market knowledge acquisition

Internationalization process	Foreign market knowledge acquisition
Firm A: Electronics chargers producer founded in 1997 by three founders	
<p>Firm A first supplied Chinese local partners in 1997, then started to export to the USA and Canada in 1998. Since 1999, it has exported to Germany, Singapore, Malaysia and the UK, since 2001 to the Netherlands, Italy, Spain and France, and since 2002 to Russia. Firm A established sales offices in Chicago, USA in 1999, Hamburg, Germany in 2003, and Moscow, Russia in 2004.</p>	<p>The firm's three owners/founders have a business education background and a certain level of experience. Initially, firm A gained knowledge from its partners in North America, and later by actively participating in trade fairs and exhibitions in the USA. Firm A established its R&D department in 2009.</p>
Firm B: Remote control producer founded in 1996 by two founders	
<p>The firm's first foreign order came from the USA in 1996. From 1997, it started exporting to Canada and Mexico, from 1998 to Germany and Sweden, from 1999 to Finland, from 2000 to the Netherlands and from 2002 to Russia and Belarus. Due to the global economic crisis, firm B exited all foreign markets in 2009, and only operated in China. Since 2010, firm B has started to reenter previous markets. It reentered the USA, Germany and the Netherlands in 2010, and Mexico, Russia and Belarus in 2011.</p>	<p>Initially, firm B's two founders had a related educational background and certain experience of foreign markets. The two founders had good connections in the USA. At the beginning, firm B mainly gained knowledge from its partners abroad, and later via exhibitions and trade fairs. It also gained knowledge via connections with local governments in China.</p>
Firm C: Clothes manufacturer founded in 1997 by two founders	
<p>Firm C started its business by supplying local firms in China. Since 1997, it has exported to the USA and Canada, since 1998 to Italy, since 1999 to France and Spain, since 2002 to Poland and Russia and since 2003 to Turkey. Due to the global economic crisis, firm C exited from Canada, France, Spain, Russia and Turkey in 2009. In 2010, firm C exited all foreign markets and now only has sales in the Chinese domestic market. Firm C does not plan to reenter any foreign markets.</p>	<p>Initially, firm C's owner/founder had no educational background or related business experience. Via its early personal connections with local footwear enterprises, firm C started to trade. At the beginning, it learned from its local partners and met foreign buyers through these. Later, firm C also learned from its foreign partners and got more foreign buyers.</p>

Source: compiled by the author

Market strategy in internationalization process: comparative studies of Chinese born global and non-born global firms (Study V)

Study V aims to study the key aspects of market strategies by reviewing 380 Chinese SMEs, especially the similarities and differences between BGs and traditional exporters, with focuses on the first target countries, expansion paths and market concentration versus market diversification in their internationalization strategies. Both Chinese BGs and NBGs in the sample had extremely low/no knowledge of the foreign market before their foreign expansion. However, the level of knowledge does not directly correlate with firms' internationalization strategies in terms of choosing market concentration or market diversification. Knowledge level also had no direct effect on BGs and NBGs' expansion paths, as they all expand to more distant countries at the very beginning and follow similar processes.

More specifically, the analysis shows that BGs have more target countries than NBGs; BGs start and expand to more distant target countries than NBGs; and the number of target countries is positively related to the export share from total sales and export age, though it is not positively related to the international commitment of the management.

Hence, from the angle of market strategies, Study V further analyzes both Chinese BG and NBG firms, and illustrates their foreign market strategies and expansion paths. The findings critically challenge the existing internationalization process literature (Johanson and Vahlne 1977, 2009) by illustrating that both BG and NBG firms chose to enter geographically and culturally more distance countries, rather than close ones (Rennie 1993; Lee and Yang 1990; Knight and Cavusgil 1996; Rialp et al. 2005; Mascherpa and Zucchella 2011).

From the methodological point of view, the first-hand, firm-level data on Chinese internationalizers are highly valuable for improving the reliability of the research findings and analyzing the research questions. The author applied both quantitative and qualitative methods to analyze the data, and via longitudinal and comparative study approaches investigated BG and NBG firms. This provides a comprehensive contribution to studies on Chinese firms' internationalization.

4.2. Discussion of Results and Practical Implications

Distinctive features of Chinese BGs

In this research, the case studies show that all six case companies initially internationalized according to the traditional born global model. Their BG definitions follow those used by Madsen and Servais (1997), as well as Kuivalainen et al. (2007). Based on Cavusgil and Knight's (2009) suggestion of the characteristics of BGs, six case firms were compared in order to identify their distinctive features (Table 11). It is clear that Chinese BGs have similar distinctive features to those found previously among Western firms. Even though the home market in China is huge, a large amount of local firms are still

willing to explore and expand to the global market in the very early stages of their business. However, knowledge plays a very different role through Chinese BGs' internationalization processes, and this deviates from the existing internationalization process literature.

Table 11. Chinese born global case firms' distinctive features

Distinctive Features	Study III			Study IV		
	A	B	C	A	B	C
Highly active in international markets from or near to founding.	H	H	M	H	H	H
Characterized by limited financial and tangible resources.	H	H	H	H	H	H
Managers have a strong international outlook and international entrepreneurial orientation.	H	H	M	H	H	H
Often emphasize differentiation strategy.	H	H	M	H	H	H
Often emphasize superior product quality.	H	H	H	H	H	H
Leverage advanced communication and information technologies.	H	H	H	H	H	H
Typically use external, independent intermediaries for distribution in foreign markets.	H	H	H	H	H	H

H: Firm's match level to the existing distinctive feature is high

M: Firm's match level to the existing distinctive feature is medium

Source: compiled by the author

Role of Knowledge

The authors of the Uppsala model (Johanson and Vahlne 1977, 2009) and Innovation-related internationalization models (Adersen 1993; Fina and Rugman 1996) have shown that firms' possession of experiential foreign market knowledge affects their speed of internationalization. However, studies on relationships between FDI and host country exports have proven that experience is not always necessary, meaning that firms may internationalize rapidly from or close to founding. Some scholars (Eriksson et al. 1998; Brennan and Garvey 2009) have identified only a few channels of foreign market knowledge acquisition, while others have argued that internationalization success may not be determined only by firms' knowledge (Ford 1998; Ling-ye 2004).

According to Study I, Study II and Study V, both faster internationalizers (including BGs) and slower internationalizers are extremely lacking in terms of foreign market knowledge when they enter their first foreign market. This contrasts with the Uppsala model (Johanson and Vahlne 1977, 1990, 2009; Johanson and Wiedersheim-Paul 1975; Vahlne and Johanson 2002), which considers knowledge to be necessary for firms' internationalization. Where

firms lack (experiential) knowledge, they may be forced to internationalize slowly, often using simple international operation modes such as direct or indirect exporting, entering culturally and geographically closer countries first, and having low commitment to the global market. In this research, Chinese firms used simple operation modes – i.e. exporting – however, they did not enter geographically or culturally closer countries, but instead internationalized to the USA and Germany first. The Chinese firms' lack of knowledge did not affect their internationalization speed in general.

Chinese firms' main foreign operation mode is exporting. This is due to the following facts: 1) most of our sample firms (over 96%) are export-oriented low- and medium-tech manufacturers; 2) during the end of the 1980s and early 1990s, Chinese central government still had strict control over POEs' foreign activities (e.g. acquisitions), which partly caused POEs and SMEs to focus only on exporting (Deng 2004, 2010); 3) a low level of foreign market knowledge leads local firms to choose exporting as a safer operation mode. Hence, knowledge as described by the Uppsala model did not affect Chinese firms' internationalization speed and expansion to either geographically or culturally more distant countries.

Regarding the first foreign market (Studies I, II, V), most faster internationalizers rated their knowledge as “none at all,” while slower internationalizers evaluated their knowledge levels more highly, but still as being rather low. It is obvious that faster internationalizers have even less experiential knowledge, and also less knowledge about their first foreign market, than slower internationalizers do.

Moreover, they were less active in terms of their acquisition of foreign market knowledge prior to their first cross-border activities. The cases in Study IV and Study V show that some Chinese firms did not choose to enter the first foreign market themselves, but rather the market was chosen by foreign buyers. In the early 1990s, the demand-pull existed, and numerous foreign buyers searched for low-cost manufacturers in the east and south of China. Driven by such demand, many labor-intensive manufacturers were established and received orders from foreign firms even during the first year of founding. This partly explains why faster internationalizers could have less knowledge about their first foreign market compared to slower internationalizers.

Previous studies have illustrated the different ways in which firms can gain knowledge (see Table 12). Firms may establish and develop business relations in foreign networks (Johanson and Mattsson 1988), through which they may gain benefits from their local partners' knowledge of their domestic markets without experiencing them themselves (Eriksson et al. 1998; Brennan and Garvey 2009); firms may also learn about local partners' capabilities, strategies, needs, business conditions and other knowledge. In the case of Chinese firms, none had gained knowledge through foreign networks during the early stages of their internationalization. Ford (1998) and Ling-yee (2004) suggested that the networks might assist – but would not necessarily guarantee – firms' internationalization successes.

Table 12. Channels for Chinese BGs and NBGs to acquire foreign market knowledge

Channels for Acquiring Foreign Market Knowledge	Initial Stage		Later Stage	
	BG	NBG	BG	NBG
Establish and develop business relations in foreign networks (Johanson and Mattsson 1988)	✗ I, II, III, IV, V	✗ I, II, V	✓ III, IV	✓ I, II, V
From parent company (Blomström 1990; Dunning 1994; Lauter and Rehman 1999; Hadley and Wilson 2003)	✗ I, II, III, IV, V	✗ I, II, V	✗ I, II, III, IV, V	✗ I, II, V
Conduct market research (Eriksson et al. 1997; Pedersen and Petersen 2004; Zou and Ghauri 2010)	✗ I, II, III, IV, V	✗ I, II, V	✓ I, II, III, IV, V	✓ I, II, V
Make pre-entry visits to potential foreign markets (Eriksson et al. 1997; Pedersen and Petersen 2004; Zou and Ghauri 2010)	✗ I, II, III, IV, V	✗ I, II, V	✓ I, II, III, IV, V	✓ I, II, V
Employ other firm's former expatriates (Downes and Thomas 1999)	✗ I, II, III, IV, V	✗ I, II, V	✓ I, II, III, IV, V	✓ I, II, V
Hire foreign immigrants or people from other firms that have been active within a specific market (Pécoud 2002; Bengtsson 2004; Brennan and Garvey 2009)	✗ I, II, III, IV,	✗ I, II, V	✓ III, IV, V	✗ I, II
Acquisition in target country or alliance (Pajunen and Maunula 2008; Bengtsson 2004)	✗ I, II, III, IV	✗ I, II	✓ IV	✗ I, II
Support from trade organizations, industry associations and governmental facilities (Seringhaus and Mayer 1988; Child and Rodrigues 2005; Hadley and Wilson 2003)	✓ I, II, III, IV	✓ I, II	✓ I, II, III, IV	✓ I, II
Attend exhibitions and trade fairs in China (Liu et al. 2008)	✓ I, II, III, IV	✓ I, II	✓ I, II, III, IV	✓ I, II
Attend exhibitions and trade fairs abroad (Liu et al. 2008)	✗ I, II, III, IV	✗ I, II	✓ I, II, III, IV	✓ I, II

✓: use; ✗: do not use

I, II, III, IV, V refer to the study number

Source: compiled by the author

In the beginning, Chinese firms received extremely limited information regarding the foreign market from local governments and trading organizations,

and firms were not able to establish and develop business relations abroad due to governmental restrictions. However, large global demand pushed foreign firms to come to China, and in this way Chinese firms started to gain knowledge about foreign markets through their longitudinal internationalization processes. Studies I, II and V highlighted that neither Chinese BGs nor NBGs used the channels previously mentioned in the literature to gain knowledge during their initial stages of internationalization.

However, through the in-depth case studies conducted in Studies III, IV and V, it was found that firms started to gain knowledge from various channels in the later stages of their internationalization. Especially during radical changes, firms that exited foreign markets gained enough knowledge for reentry, and the level of knowledge determined the success therein.

Scholars such as Dunning (1994), Lauter and Rehman (1999) and Hadley and Wilson (2003) discovered connections between FDIs and host country exports, however they focused on foreign subsidiaries, rather than local firms. Firms may conduct market research and make pre-entry visits to potential foreign markets (Eriksson et al. 1997; Pedersen and Petersen 2004; Zou and Ghauri 2010), employ other firms' former expatriates (Downes and Thomas 1999), hire foreign immigrants (Pécoud 2002), or employ people from other firms that have been active within a specific market (Bengtsson 2004; Brennan and Garvey 2009). Furthermore, acquisition in the target country or forming alliances and cooperation may also allow them to acquire the necessary knowledge. This research's empirical findings show that Chinese firms did not conduct any market research regarding the foreign market, and the founders had never been abroad before starting their businesses. When they established their businesses, the initial employees were usually family members and former farmers with extremely limited work training. In some cases, factory workers were also hired, however these cannot be considered experts in the industry. However, from the three cases in Study IV, it was discovered that Chinese firms start to hire experts during the later stages of internationalization – commonly when they establish foreign subsidiaries in their core foreign markets.

The study shows that for both groups, the major channels through which Chinese firms gain foreign market knowledge are through support from trade organizations and governmental facilities (Seringhaus and Mayer 1988; Child and Rodrigues 2005; Hadley and Wilson 2003) and attending exhibitions and trade fairs (Liu et al. 2008). As described above, China's Opening Up and Reform Policy in the early 1980s resulted in the establishment of a large number of SME manufacturers in the low- and medium-tech sectors. Considering that the owners and decision makers within these Chinese firms are mostly uneducated, for instance former farmers who worked on collective farms, and also taking into account the lack of modern technology for communication in the early 1990s, these firms would have found it very difficult to gain foreign market knowledge from the channels suggested by scholars.

However, the cases in Study III and Study IV show that following the Opening Up and Reform Policy, local governments strongly promoted exporting and organized a number of investment initiatives, exhibitions and trade fairs to attract foreign buyers to place orders or establish production units. In this context, and with the extreme advantage of low production costs, many Chinese firms succeeded in the early stages of internationalization by gaining knowledge only from governmental facilities and attending fairs and exhibitions. Scholars such as Oviatt and McDougall (1994), Naudé (2009) and Liu et al. (2008) held a similar point of view, suggesting that the foreign experience might have a negative impact on firms' internationalization decisions, and that experiential knowledge may be helpful for internationalization, but is not always necessary for initiating it.

Although the results from the sample firms show that many firms internationalized successfully despite the lack of knowledge, it does not mean that knowledge is not at all important for managers, or that having knowledge will slow down or harm firms' internationalization processes. In fact, Naudé's study (2009) found that firms increase their chances of survival by having more knowledge. Other studies (Ford 1998; Ling-ye 2004; Liu et al. 2008) have proven that knowledge may not be necessary for the initial stages of internationalization, but is certainly required for sustainable development and continued successful internationalization.

Viewing the role of knowledge in Study IV from a longitudinal perspective, knowledge is certainly important to firms' long-term international performance. In terms of foreign market exit and reentry (Welch and Welch 2009), firms with higher knowledge levels might exit foreign markets due to radical changes such as the global financial crisis; however, they may also have higher willingness to return to the global market, while firms with less knowledge and lower commitment may decide to stay in the domestic market due to its stable demand and decision makers' mindset (Bell et al. 2003; Javalgi et al. 2011). When firms decide on reentry, they not only reenter the same markets with the same partners as previously, but also enter new markets with higher commitment by forming JVs.

In Study III and Study IV, during the case interviews, managers also explained that it was very difficult for them to acquire knowledge during the early stages; as one stated: "we might [have lost] opportunities of catching the foreign buyers in the golden period, if we didn't start as fast as possible, but instead [spent] time [on learning]." However, the managers illustrated that after the first two to three foreign markets, their firms started to understand the mechanisms of foreign business and began to study each foreign market before making decisions on new market entry and expansions.

Foreign market strategies

Based on the quantitative survey data and analysis in Study V, this study shows that both faster internationalizers and slower internationalizers selected the

USA as their first foreign market. Approximately 55.3% of firms chose the USA as the first foreign market for exporting, and 32.9% of firms chose it for making FDIs. The second most popular destination was Germany. It is interesting to note that over 72% of BGs and 49% of NBGs decided to enter the USA first. The most common expansion paths of Chinese firms are presented in Table 13.

Table 13. Chinese BG and NBG expansion paths

USA as the first target country for 209 firms (134 NBGs and 75 BGs). For 84 firms the USA is the only market							
	CAN	GER	UK	AUS	ITA	HOL	FRA
Second target country	38	29	29	9	5	2	2
Third target country	8	16	7	16	1	11	8
GER as the first target country for 43 firms (30 NBGs and 13 BGs). For 15 firms GER is the only market							
	HOL	POL	UK	FRA	USA		
Second target country	7	4	3	3	0		
Third target country	2	1	1	1	3		
UK as the first target country for 23 firms (16 NBGs and 5 BGs). For 7 firms UK is the only market							
	USA	GER	FRA				
Second target country	4	3	2				
Third target country	1	2	1				

CAN: Canada, GER: Germany, AUS: Australia, ITA: Italy, HOL: Holland, FRA: France, POL: Poland

Source: Compiled by the author

The qualitative studies in Study III and Study IV demonstrated that there are three major reasons for these location choices and expansion paths, as follows.

1) Governmental promotions. Chinese central and local governments heavily promote exporting to and attracting FDIs from key economic partners, typically the North American and West European countries (Luo et al. 2010). Many more fairs, exhibitions, official delegations, seminars and other events were organized for these countries; hence, for the local entrepreneurs, it was much easier to gain access to the knowledge and network through which to establish business contacts with firms from key economic partner countries. In some regions and industrial zones, local governments and trade authorities provided better policies and conditions to firms exporting to the target countries, which was another main driver (Hong and Sun 2006; Deng 2009; Cui and Jiang 2010). Furthermore, due to governmental promotions, large groups of foreign buyers visited and launched their production in China, and many foreign buyers

initially contacted local firms, rather than local firms looking for orders (Deng 2009, 2011).

2) Common entrepreneurial mindset. Nummela et al. (2004) and Knight and Cavusgil (2004) mentioned that entrepreneurial orientation is important for BG SMEs. Sim and Pandian (2003) discovered that Chinese firms look at ethnical based social networks than psychic distance. For most local Chinese entrepreneurs, entering more populated and economically more developed foreign markets means more chance of success, and this mindset still commonly exists today (Liu et al. 2010; Lu et al. 2011; Ramasamy et al. 2012). To these firms, such markets represent higher profits, more potential for growth and longer-term win-win cooperation. This also explains why among 380 sample firms, only a few selected Asian countries as their first foreign markets, and these were mainly Japan, South Korea or Singapore. This is totally different from the internationalization process shown by the Uppsala model.

3) Large Chinese communities. Another reason why firms select US and Western European countries as priority foreign markets is due to the large Chinese communities in these countries, which shorten the actual cultural distances. These findings are supported by Ramasamy et al. (2012) and Lu et al. (2011), whose studies of Chinese exporting companies concluded that such companies' location choices are driven by market motives, and that Chinese firms are more willing to enter markets that have large Chinese communities. These communities usually give firms foreign market information, connections, networks and other knowledge (Zhou et al. 2007; Gu 2009; Song 2011). Cai (1999) and Deng (2004) also supported these findings.

Chinese firms' internationalization processes

Based on the above sections, it can be concluded that the findings of Chinese firms' internationalization processes are unique, and bring challenges and new insights to our existing understanding of firm's internationalization. Through three quantitative analyses and six case studies, the overall internationalization processes of Chinese firms are presented in Figure 6. The major findings are highlighted and explained in the following sections.

Initial stage

The five empirical studies showed that Chinese firms internationalized despite having no or an extremely low level of foreign market experiential knowledge. At the initial stages, the founders and decision makers of BG firms started their business with a strong drive from their entrepreneurial orientation (Study I, II, III, IV and V).

“The reason we started our business was simply because we want to live a better life with more financial resources. We always had such motivation to start our

own business even though we are not educated and we worked as construction worker[s] and farmer[s]. But when we [saw that] our neighbors and our friends started their businesses, we knew we should start as soon as possible.”
 (Interview with case firm A in Study III)

Such strong entrepreneurial orientation is very common among Chinese entrepreneurs, regardless of their education level and business experience (Tan 2001; Dai and Liu 2009). However, previous studies have shown that the east and south coastal regions have the highest entrepreneurial orientation, especially in Jiangsu, Anhui, Zhejiang, Shanghai, Fujian and Guangdong provinces (Zhang et al. 2010; Zhang 2010). Data collection in this thesis was conducted in four of these provinces, so it is no surprise that strong entrepreneurial orientation dominated and affected firms’ initial internationalization stage; the owners of the firms were brave enough to start businesses and consider exporting without any knowledge.

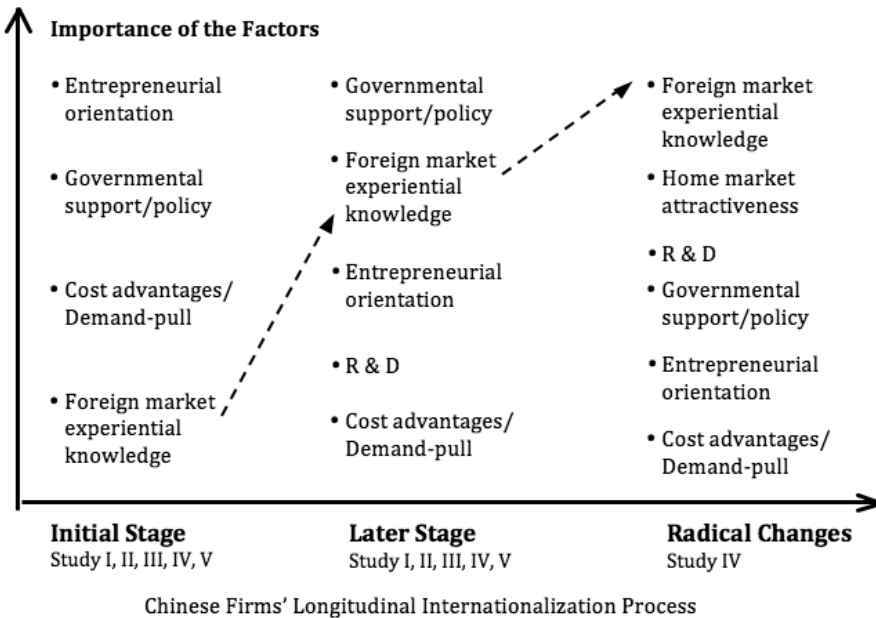


Figure 6. Factors that matter most to Chinese firms throughout their longitudinal internationalization processes

Source: Compiled by the author

The existing literature on BGs shows that the background of the owners and the key management team also determines how quickly a firm will internationalize. Liesch (1993) argued that in BG firms, the managers’ global mindset is already in existence from the establishment of the company, and that these companies start their foreign business very quickly. Birley and Norburn’s (1987) early

work showed that owners of international new ventures (INV) usually have more overseas travel, work and education experience. In addition, the owners' entrepreneurial orientation, prior knowledge and commitment facilitates the firm's internationalization processes and affects the speed therein (Knight and Cavusgil 1996; McAuley 1999; Freeman and Cavusgil 2007). However, in the case of Chinese managers, there are two types of situations, as follows. 1) The managers'/founders' global mindset did not exist from the establishment of the firm, but actually started to appear after the firm made contact with its first foreign client.

"We actually had no plan [to export], we simply wanted to start the business and supply our Chinese clients. But accidently, we met one foreign buyer and we had [our] first success exporting. We realize[d that] exporting actually brings higher profit, thus, we started to [become] really interested in exploring the globe." (Interview with case firm C from Study IV)

2) The second situation is that the managers' global mindset existed already before the establishment of the firm; however, they had no overseas travel, work or education experience.

"I saw many firms exporting to foreign markets and they were very profitable. The reason I wanted to start the business [was] to export my products to foreign markets as much as possible. Therefore, I decided to start the factory." (Interview with case firm A from Study III)

The second most important factor that causes a firm's successful initial internationalization is governmental promotions and policies. Chinese central and local governments heavily promote exporting to and attracting FDIs from key economic partners, typically the North American and West European countries (Luo et al. 2010). Many more fairs, exhibitions, official delegations, seminars and other events were organized for these countries; hence, for the local entrepreneurs, it was much easier to gain access to the knowledge and network through which to establish business contacts with firms from key economic partner countries (Hong and Sun 2006; Deng 2009; Cui and Jiang 2010).

"It was very risky for us to use more complicated operation modes in foreign market[s], as we simply had almost zero information about foreign market[s] when we started our business, and we had no experience in any market outside of China. But local government very often organized and attracted foreign buyers came to our town. We were able to meet with them and started our first communication. In some cases, foreign buyers came to us and launched their orders without us actually searching abroad." (Interview with case firm A from Study III)

Besides government support, production cost advantages are also an important factor that allows Chinese firms to initially internationalize successfully without

knowledge. Foreign buyers very often came to China and launched their production units or searched for suppliers in the early 1990s, considering China had the world's cheapest production cost and largest amount of labor (Hong and Sun 2006). Many firms, even newly established SMEs, were reached by these foreign buyers. The environment in the early 1990s helped Chinese firms to internationalize successfully without knowledge.

Another interesting finding is that most Chinese firms, regardless of whether they are BGs or NBGs, first entered culturally and geographically more distant countries. This is in conflict with several existing internationalization process models (Johanson and Wiedersheim-Paul 1975; Welch and Luostarinen 1988; Johanson and Vahlne, 1977, 1990; Vahlne and Johanson 2002).

“We had no knowledge [of] foreign market[s], especially in [the] early 1990s, we had no Internet, we even had [little] information about foreign countries. Therefore, to us all the foreign countries are far away. Geographic and cultural distances were not important to us. Because we [felt that] if it is a foreign country, then it is far away. However, due to the fact that our low production cost was our major advantage, we considered exporting to high income per capital markets – USA and Germany – [to be] more profitable.” (Interview with case firm B from Study III)

“For us, enter[ing] any foreign market is difficult because of [our] lack of experience and knowledge. Therefore, we prefer to enter a larger [...] market, so that we have enough space to grow there for [the] long-term.” (Interview with case firm C from Study III)

Therefore, it seems that cultural and geographical distances has very limited impact on these Chinese firms in terms of first foreign market selection and entry.

One more important factor that we cannot ignore is the demand-pull. At the end of the 1980s through to the early 1990s, foreign firms, particularly firms from the Western world, were seeking low-cost productions and products. Considering the huge amount of low-cost labor in China and the Chinese government's Opening Up and Reform Policy, large demand gave Chinese firms an enabling environment to internationalize, typically via exporting, regardless firms' knowledge level.

“Yes, the business was very easy back [in the] 1990s; very often we [would] receive orders from our foreign buyers. And our self-designed products [could] also be easily sold, [which was] partly due to the huge demand [from] Chinese products in [the] global market.” (Interview with case firm A from Study III)

“One of the reason[s] we started our business is because we sensed the opportunity [for] exporting; not only sensed, but we actually saw [that] more and more firms in our sector started operating abroad, produc[ing] for foreign companies and [selling] their own products to foreign markets.” (Interview with case firm A from Study IV).

However, even though the demand-pull factor exerts an influence, firms still underwent knowledge acquisition processes. In order to satisfy foreign buyers' requirements, sell more products to foreign markets and compete with firms in both homeland and other low-cost markets, firms need to learn to perform in the global market, and need to acquire knowledge.

“There are over 400 firms in our town [that] do the same business. Therefore, [on] one hand we knew the demand exists, [but on the other] hand we understood [that] if we [didn't] learn how to do business better, we [would] lose [our] competitiveness.” (Interview with case firm B from Study III)

“We have to learn of course, because we [had] never done business with foreigners before. In fact we hardly had any business experience at the beginning. So we [had] to learn how to communicate with foreign partners, how to find out their market information and how to develop new products to export to these markets. We couldn't learn that much from [the] first three foreign markets, because the time was limited, we need[ed] to produce, gain [...] certificate[s], etc. But we definitely learned something, [and] that's why we can export to more foreign markets.” (Interview with case firm C from Study III)

As previously mentioned, demand-pull provides an enabling environment to Chinese firms' internationalization. However, demand-pull exists not only in the Chinese market, but also in other developing markets, even in developed economies. Thus, Chinese firms need to acquire knowledge to increase their competitiveness. Their knowledge acquisitions are not very active during the early stages (first three foreign markets), but do still occur.

Later stage

After firms entered their first few foreign markets, they gained a certain level of foreign market experiential knowledge. At this point, retaining the clients from existing markets required the firms to have enough foreign experiential knowledge, among other capabilities. The role of governmental support and policies is still considered the most important, and it guides firms' internationalization paths (Deng 2009) and provides various support (e.g. exporting tax return) that drives firms to enter certain markets.

Due to the fact that the labor cost is increasing rapidly in China (especially in coastal regions), the cost advantage has reduced dramatically. Firms are pushed to either move their production units abroad to lower-cost destinations, or to invest more in R&D in order to increase their innovation and gain new competitiveness to fight in the foreign market. In addition, the influence of demand-pull has been largely reduced, due to the more costly production in China and competition from other low-cost production destinations.

“After the year 2000, we started to realize there is actually a cluster of electronics [producers] and we produce almost the same products. The competition is getting tougher and tougher, both in [the] home market and abroad. Less and

less workers actually wanted to work for 200 euro/month, they require more, 400 euro/month and in some cases even up to 1000 euro/month for skilled workers. Therefore, in 2000 we established our R&D division to develop new products and export to foreign market[s] with our experience and knowledge.” (Interview with case firm A from Study III)

“When the competition is getting tougher, our experiences and knowledge in foreign markets support us to keep exporting and even develop new markets.” (Interview with case firm A from Study IV)

The role of (foreign market experiential) knowledge is increasing through the processes of internationalization. After gaining knowledge from their first few foreign markets, firms started to acquire knowledge (Eriksson et al. 1997; Pedersen and Petersen 2004; Zou and Ghauri 2010) of new markets and make decisions on market entry. The most valuable finding regarding their foreign market entry relates to the unique order that most Chinese firms follow. Study V shows that both faster internationalizers and slower internationalizers selected the USA as their fast foreign market. Approximately 55.3% of firms chose the USA as the first foreign market for exporting, and 32.9% of firms chose it for making FDIs. The second most popular destination was Germany. It is interesting to note that the USA-Germany-Canada/UK is the most common expansion path. This can also be explained by the above-mentioned reasons that Chinese firms consider entering larger and high-income foreign markets to be more beneficial in the long term. It is also affected by government promotions of “recommended destinations.”

Radical changes

A firm’s internationalization process is not necessarily a smooth path; it may involve unexpected radical changes (Calof and Beamish 1995; Benito 1997; Bell et al. 2001; Meyer and Gelbuda 2006; Freeman 2007; Vissak and Francioni 2013).

The global financial crisis caused radical changes in many firms, a large number of whom suffered as a result. Some Chinese firms were forced or decided to partially/entirely exit foreign markets, while others decided to reenter them. In the case of foreign market exits, according to the findings of Study IV, firms that had high a level of foreign market knowledge exited fewer foreign markets. In the case of reentry, firms that had a high level of foreign market knowledge also decided to reenter previous markets, as well as entering new markets. Firms that entirely exited all foreign markets and decided to stay in their home market did so due to their low knowledge levels of foreign markets; this was also strongly driven by the attractiveness of the home market. In this case, foreign market experiential knowledge and the attractiveness of the home market were the two most important factors that influenced firms’ exit and reentry.

“Of course we were interested in foreign markets and we did [do a] large amount of exporting to our foreign clients, but the financial crisis really heavily affected us. During this radical change, we realize[d that] we actually didn’t know that much about our foreign partners and foreign markets, and our experiences and knowledge of foreign markets [were] rather limited. So we decided to turn back to our home market and [...] stay in China, Because of the high Chinese economic growth and also because we had stable cooperation with domestic partners. From my personal perspective, supplying the Chinese firms is much easier and [more] stable compared to fighting [in] foreign countries.”
(Interview with case firm C from Study IV)

Thus, from a longitudinal point of view, the role of foreign market experiential knowledge increases through Chinese firms’ internationalization processes. It may not be a necessary condition for initial successful internationalization (Liu et al. 2008; Naudé 2009), but it plays an important role in terms of later stage internationalization, in particular foreign market selection and entry. It also has a strong impact on firms’ decisions regarding foreign market exit and reentry during radical changes.

4.3. Conclusions

The aim of this thesis was to study the role of knowledge in internationalization processes of Chinese firms. Both quantitative and qualitative methods were used, as well as comparative studies and longitudinal analysis. Based on five original studies, the sub-research questions conclusions can be summarized as follows (Table 14).

Table 14. Major conclusions of this thesis

Sub-research Questions	Major Conclusions
What is the knowledge level of Chinese BGs and NBGs? How does the knowledge level affect their internationalization speed and foreign market selection?	Based on Studies I, II and V: both Chinese BGs and NBGs initially internationalize successfully, despite lacking knowledge. Low knowledge levels do not affect their internationalization speed, but firms all use exporting as their foreign operation mode. Both BGs and NBGs select culturally and geographically more distant countries that have a higher population and more advanced economic development.
What channels are used by Chinese BGs and NBGs to acquire foreign market knowledge?	Based on Studies I, II, III, IV and V: during the early stages of internationalization, neither BGs nor NBGs use the channels mentioned in the existing literature to acquire knowledge, except for attending government-organized fairs and exhibitions. During the later stages, Chinese firms acquire foreign market knowledge in various ways.

Sub-research Questions	Major Conclusions
What are the connections between Chinese firms' knowledge level and their internationalization success?	Based on Studies IV and V: during the initial stages of internationalization, Chinese firms internationalize successfully despite lacking knowledge. After entering their first three foreign markets, firms start to gain knowledge, which affects their foreign expansion strategy going forward.
Are the internationalization processes of Chinese firms smooth, or do they encompass changes? (exit and reentry)	Based on Studies IV and V: Chinese firms' internationalization processes involve changes. During periods of radical change and crisis, knowledge level determines decisions relating to the firms' foreign market exit, and the success of reentry.
What are the expansion strategies and foreign market knowledge levels of Chinese BGs and NBGs?	Based on Studies I, III, IV and V: both BGs and NBGs follow a common expansion path – USA-Germany-UK/Canada/Australia – during their early stages of internationalization, despite lacking knowledge of these foreign markets. Chinese firms are often chosen by foreign buyers in the beginning; however, they later select their foreign markets. Knowledge is important for Chinese firms regarding decisions of foreign market exit and reentry.

Source: compiled by the author

In addition, the following conclusions can be drawn.

- 1) Compared to BGs in Western literature, Chinese BG firms have similar distinctive features to those summarized by previous scholars (Oviatt and McDougall 1994; Gulati 1999; Mascherpa and Zucchella 2011). Chinese BGs are highly active in international markets from or close to founding (Bell 1995; Madsen and Servais 1997); they are characterized by limited financial and tangible resources, and their managers have a strong international outlook and international entrepreneurial orientation (Cavusgil and Knight 2009). Chinese BGs often emphasize differentiation strategy and superior product quality (Coviello and Munro 1995). They use advanced communication and information technologies and typically use external, independent intermediaries for distribution in foreign markets (Oviatt and McDougall 1994).
- 2) Compared with existing internationalization models, knowledge plays a different role within Chinese firms' internationalization processes (see Figure 7). Both faster internationalizers, including BGs, and slower internationalizers initially began successful foreign operations despite a lack of knowledge. The main factors that cause their success are governmental support, huge global demand, and owners' entrepreneurial mindset. Chinese BGs and NBGs are inactive in terms of knowledge acquisition, and faster internationalizers even less so. During the early stages, Chinese firms are

very often selected and contacted by foreign firms, as opposed to initially going abroad themselves. However, knowledge plays a more important role in firms' further expansions after the first three foreign markets. Firms start to gain knowledge from their foreign partners, and also through other channels such as international fairs and exhibitions, establishing sales and representative offices, hiring local and foreign expertise, and so on. Especially during periods of radical changes, firms gain knowledge for their foreign market exit and reentry, and the level of knowledge also determines their reentry success.

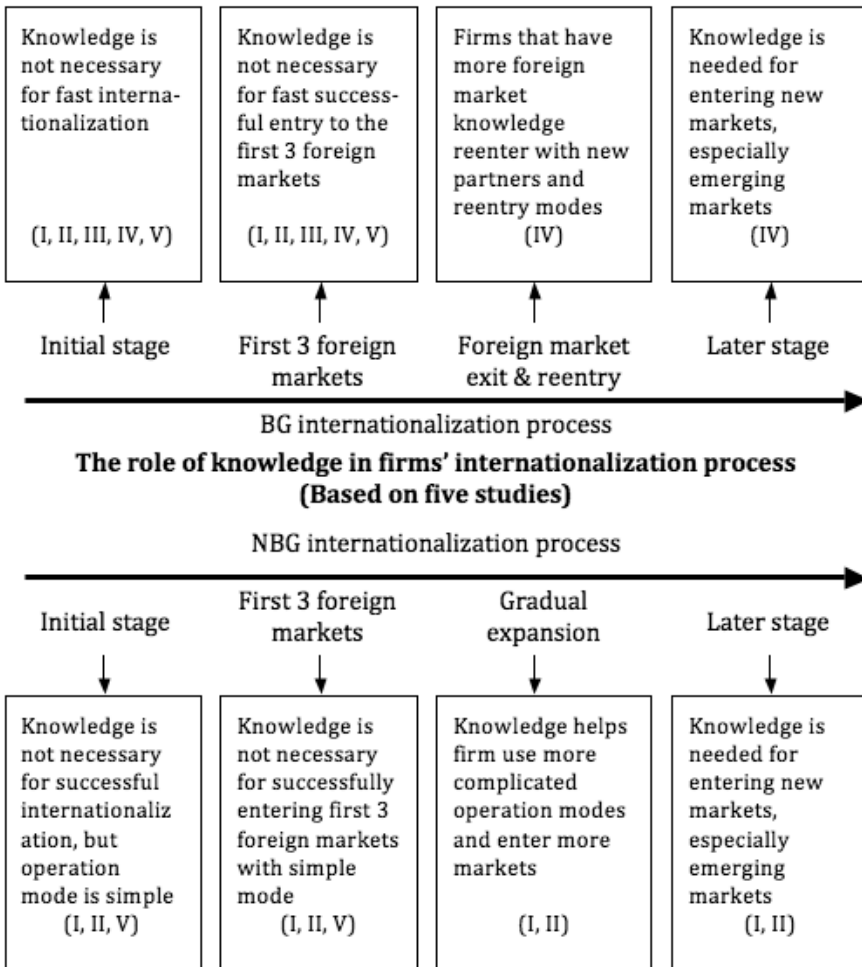


Figure 7. The roles of knowledge in Chinese firms' longitudinal internationalization processes

I, II, III, IV, V refers to the study number

Source: compiled by the author

- 3) Both Chinese BGs and NBGs initially enter geographically and culturally more distant countries, and then enter some Asian countries. For NBGs, their internationalization paths are very different from those identified within the Uppsala model. Both BGs and NBGs follow a common expansion path: USA-Germany-UK/Canada/Australia. The main drivers of such market strategies are governmental promotions, entrepreneurial mindset of entering highly populated and economically developed countries, and the draw of large Chinese communities in these foreign countries.
- 4) Comparative studies show that: BGs have more target countries than NBGs; BGs expand to more distant target countries than NBGs; and the number of target countries is positively related to the export share from total sales and export age, though it is not positively related to the firm's international commitment.

Hence, characterized by the early founding year, which goes back to the 1990s, and low- and medium-tech sectors, Chinese firms have a different type of internationalization process from that shown in existing internationalization models. Knowledge plays very different roles during the longitudinal process of Chinese firms' internationalization (see Figure 3). Both Chinese BGs and NBGs initially internationalize successfully, despite lacking knowledge. Both types of firms first enter culturally and geographically more distant countries, and they follow a very similar foreign expansion path. Their foreign market selections are driven mainly by the foreign markets' economic development phase, the scale of the population, and governmental support. The importance of the role of knowledge increases throughout their longitudinal internationalization processes. Knowledge is not a key factor influencing internationalization speed in the initial stages; however, firms gain knowledge from the early internationalization period, and start to make decisions to enter new markets based on their knowledge and capabilities. Knowledge plays a key role during foreign market exit and reentry.

To summarize, the above findings of this thesis make a comprehensive contribution to the internationalization process and IB literature, and provide a new understanding of firms' internationalization processes and behaviors, especially in the context of emerging markets such as China.

4.4. Limitations, Implications and Suggestions for Future Research

This thesis makes comprehensive contributions to both theories and business practices, yet has certain limitations. First, regarding the size of the data, as this study was based on only 380 firms from four Chinese regions, it is rather risky to make generalizations to all Chinese firms, or to the global case. It is necessary, and would certainly be valuable, to collect more data from different

industry sectors, firm sizes, locations and ownerships, in order to conduct comparative studies to obtain a deeper understanding of foreign market knowledge acquisition and its role in both BGs' and NBGs' internationalization processes. It would certainly also be valuable to collect data from other emerging markets, such as India, Brazil, Russia and South Africa. By comparing data from different parts of the world, a much stronger conclusion can be drawn and more robust contributions can be made to the IB literature.

Second, it is worth studying further the impact of different knowledge sources on firms' internationalization: for instance, whether it is more or less important to gain knowledge by employing experts or receiving support from governmental agencies. It is also worth discovering the role of knowledge in each stage of firms' internationalization through a longitudinal approach, and analyzing the impact of knowledge within each stage. In addition, it would be interesting to collect data from firms in high-tech sectors, and firms established after the year 2000 or the financial crisis, in order to see whether knowledge plays a different role in internationalization for those firms. This topic could also be studied from the angle of family business, changes in management generations, and so on.

Third, this thesis looks into research questions from the Chinese (supplier) side. This may entail a risk of presenting "one-side opinions." Thus, collecting data from the foreign firms' (buyer) side would yield more comprehensive findings and trustworthy results. Considering the fact that the sample firms were mainly founded at the end of the 1980s and during the 1990s, when the influence of demand-pull was strong, it would be interesting to investigate the impacts of demand-pull on Chinese firms' internationalization, and the changing role of demand-pull in the longitudinal process.

Fourth, regarding the methodology, this thesis applied both quantitative and qualitative methods, and used a longitudinal approach and comparative studies. The methodology is diverse, yet did not strictly examine all the research questions. To discover both BGs' and NBGs' internationalization processes with separate focuses on the initial stages, later stages and radical changes, it would be necessary to apply various methods (e.g. quantitative analysis, cross-case analysis), in order to answer "how and why" questions. Six cases were included in this study, as the subject has not been very widely researched to date; however, there is no doubt that more cases should be examined in order to discover more detailed reasons for Chinese firms' successes in relation to internationalization, as well as failures. By considering more cases, we may be able to identify the impact of other factors, besides the role of knowledge.

More specifically, it would be interesting to continue the research conducted in Study I by conducting case interviews in order to explain the reasons for firms' successful initial internationalization, despite their lack of foreign market knowledge. Through case studies, it may be possible to discover the reasons why firms lack knowledge, and explain their negative attitudes towards learning during the early stages of internationalization. It would also be interesting to

interview foreign buyers, in order to answer the research questions from another angle and obtain a more valuable explanation. Study II could add cases of both BGs and NBGs, so that comparative studies can be conducted. By doing so, we may be able to discover the main reasons behind each factor that affects the internationalization of faster firms vs. slower firms.

In Study III, more cases could also be added so that a cross-cases analysis could be used to provide more valuable information. In addition, it would be worth collecting data on a certain number of NBGs in order to conduct a comparative study to illustrate the role of knowledge in both BGs' and NBGs' internationalization processes. Study IV has similar limitations to Study III; therefore, more cases need to be added to increase the value of the contribution. If more qualitative data can be collected on NBGs, we may be able to investigate the common longitudinal processes followed by both BGs and NGBs, and discover their behaviors during radical changes. Considering the fact that the heart of the influence of the financial crisis was in 2008 or 2009, it would be worth continuing to examine the exiting three cases' current performances in terms of foreign market exit and reentry. Finally, Study V used comprehensive data and applied a comparative study to the BGs and NBGs. However, it provides only a general picture of BGs' and NBGs' foreign expansion paths, and explanations for the reasons driving such foreign market selections are still weak. Thus, using case firms to illustrate the insights is recommended.

Additionally, combining this thesis with reviews of existing literature on the internationalization of Chinese firms would help to build stronger linkages between the variables used and internationalization theories (Deng 2012). Previous scholars have studied the Chinese internationalization process from the angle of firm–firm and firm–government links (Zhou et al. 2007; Yiu 2011), so a consideration of Chinese firms' inward FDI and overseas direct investment links would be valuable. Buckley and Ghauri (1999) suggested that after firms achieve initial success in internationalization, their international expansion activities need to be organized more carefully. Therefore, it is necessary to explore the Chinese firms' processes. The author of this thesis also recommends studying Chinese firms' internationalization processes from the organizational learning perspective; for instance, evaluating how Chinese firms' organizational design, headquarter–subsidiary relationships, and even business culture affects their internationalization processes.

Furthermore, numerous opportunities remain for researchers to discover newly established (after 2009) Chinese firms' internationalization processes, especially their initial-stage performances. Considering the fact that China's "New 12th Five Year Agenda" strongly supports firms in the high-tech, green-tech and sustainable energy sectors, it would be extremely valuable to investigate the internationalization of these firms, and discover their correlations with governmental policies, market demand, and so on. Also, from previous studies we understand that Chinese firms' internationalization direction is heavily

influenced by the government (Deng 2009, 2010); hence, with the new leadership in China of President Xi, studying Chinese firms' internationalization to Africa and other emerging markets represents both a challenge and an opportunity.

For scholars studying firms' internationalization processes in other countries or using other market data, it would certainly be valuable to identify the distinctive features of different types of internationalizers and their internationalization processes in each specific market by distinguishing the samples according to industrial sector, size, ownership, and so on. Comparative studies could be used to discover both BGs' and NBGs' internationalization behaviors and foreign market expansion strategies, as well as testing their knowledge levels during different expansion phases. By adding more evidence from different parts of the world, and conducting more research using innovative methods, further studies will add new understandings to internationalization process studies, and give more value to the IB literature, especially in relation to emerging economies.

This thesis also offers high value in terms of implications to government officials, policy makers, as well as entrepreneurs and firms' decision makers. According to the findings of the five empirical works presented here, government support plays a significant role in Chinese firms' early internationalization stages, especially considering the fact that the sample firms lacked foreign market knowledge. Local governments should organize fairs and exhibitions, and attract foreign buyers' delegations to local industry zones; these activities give SMEs unique opportunities to initiate early-stage exporting and JV. The government also could promote exporting by creating new policies (e.g. export tax returns) and offering various support to certain industrial sectors. By creating an industrial cluster, SMEs could better benefit from government support and more easily acquire knowledge and form partnerships. Furthermore, in order to remain competitive or gain new forms of competitiveness, rather than competing based solely on cost advantages, the government should support firms' innovation and internationalization, particularly that of SMEs.

For entrepreneurs and firms' decision makers, the results of this research highlight the importance of knowledge acquisition during their internationalization processes. Firms may acquire knowledge by attending fairs and exhibitions, visiting foreign markets and hiring foreign experts. Firms may also gain knowledge through government promotions and facilities. In order to obtain better and long-term performance in the global market, the role of R&D should be increased during firms' development. Finally, to achieve the goal of transforming low-tech OEMs to ODMs, and finally to OIMs, foreign market experiential knowledge and internationalization are key.

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APPENDICES

Appendix I.

Summary of reviewed studies of internationalization of Chinese firms

Authors	Year Published	Data	Main Conclusions
Ramasamy et al.	2012	63 Chinese firms	SOEs choose locations that have rich natural resources and high political risks.
Liu et al.	2011	607 Chinese firms	Entrepreneurial orientation is positively related to internationalization, while the connection between market orientation and firm internationalization is “U-shaped.”
Tang	2011	201 Chinese firms	Availability of foreign business resources is positively related to Chinese SMEs’ successful rapid internationalization, while the availability of general organizational resources does not have a similar association.
Chen and Tan	2010	887 public listed Chinese firms	The location of internationalization strongly impacts Chinese firms’ internationalization-performance relationships.
Zou and Ghauri	2010	3 Chinese high-tech firm	Chinese high-tech firms internationalize much faster than the gradual internationalization model predicts, but slower than born globals.
Minin et al.	2012	5 large Chinese MNC cases	Technology exploration is still the most important motive driving Chinese companies to expand their R&D activities into developed countries. Overseas Chinese R&D units emphasize their role as knowledge-seekers and learners/ absorbers of new and relevant technology.
Amighini et al.	2013	915 Chinese greenfield investment cases	The pattern of Chinese overseas direct investment differs according to corporate ownership. Private firms are attracted to large markets and host-country strategic assets, and are averse to economic and political risks when choosing investment locations abroad. State-

Authors	Year Published	Data	Main Conclusions
			owned or -controlled enterprises follow the strategic needs of their home country and invest more in natural resource sectors, being largely indifferent to the political and economic conditions of the host countries.
Kling and Weitzel	2010	4374 domestic and cross-border transactions by Chinese acquirers	Chinese cross-border mergers create shareholder value, but not more than domestic expansions. Corporate governance mechanisms matter, jointly and individually. While state ownership predicts fewer cross-border mergers, a favorable board structure and corporate transparency explains higher M&A returns. As in more mature markets, firm- and industry-specific determinants also affect M&As in China.
Zhu et al.	2010	377 Chinese manufactures (survey data)	The international institutional pressures positively relate to domestic environmentalism of Chinese manufacturers and their adoption of environmentally related organizational learning practices.
Liang et al.	2011	553 Chinese private enterprises	A Chinese private firm's likelihood of venturing abroad is associated with resource endowment advantages vis-a-vis foreign-invested enterprises, organizing capability advantages vis-a-vis SOEs, and organizing capability disadvantages vis-a-vis foreign-invested enterprises.

APPENDIX II.

Questionnaire used for data collection

I. General information	
The firm's establishment year:	Main business areas in 2010:
Turnover in 2010 (million RMB):	
Number of employees in 2010:	
Export share (% of turnover) in 2010:	5 main export countries in 2010:
Number of foreign subsidiaries in 2010:	
No. of countries firm had any activities in 2010:	
R&D costs (% of turnover) in 2010:	
Sales, production or other subsidiaries abroad (please list each country and subsidiary type):	
Other foreign activities (please list each country and activity type):	
II. Foreign activities	
In which year did your firm reach at least a 25% export share per turnover?	
In which year did your firm enter the first continent outside Asia (e.g. Africa, North America, South America, Europe or Australia) through exporting? Which country did you enter?	
In which year did your firm enter the first continent outside Asia through investments, licensing, franchising etc.? Which country did you enter and through which activity?	
In which year did your firm enter the second continent outside Asia through exporting? Which country did you enter?	
In which year did your firm enter the second continent outside Asia through investments, licensing, franchising, etc.? Which country did you enter and through which activity?	
In which year did your firm enter the third continent outside Asia through exports or other activities? Which country did you enter and through which activity?	
III. Foreign market knowledge and its acquisition <u>before first foreign activities</u> (for example, exports or foreign investments outside China) <u>started</u> : please answer YES or NO	
Did you have any experience of working in other firms that had similar types of products or services but did not have any operations (exports, investments... etc.) outside China?	

Did you have any experience of working in other firms that exported, invested abroad or had any other operations outside China?	
Had you worked in the selected foreign market for at least 1 month before your firm entered this country?	
Had you studied in the selected foreign market for at least 1 month before your firm entered this country?	
Did you employ somebody who had worked or studied in the selected foreign market for at least 1 month before your firm entered this country?	
Did you get any information about this country from other firms (suppliers, competitors, customers... etc.) before entering?	
Did you get any information about this country from your firm's owner(s)?	
Did you get any information about the selected foreign market from making pre-entry visits to that country?	
Did you get any information about the selected foreign market from industry associations before your firm entered this country?	
Did you get any information about the selected foreign market from Chinese governmental organizations before your firm entered this country?	
Did you get any information about this country from other sources before your firm entered this country? (If yes, then from which?)	
IV. Foreign market selection	
1. What was your first foreign market and in which year and way (e.g. exports, investment... etc.) did you enter it?	
Why did you select this market as your first foreign market (please rate from 1 to 7, where 1 means not at all ... 7: very much so)?	
Was it close to China?	Was it a big market (had a large population)?
Was it a rich market (a high income per capita)?	Was it an empty market (had no services/products similar to your firm's)?
Was your product/service better than others offered in that market?	Did a customer from there contact your firm?
Did this market seem less risky?	Did you see good learning opportunities there?
Did you have strong contacts there before you entered that market?	
Did it have favorable production circumstances (e.g. cheap labor, plenty of natural resources)?	
Did the Chinese government support your firm's entry to that market?	
Did the foreign government support your firm's entry to that market?	
Did you have some other reason(s) (please specify and rate)?	

How much knowledge of your firm's first foreign market did you have before you entered it (please rate from 1 to 7, where 1 means not at all ... 7: very much)?	
Knowledge about customers:	Knowledge about competitors:
Knowledge about suppliers:	Knowledge about foreign market conditions:
Knowledge about the foreign country's government, laws and institutional frameworks:	
Knowledge about the foreign country's norms, rules and values:	
2. What was your second foreign market and in which year and way (e.g. exports, investment... etc.) did you enter it?	
Why did you select this market as your second foreign market (please rate from 1 to 7, where 1 means not at all ... 7: very much so)?	
Was it close to China?	Was it a big market (had a large population)?
Was it a rich market?	Was it an empty market?
Was your product/service better than others offered in that market?	Did a customer from there contact your firm?
Did this market seem less risky?	Did you see good learning opportunities there?
Did you have strong contacts there before you entered that market?	
Did it have favorable circumstances for production?	
Did the Chinese government support your firm's entry to that market?	
Did the foreign government support your firm's entry to that market?	
Did you have some other reason(s) (please specify and rate)?	
How much knowledge of your firm's second foreign market did you have before you entered it (please rate from 1 to 7, where 1 means not at all ... 7: very much)?	
Knowledge about customers:	Knowledge about competitors:
Knowledge about suppliers:	Knowledge about foreign market conditions:
Knowledge about the foreign country's government, laws and institutional frameworks:	
Knowledge about the foreign country's norms, rules and values:	
3. What was your third foreign market and in which year and way (e.g. exports, investment... etc.) did you enter it?	
Why did you select this market as your third foreign market (please rate from 1 to 7, where 1 means not at all ... 7: very much so)?	
Was it close to China?	Was it a big market (had a large population)?
Was it a rich market?	Was it an empty market?

Was your product/service better than others offered in that market?	Did a customer from there contact your firm?
Did this market seem less risky?	Did you see good learning opportunities there?
Did you have strong contacts there before you entered that market?	
Did it have favorable circumstances for production?	
Did the Chinese government support your firm's entry to that market?	
Did the foreign government support your firm's entry to that market?	
Did you have some other reason(s) (please specify and rate)?	
How much knowledge of your firm's third foreign market did you have before you entered it (please rate from 1 to 7, where 1 means not at all ... 7: very much)?	
Knowledge about customers:	Knowledge about competitors:
Knowledge about suppliers:	Knowledge about foreign market conditions:
Knowledge about the foreign country's government, laws and institutional frameworks:	
Knowledge about the foreign country's norms, rules and values:	
V. Strengths and future of your firm	
What are your main strengths compared to your foreign competitors (please rate from 1 to 7, where 1 means not at all ... 7: very much so)?	
Lower price:	Better quality:
Faster delivery times:	More advanced/innovative product/service:
Better customer service:	Good connections in foreign countries:
Better design:	Strong financial support from the owner(s):
Better production technology:	Skilled employees:
Greater flexibility:	Managers strongly interested in internationalization:
Strong governmental support:	A well-known brand name:
Something else (please specify and rate):	
How do you evaluate your firm's success in internationalization (100% = very successful... 0% = not at all successful)? Why?	
What are your plans for 2011–2012 ?	
What kind of assistance/support would you need to internationalize even more successfully?	

SUMMARY IN ESTONIAN

Internatsionaliseerumise protsessid Hiina firmades: teadmuse roll

Teema olulisus ja motivatsioon teadustöö läbiviimiseks

Internatsionaliseerumise protsess on väga atraktiivne teema, mida on laialdaselt uuritud erisuunitlustega teadlaste poolt. Eriti viimase paari aastakümne jooksul, on huvi ettevõtete internatsionaliseerumise ehk rahvusvahelistumise protsesside uurimisse vastu kiirelt kasvanud, seda läbi mitmete uuringute, eriteoreetiliste lähenemiste ning argumenteeritud diskussioonide kaudu, et luua ühine vastuvõetav pilt sellest, mis on internatsionaliseerumine ja kuidas ettevõtted rahvusvahelistuvad (Welch ja Luostarinen 1988 Johanson ja Mattsson 1988; Mattsson ja Hertz 1998 Bell et al. 2003; Kuivalainen ja Sundqvist 2006 Schweizer 2012; Hewerdine ja Welch 2012; Xiao et al. 2013).

Nüüdisajal domineerivad kaks internatsionaliseerumise mudelit: “Uppsala internatsionaliseerumise protsessi mudel” (Johanson & Wiedersheim-Paul 1975; Johanson & Vahlne 1977; Johanson & Vahlne 2009) ja “Sündinud globaalsena” (Rennie 1993; Knight & Cavusgil 1996; Madsen & Servais 1997). Kõik rahvusvahelistumisprotsesside mudelid sisaldavad ühist üldist ettekujutust “teadmusest”, mida peetakse ülimalt tähtsaks ettevõtte globaliseerumises. Teadlased, nagu Freedman et al. (2010), Brennan ja Garvey (2009) ja Saarenketo et al. (2004), on esile toonud teadmuse tähtsust firmade internatsionaliseerumise protsessis. Samas Liu et al. (2008) ja Naudé (2009) uuringud näitavad, et täielik teadmus pole alati vajalik ettevõtte kiireks internatsionaliseerumiseks.

Varasemalt läbiviidud internatsionaliseerumise protsessi uuringud, on fokuseerinud pigem sellele, kuidas esialgselt minnakse globaalseks ja illustreerivad, mis juhib seda rahvusvahelistumist; väga vähesed uuringud on keskendunud ettevõtte hilisematesse internatsionaliseerumise protsessidesse, tähendades seda, et millised on väljavaated pärast internatsionaliseerumist (Zettinig & Benson-Rea 2008). Metoodilisest perspektiivist, puuduvad endiselt võrdlevad uuringud kiirete Hiina internatsionaliseerujate (BG – *Born Global* ettevõtted ehk rahvusvaheliseks sündinud ettevõtted) ja aeglasemate internatsionaliseerujate (NBG – *Non-Born Global* ettevõtted) vahel (Deng 2012) ning segatüüpi kombineeritud lähenemised, kus on kasutatud kvantitatiivseid ja kvalitatiivseid uuringuid on rahvusvahelistumise protsesside uuringutes haruldased, eriti tärkava majandusega seotud uuringud (Wong 1999; Taylor 2002; Fan 2006; Gao et al. 2007). Seega, sedavõrd põhjaliku uurimistööd läbiviimine Hiina BG-de ja NBG-de internatsionaliseerumise protsesside kohta, on väga oluline.

Saab järeldada, et rahvusvahelistumise protsessid ettevõtetes, Hiina kontekstis, on äärmiselt väärtuslik teema, mis on varasemates uuringutes saanud vähe tähelepanu. Keskendutakse konkreetsetele probleemidele, nagu näiteks teadmusele ja selle rollile turu valikul ning kriisi perioodide ajal tekkinud radikaal-

setele muutustele, just need teesid võimaldavad anda panuse nii rahvusvahelisele ärikirjandusse kui ka -tavadele.

Teadusuuringu eemärgid ja sihid

Kasutades nii kvantitatiivseid kui ka kvalitatiivseid meetodeid ühendades võrdlevaid uuringuid ja pikaajalisi analüüse, on doktoritöö eesmärgiks välja selgitada teadmuse roll Hiina ettevõtete internatsionaliseerumise protsessides. Töös keskendutakse peamiselt teadmuse rolli tähtsusele välisturu valiku tegemises. Töös töödeldakse süstemaatiliselt, Hiina kontekstist lähtuvalt, rahvusvahelistumise uuringuid, otse allikast saadud ettevõttetasandil olevaid andmeid ning viie originaal väljaande tulemusi, mis on ühendatud vastavalt teenima sama eemärki, ent neil on eri teadusuuringulised eemärgid, mis keskenduvad erinevatele aspektidele, kasutades erinevaid meetodeid.

Käesoleva doktoritöö eesmärk on jaotatud viieks originaaltöoks. Täpsemalt, Uuring I eemärgiks, on kvantitatiivse analüüsi abil näidata, et Hiina BG-d on edukalt internatsionaliseerunud, vaatamata sellele, et omavad vähem kogemuslikke turu teadmisi võrreldes teiste rahvusvahelistunud firmadega. Uuringu II eesmärk, on välja selgitada, millised rahvusvahelistumise protsesside tegurid on kõige tähtsamad ülemaailmselt aktiivsemate Hiina ettevõtete seas. Uuring III selgitab, kuidas kolmest Hiina ettevõttest on saanud tõelised BG-d, omamata varasemat kogemuslikku turu teadmust. Pikasuunalise lähenemise läbi, on Uuringu IV eesmärk, mitte lühiperioodi jooksul, vaid pikas perspektiivis analüüsida BG-de arengut rahvusvaheliste operatsioonide osas. See kõik võtab kokku BG-de põhijooned ja funktsionaalse määratluse ning analüüsib BG-de juhtumeid ning rahvusvahelistumise tegevuse arenemist pikemas perspektiivis, keskendudes muudatustele seoses välisurult väljumise ja taassisenemisega. Lõpetuseks, kasutab Uuring V kvantitatiivset meetodit ning selle eesmärgiks on analüüsida Hiina äriühingute turu strateegiate võtmeaspekte, vaadeldes sarnasusi ja erinevusi traditsiooniliste eksportijate ja BG-de vahel, kasutades selleks võrdleva uurimise lähenemisviisi.

Saavutamaks eespool mainitud eesmärke on määratletud järgmised teadustöö ülesanded:

1. Anda teoreetiline ülevaade olemasolevatest teooriatest, selgitamaks ettevõtete rahvusvahelistumise protsesse;
2. Koostada süstemaatiline kirjanduse ülevaade Hiina ettevõtete rahvusvahelistumise uuringute kohta;
3. Koguda esmaallikast, ettevõtte tasandil, andmeid Hiina internatsionaliseerujatest;
4. Viia läbi ülaltoodud andmete põhjalik analüüs;
5. Võrrelda saadud empiirilisi tulemusi teoreetiliste järeldustega.

Teadusuuringu toetuseks

Käesolev doktoritöö lähtub rahvusvahelistumist uurivast kirjandusest, eriti seoses Hiina kontekstiga. Esiteks, antud uuring vaatleb lähemalt teadmuse rolli ettevõtete varajases rahvusvahelistumise protsessis (seoses nii kiirema kui ka aeglasema interantsionaliseerimisega). Selgus, et ettevõtted võivad olla rahvusvaheliselt edukad vaatamata puudulikule kogemuslikule teadmusele. Antud tähelepanek annab hädavajalikud argumendid ja ka täidab praeguses rahvusvahelistumise teoorias oleva puuduliku lünga, kus teadmisi ja teadmust peetakse üheks olulisemaks internatsionaliseerimise teguriks (Liu et al. 2008; Naudé 2009; Xiao et al. 2013; Liu et al. 2013).

Teiseks, spetsiifiliselt antud uurimistöo panustab “globaalseks sündinud” (*born global*: BG) uuringutele, tuues esile tõendeid ettevõtetest, mis internatsionaliseerusid kiiresti ja nendest said BG rahvusvahelistujad ning seda olematu või äärmiselt piiratud väliskogemusliku teadmuse pagasiga. See lisab uue arusaama BG kirjandusele, samuti täidab see lünga praeguses teoreetilises kirjanduses, mis oli tingitud varasemate ida riikide ja arenevate turgude, näiteks Hiina, kohta puuduvate tõendite tõttu (Deng 2009, 2011).

Kolmandaks, analüüsib antud uurimistöo, ekspordituru valiku vaatenurgast Hiina BG ja NBG firmasid, illustreerides nende välisturu strateegiaid ja laiendamise teid. Lisaks esitavad uuringu järeldused kriitilise väljakutse traditsioonilisele Uppsala mudelile, mis näitab, et nii BG ja NBG ettevõtted otsustavad siseneda pigem geograafiliselt ja kultuuriliselt rohkem kaugematesse riikides kui lähematesse (Johanson & Vahlne 1977, 1990, 2009; Johanson & Wiedersheim-Paul 1975); lisaks, rõhutab uuring peamisi ettevõtete välisturu valiku ajendeid.

Neljandaks, meetodika seisukohast, empiirilised uuringud, mis keskenduvad Mandri-Hiina ettevõtetele, mis sisaldavad usaldusväärseid finants-andmeid, on seni veel haruldased (Liu et al. 2008; Yang et al. 2009a). Uuringute käigus kogutud tajutavad tulemuslikkuse meetmeid, on sageli kasutatud varasemas Hiina ettevõtete rahvusvahelistumise protsesside kirjanduses ja teisesjärgulised statistilised andmed või tõendid, on kohaldatud illustreerimaks Hiina ettevõtete rahvusvahelistumise teid (Cui ja Jiang 2010). Seetõttu, on algallikast tulenevad ettevõtte tasandist andmed Hiina internationaliseerujate kohta väga väärtuslikud, et parandada uurimistulemuste usaldusväärsust ja analüüsida uusi uurimisküsimusi. Selles teesis, kogus autor 380 Hiina ettevõtte esmaallikast ise ettevõtte tasandil olevaid andmeid, andes väga väärtuslikke tõendeid rahvusvahelise äri uuringutele.

Viiendaks, rakendab autor segameetodit (Jick 1979 Scandura & Williams 2000; Creswelli 2003; Erzberg & Kelle 2003), seega andmete analüüsiks kasutatakse nii kvantitatiivseid kui ka kvalitatiivseid meetodeid (Hurmerinta-Salo & Nummela 2006) ning BG ja NBG ettevõtete pikaajalise vaatluse ja võrdleva uuringu lähenemisviisi. Antud tööd võib pidada, Hiina ettevõtete internatsionaliseerumise suhtes, üheks põhjalikuma kirjandusega uuringuks.

Lisaks, eelpool esile toodud teoreetilistele ja metodoloogilisele panusele, annab antud uuring hea aluse riigiametnike ja poliitikakujundajate otsustamis-

protsesside edendamisele, seda just ettevõtete ekspordi ja muude rahvusvahelistumistegevuste kontekstis. Samuti edendab uuring ettevõtete teadmiste omandamist ja innovatsiooni. Uurimistulemused sisaldavad ka juhtimist puudutavaid ettepanekuid ja suunised ettevõtte omanikele ning juhtidele. Ettepanekud puudutavad välisurule sisenemise strateegiaid, globaalset laienemist ning äriühingute rahvusvahelise kasvu jätkusuutlikkust.

Teoreetiline raamistik

Rahvusvahelistumise protsess on olnud populaarne teema, mis on teadustöodes levinud viimaste aasta kümnete jooksul (Leonidou & Katsikeas 1995 Ruzzier et al. 2006 & Welchand Paavilainen-Mäntymäki 2013). Siiski, on rahvusvahelistumise mõiste olnud senini tabamatu (vt tabel 1), isegi pärast põhjalikke uuringuid (Kuivalainen and Sundqvist 2006; Grosse and Fonseca 2012), tuleks siiski üle kontseptualiseerida vaated rahvusvahelistumise protsessidesse (Bell et al. 2003; Schweizer 2012). Welch ja Luostarinen (1979, lk 36) on määratletud rahvusvahelistumist kui “protsessi, mille käigus välisturgudel osalus suureneb ja pühendatakse ühe enam rahvusvaheliste turgudele. Ettevõtte on üha enam seotud rahvusvahelises äriaga, müües oma tooteid välisturgudele, ostes tooteid välismaalt või tehes mõnes valdkonnas koostööd välismaa firmaga. Rahvusvahelistumine on protsess, mis algab sissepoole toimingutega, jätkates välja- poole tegevustega ning lõpuks on tugevdatud koostöömudelitega”.

Teadlased on kindlaks teinud kindlat tüüpi rahvusvahelisi ettevõtteid, mis on vastavuses nende eri rahvusvahelistumise protsessidega. “Uppsala rahvusvahelistumise mudel” (Johanson & Vahlne 1977) ja “*The International-at-founding*” mudel (Oviatt & McDougall 1994), mida nimetatakse ka “*Born-Global*” mudeliks ehk rahvusvaheliseks sündinud ettevõtete mudeliks, eelpoolmainitud mudeleid võib pidada enim uurituteks. Siiski on olemas ka mitmed teisi rahvusvahelistumise mudeleid, nagu “Soome või Helsinki mudel” (Luostarinen 1979; Welch & Luostarinen 1988) ja “Innovatsiooniga seotud rahvusvahelistumise mudelid” (Andersen 1993 Fina ja Rugman 1996).

Teadmuse rolli ettevõtete rahvusvahelistumise protsessides peetakse oluliseks teemaks (Mitra & Golder 2002; Morgan et al. 2003; Bengtsson 2004; Saarenketo et al. 2004; Ling-yee 2004 Pedersen & Petersen 2004 Weerawardena et al. 2007; Brennan & Garvey 2009; Casillas et al. 2009; Freeman et al. 2010; Zou & Ghauri 2010; Grosse & Fonseca 2012; Hewardine & Welch 2012; Xiao et al. 2013).

Mõned teadlased (Johanson & Vahlne 1977, 1990; Johanson & Wiedersheim-Paul 1975; Vahlne & Johanson 2002) leiavad, et teadmus on vajalik ettevõtete rahvusvahelistumiseks. Kui ettevõttel puuduvad (kogemuslik) teadmus, võib ta olla sunnitud aeglaselt muutuma, sageli lihtsate rahvusvaheliste režiimide, nagu näiteks otsese või kaudse ekspordi kaudu ning esialgu sisenetakse sel juhul pigem kultuuriliselt ja geograafiliselt lähedasematesse riikidesse, mis nõuab madalamat pühendumust välisturgudele. Selle õppeprotsessi käigus võivad

ettevõtted saada teadmisi ja neil tekib võimalus valida, kas kasutada keerulisemaid operatsiooni mudeleid, et siseneda kultuuriliselt ja geograafiliselt kaugematele turgudel, mis nõuab palju suuremat pühendumust välisturgudele.

Samas, on ka teisi teadlasi (Liu et al. 2008; Naudé 2009), kes on väitnud, et ettevõtted suudavad globaliseeruda väga kiiresti, olenemata sellest, et neil on vähene või lausa puudulik välisturu kogemuslik teadmus, samuti ei ole (kogemuslikud) teadmised, kiire rahvusvahelistumise algfaasis, alati hädavajalikud.

Uppsala mudelis, Johanson ja Vahlne (1977, 1990), Johanson ja Wiedersheim-Paul (1975) ning Vahlne ja Johanson (2002) selgitavad, et ettevõtted vajavad kogemuslikku teadmust välisturust piiriüleste tegevuste kaudu. See kogemuslik turu tundmine aitab ettevõtetel vähendada ebakindlust välisturust ja riski ning ka saada osa uutest ärivõimalustest. Üldiselt toimub protsess aeglaselt, sest ettevõtted vajavad aega õppida, praktiseerida ja saada kasu omandatud teadmistest. Esmalt sisenevad nad naaberriikidesse, kus töörežiimid muutuvad kaudselt ekspordist suunatud ekspordiks ja seejärel kehtestatakse välistütarettevõtteid (müük, tootmine, logistika jne). Kuid juhtumiuuringud IT ettevõttes (Vahlne ja Johanson, 2002) on näidanud, et teatud ettevõtete sektorid võivad globaliseeruda kiiremini, sisenedes esmalt kultuuriliselt ja geograafiliselt kaugete turgudele ja kehtestavad tüarettevõtteid juba väga varajases staadiumis ning mõned ettevõtted isegi sisenevad läbi ettevõtte omandamise.

Tabel 1. Teoreetilised järeldused ja alamuurimisküsimused

Teoreetilised järeldused	Alamuurimisküsimused
1. Välisturu tundmine on oluline, et ettevõtete globaliseerumiseks. Selle puudumise korral võib aeglustuda rahvusvahelistumise protsess ja põhjustada ettevõtete esialgset sisenemist lähiriikidesse, kasutades selleks kõige lihtsamaid sisenemise viise.	Mis teadmuse tasemel on hiina BG-d ja NBG-d? Kuidas teadmuse tase mõjutab nende rahvusvahelistumise kiirust ja välisturu valikut?
2. Ettevõtted võivad omandada välisturule sisenemise teadmisi, mitte üksnes otsesest turukogemusest, vaid ka palgates teatud liiki uut personali, tehes koostööd jne.	Mis kanaleid kasutavad Hiina BG-d ja NBG-d, et omandada teadmisi välisturgude kohta?
3. Välis turu tundmine võib positiivselt mõjutada ettevõtete rahvusvahelistumise protsessi, kuid ei pruugi tagada edu.	Millised on seosed Hiina ettevõtete teadmiste taseme ja nende rahvusvahelistumise edukuse vahel?
4. Ettevõtete rahvusvaheliseerumine ei pruugi olla sujuv, vaid pigem lainekujuline protsess, mis hõlmab endas oodatud ja radikaalseid muutusi.	Kas rahvusvahelistumise protsess Hiina ettevõttes on sujuv või hõlmab see endas muudatusi? (Väljumisel ja taassisenemisel)
5. Ettevõtete rahvusvahelistumise protsessi ajal, enne välisturu valikut, peavad nad edukaks sisenemiseks arvestama mitmete teguritega ning turu strateegia nõuab, et ettevõtetel on teatud teadmuse tase.	Millised on laienemise strateegiad ja välisturu teadmiste tase hiina BG-l ja NBG-l?

Allikas: koostatud autori poolt

Innovatsiooniga seotud rahvusvahelistumise mudelid nõustuvad samuti Uppsala mudeliga, et ettevõtte välisturule laienemine on järkjärguline protsess, mis sõltub kogemuslikust õppest ja ebakindlusest, mis on seotud rahvusvahelistumise otsustustega (Fina & Rugman 1996; Morgan & Katsikeas 1997). Helsingi uuringud rahvusvahelistumise kohta, kirjeldavad sarnaseid protsesse seoses ettevõtete rahvusvahelistumise teekonnaga ja rõhutavad välisturu teadmust. Kuid Soome mudel selgitab, et ettevõtted võivad omandada teadmisi teistest kanalitest, nagu näiteks importimisest (Luostarinen 1989; Luostarinen & Welch 1997; Welch & Luostarinen 1988). Lisaks, näitavad Chetty'y (1999) poolt läbi viidud uuringud, et mõned ettevõtted võivad mõnest rahvusvahelistumise etapist üle hüppata ja seeläbi internatsionaliseeruda kiiremini.

“*Born Global*” mudeli varasemad uuringud põhinevad peamiselt kõrgtehnoloogia sektorist pärinevatel andmetel ja ettevõtetel on tavalisest kõrgem teadmuse tase, mis kindlasti paneb välisturgudel laienemise tegevuse kiiremini liikuma (Cavusgil & Knight 2009). Tavapäraselt, eksisteerib globaalne mõtteviis kindlasti juba enne ettevõtte loomist ja BG-de võtmeisikust juhtidel on juba välja kujunenud tugevad rahvusvahelised väljavaated, samuti on neil juba varasem õppimise, töö ja reisi kogemused välisturumaades. Seega, nende välis-eksperit teadmised eksisteerivad juba väga varajases rahvusvahelistumise staadiumis (Knight & Cavusgil 1996; Lummaa 2002). Lisaks, rõhutavad BG-d sageli diferentseerimise strateegiaid (Coviello ja Munro 1995; Lummaa 2002), mis nõuavad firmadelt juba kindlat teadmuse taset, et strateegia saaks edukalt käivituda ja rakenduda.

Seega, teadmuse roll ettevõtete rahvusvahelistumises on endiselt ebaselge ja diskuteeritav. Ettevõtted, millel jääb puudu teadmusest võivad lihtsa mudeli järgi internatsionaliseeruda aeglaselt, samas kui teised hüppavad kaugturgudele vaatamata sellele, et omavad vähest või üldse olematut välisturu teadmust. Samuti, on teadmusel erineva tähtsusega roll erirahvusvahelistumise protsesside etappides. Seega, on teadmuse rolli tähtsus, globaliseerumise käigus, avastamist väärt ning seda just Hiina kontekstis.

Metodoloogia

Saamaks põhjalikuma ülevaate uurimisküsimustest, on kasvav trend olnud rahvusvahelise kaubanduse teadlased kohandanud oma teadusuuringute teostamiseks erinevaid meetodeid, seda eriti viimase kümne aasta jooksul (Hurmerinta-Peltomäki & Nummela 2006). Varemalt kasutasid teadlased oma uurimistöodes segameetodit. 1998. aastal klassifitseerisid Tashakkori ja Teddlie kaheksa liiki segameetodi uuringuid. Hurmerinta-Peltomäki ja Nummela (2006) eraldasid andmete kogumise ja analüüsi sammud ning kasutasid kaks korda kaks (*two-by-two*) maatriksit, et hinnata valitud segameetodi uuringuid. Selle tulemusena, tuvastati kolmteist eritüüpi kombinatsiooni. Olles kooskõlas Hurmerinta-Peltomäki ja Nummela (2006) töödega, rakendatakse käesolevas

doktoritöös segameetodit (Hurmerinta-Peltomäki ja Nummela 2006 Hohenthal 2006 Ghauri ja Grønhaug 2010 Susan ja Donna 2012). Antud doktoritöö puhul on kasutatud segameetodit, mis järgib vastavalt trendile kogutud kvalitatiivseid andmeid, mida analüüsiti kvalitatiivselt ning kvantitatiivseid andmeid, mida analüüsiti kvantitatiivselt.

Andmete kogumise etapp koosneb kahest osast: küsitlustest ja juhtumi intervjuudest. Uuringute I, II ja V osad põhinevad küsimustike andmetest ning osad III ja IV põhinevad juhtumi intervjuudest saadud andmetest. Kokku oli esialgseks valimiks 18353 ettevõtet neljast Hiina provintsist – Anhui, Guangdong, Jiangsu ja Zhejiang. Ettevõteteiga võeti ühendust alates 2010. aasta detsembrist kuni 2011. aasta jaanuarini. Andmekogumise protsessi oli kaasatud *online*-uuringud, e-posti teel saadetud küsimustikud ja trükitud küsimustikud. Originaal küsimustik koostati inglise keeles ja tõlgiti autori, kellele emakeeleks on hiina keel, poolt hiina keelde. Kokku täitsid 420 ettevõtet küsimustiku lõpuni. Neist 158 ettevõtet tegid seda *online*-keskkonnas, 174 meili teel ning 43 ettevõtet täitsid küsimustiku kirjalikult. Viimased 45 ettevõtet intervjueeriti ning ka nemad täitsid küsimustiku kirjalikult. Uuringust jäeti välja 40 ettevõtet, kel puudusid igasugused rahvusvahelised tegevused ning lõplikuks jäi valimi suuruseks 308 ettevõtet. Lisaks intervjueeriti veel kuut juhtum-ettevõtet III ja IV uurimisosa tarbeks.

Tulemuste diskussioon

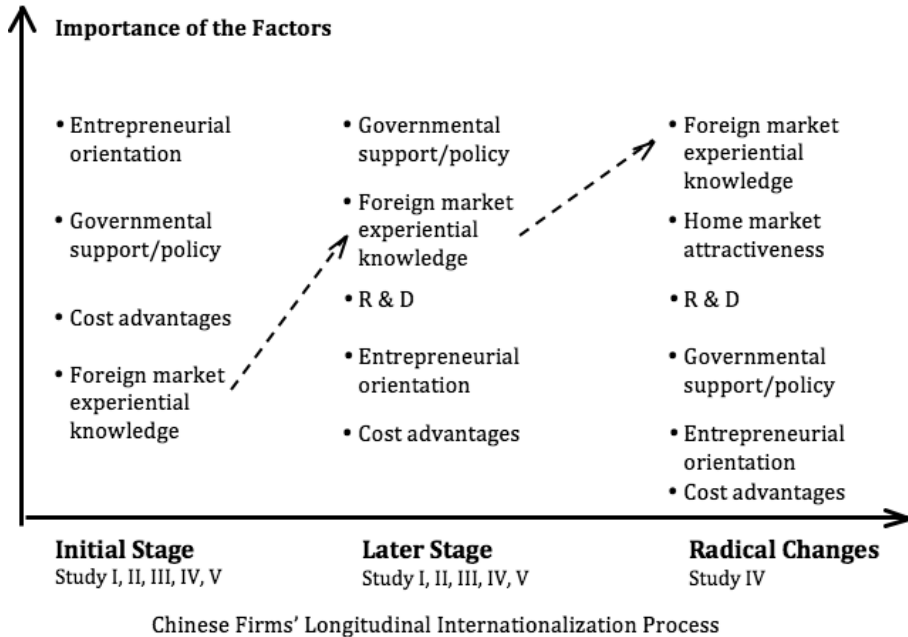
Üldistades eelpool toodud tulemusi, võib väita, et Hiina ettevõtete internatsionaliseerumise protsessid on ainulaadsed; tuues esile väljakutseid ja uusi teadmisi juba olemasolevatele ettevõtete rahvusvahelistumist puudutavatele arusaamadele. Läbi kolme kvantitatiivse analüüsi ning pärast kuue juhtumiuuringu, on kogu Hiina ettevõtete rahvusvahelistumise protsessi tulemused esitatud järgmisel joonisel (vt joonis 1). Põhijäreldused on edastatud ja selgitatud peatüki edasistes lõikudes.

Algstaadium

Ülevaade viiest empiirilisest uuringust näitas, et Hiina ettevõtted internatsionaliseerusid vaatamata sellele, kas nad omasid või ei omanud välisturu kohta kogemusliku teadmuse. Algfaasis alustasid asutajad ja otsustajad, äsja sündinud ülemaailmse ettevõttega, oma äri tugevalt, mis oli ajendatud nende ettevõtlikkust sättemusest (Uuringud I, II, III, IV ja V).

Selline tugev antreprenöörilik suundumus on väga levinud Hiina ettevõtjate seas, sõltumata nende haridustasemest ja äri kogemusest (Tan 2001 & Dai & Liu 2009). Kuid varasemad uuringud näitavad, et Ida ja Lõuna Hiina rannikualadel on kõige enam ettevõtlikku orientatsioon, eriti Jiangsu, Anhui, Zhejiangi, Shanghai, Fujiani ja Guangdongi provintsides (Zhang et al. 2010 & Zhang 2010). Käesoleva töö andmekogumine viidi läbi neist eelpoolmainitud kuuest

provintsist neljas, seega ei ole üllatav, et domineeriv on tugev ettevõtlik orientatsioon, mis avaldab tugevat mõju ettevõtete esialgsele rahvusvahelistumise etapile. Ettevõtete omanikud olid piisavalt julged rajamaks äri ja kaaluda eksportimist, omamata mingisuguseid varasemaid teadmisi.



Joonis 1. Tegurid, mis on Hiina ettevõtetele läbi pikaajalise internatsionaliseerimise protsessi kõige olulisemad.

Allikas: koostatud autori poolt

Varasem teoreetiline kirjandus näitab, et omanike ja tippjuhi meeskonna taust määrab selle, kui kiiresti ettevõtte muutub rahvusvaheliseks. Liesch (1993) väidab, et BG ettevõtete juhtide globaalne mõtteviis on eksisteerinud juba ettevõtte asutamistest saati ning need ettevõtted alustavad oma välisäritegevust väga kiirest. Birley ja Norburni (1987) varasemad uuringud näitavad, et uute rahvusvaheliste ettevõtmiste (*international new ventures: INV*) juhtidel on tavalisest rohkem välismaal reisimise, töötamise ja õppimise kogemusi. Omanike ettevõtlik orientatsioon, eelteadmised ja kohusetundlikkus lihtsustavad ettevõtte rahvusvahelistumise protsessi ning mõjutavad selle kujunemise kiirust (Knight & Cavusgil 1996; McAuley 1999; Freeman & Cavusgil 2007). Samas, võttes arvesse Hiina firmajuhte, siis on kahte tüüpi olukordi. 1) Juhtide/asutajate globaalne mõtteviis ei eksisteerinud firma alates loomisest, tegelikkuses hakkas see ilmema pärast, kui ettevõtte jõudis esimese väliskliendini. 2) Teine olukord

on see, et juhtide globaalne mõtteviisi on olemas juba enne firma loomist, kuid neil puudub igasugune välismaal reisimise, töötamise või õppimise kogemus.

Teine kõige olulisem tegur, mis mõjutab ettevõtte esialgse rahvusvahelistumise edukust, on valitsusasutuste promod ja seadused. Näiteks, Hiina keskvalitsus ja kohalikud omavalitsused propageerivad tugevalt ekspordimise edendamist ja meelitades välismaiseid otseinvesteeringuid läbi tähtsate majanduspartnerite, tavaliselt on nendeks Põhja-Ameerika ja Lääne-Euroopa riigid (Luo et al. 2010). Organiseeritakse mitmeid näituseid, delegatsioonide ametlike vastuvõtte, seminare ja muid üritusi, et kohalikel ettevõtjatele oleks palju lihtsam ligi pääseda teadmistele ja võrgustikele, mille kaudu luua firmadele ärikontakte ning seda just majanduslikult tähtsatest partnerriikidest (Hong & Sun 2006; Deng 2009; Cui & Jiang 2010).

Lisaks valitsuse toetusele, annab eelise ka omahind, võimaldab Hiina ettevõtetel algselt muutuda rahvusvaheliselt edukaks ilma eelnevaid kogemusi ja teadmisi omamata. Üsnagi tihti tulid välisostjad Hiina, et käivitada oma tootmisüksus või otsida tarnijaid, arvestades, et 1990.-ndatel oli Hiina odavaima tootmiskulu ja suurima hulga töötajatega riik maailmas (Hong ja Sun 2006). Mitmed ettevõtted, isegi hiljuti loodud väikese või keskmise suurusega ettevõtted, leidsid enamasti endale välisostja. Kombineerides kõik eespool nimetatud tingimused, oli 1990.-ndate algus aastate Hiina keskkond, kus ettevõtted internatsionaliseerusid edukalt ilma, et oleksid omanud eelnevat teadmist.

Teine huvitav tähelepanek on see, et enamik Hiina ettevõtteid, olenemata kas ollakse BG või NBG, sisenesid esmakordselt nii kultuuriliselt kui ka geograafiliselt kaugematesse riikidesse. Mainitud olukord on vastuolus mõnede olemasolevate internatsionaliseermisprotsessi kirjeldavate mudelitega (Johanson & Wiedersheim-Paul 1975; Welch & Luostarinen 1988; Johanson & Vahlne, 1977, 1990; Vahlne & Johanson 2002).

Seega tundub, et kultuurilistel ja geograafilistel kaugusel on väga väike mõju kõnealuste Hiina ettevõtete esimese välisturu valiku tegemisel ja sinna sisenemisel.

Hilisem staadium

Pärast paari esimesse välisturgu sisenemist, on ettevõtte saavutanud teatava turu teadmuse taseme. Siin kohal, et säiliks olemasolevad välisturud, peab ettevõtte omama piisavalt välisturu kogemuslikke teadmisi. Valitsuse toetust ja poliitikate rolli peetakse siiani kõige tähtsamaks suunajaks ettevõtete rahvusvahelistumise teel (Deng 2009), pakkudes erinevaid tugistruktuure (nt ekspordi deklaratsioonid), mis omakorda juhivad firmasid sisenema teatud turgudesse.

Tulenevalt asjaolust, et Hiinas on tööjõukulu kasvutrendis (eriti rannikualadel), on ka varasemad hinnaeelise drastiliselt vähenenud. Seega, on ettevõtted surutud liigutama tootmisüksused odavamatesse sihtkohtadesse või investeerima rohkem teadus- ja arendustegevusse, et olla innovaatilised ja omandada välisturul võitlemiseks uut konkurentsivõimet (Vissak & Zhang 2013).

Teadmuse (välisturu kogemuslik) rolli tähtsus kasvab internatsionaliseerumise protsessi käigu. Pärast paari esimesele välisturule sisenemist, hakkab ettevõtte omandama uusi teadmisi (Eriksson et al. 1997; Pedersen & Petersen 2004; Zou & Ghauri 2010), et teha otsuseid siseneda juba ühe uutele välis-turgudele. Väärtuslikke järeltuste tegemine oma välisturule sisenemise kohta, on ainulaadne, mida enamik Hiina ettevõtteid järgivad. Uuring V näitab, et nii kiired kui ka aeglasemad internatsionaliseerijad valivad USA, kui ettevõtte kiireks välisturuks. Ligikaudu 55,3% ettevõtetest valis USA oma esimeseks ekspordi valla välisturuks ning 32,9% ettevõtetest valisid selleks välismaised otseinvesteeringud ehk FDI-d. Teine kõige populaarsem sihtkoht oli Saksamaa. Huvitavaks tähelepanekuna võib välja tuua, et USA-Saksamaa-Kanada/ Ühendkuningriigid on ühed kõige sagedasemad laienemise tees. Seda võib seletada juba eelnimetatud põhjustel, et Hiina ettevõtted sisenevad suurematele ja suure sissetulekuga välis-turgudele, kuna neis nähakse suuremat ning pikaajalisemat kasu. Seda tendentsi mõjutavad ka valitsusasutuste tutvustused "soovitatud sihtkohtadesse".

Radikaalsed muutused

Ettevõtte rahvusvahelistumise protsess ei ole ilmtingimata sujuv tee, see võib tähendada ootamatuid radikaalseid muutusi (Calof & Beamish 1995; Benito 1997; Bell et al. 2001; Meyer & Gelbuda 2006; Freeman 2007; Vissak & Francioni 2013).

Eelmist ülemaailmset finantskriisi peetakse üheks radikaalseks muutuseks paljudes sellest kannatada saanud ettevõtetes. Mõned Hiina ettevõtted olid sunnitud või otsustasid ise osaliselt või täielikult väljuda välis-turgudelt, samal ajal kui teised otsustasid taassiseneda. Lähtudes Uuringust IV, selgus, et kõrgetasemeliste välisturu teadmusega ettevõtted lahkusid välis-turgudelt vähem. Juhul, kui taassiseneti välisturule, tegid seda ettevõtted, mis omasid kõrgetasemelist teadmust, samuti olid need, kes sisenesid ka uutele turgudele. Ettevõtte, mis täielikult väljus kõikidest välis-turgudest ja otsustas jääda kodu turule, tema otsus oli tingitud madalast välisturu teadmuse tasemest, samuti oli see tugevalt ajendatud koduturu atraktiivsusest. Seega võib järeldada, et välisturu kogemuslik teadmus ja koduturu atraktiivsus, on kaks kõige olulisemat tegurit, mis mõjutavad ettevõtte välisturust väljumist või taassisenemist.

Pikast perspektiivist vaadates, kasvab Hiina ettevõtete rahvusvahelistumise protsesside edenedes välisturu ekspertteadmuse vajalikkuse roll. See ei pruugi olla vajalik esialgsel edukal rahvusvahelistumisel (Liu et al. 2008; Naudé 2009), kuid omab olulist rolli hilisemates internatsionaliseerumise protsessides, eriti välisturu valiku tegemisel ja sellesse sisenemisel. Samuti avaldab see tugevat mõju välisturult lahkumise otsuse osas ning radikaalsete muudatus protsesside ajal.

Kokkuvõte

Käesoleva töö tulemused on kokku võetud allpool toodud tabelis.

Tabel 2. Väitekirja peamised tulemused

Alamuurimisküsimused	Peamised järeldused
Mis teadmiste tasemel on Hiina BG-d ja NBG-d? Kuidas teadmiste tase mõjutab nende rahvusvahelistumise kiirust ja välisturu valikut?	Põhineb uuringutel I, II ja V: mõlemad nii Hiina BG-d ja NBG-d olid algselt rahvusvaheliselt edukad, vaatamata puuduvale teadmusele. Madal teadmuse tase ei mõjuta nende rahvusvahelistumise kiirust, kuid kõik ettevõtted kasutasid ekspordimist kui välismaist töörežiimi. Mõlemad BG-d ja NBG-d valivad kultuuriliselt ja geograafiliselt kaugemad riigid, mis on suurema elanikkonna ja arenenuma majandusega.
Mis kanaleid kasutavad Hiina BG-d ja NBG-d, et omandada välisturgude kohta teadmisi?	Põhineb uuringutel I, II, III, IV ja V: rahvusvahelistumise algstaadiumis pole BG-d ega ka NBG-d, teadmiste omandamiseks, kasutanud varasemalt kirjanduses mainitud kanaleid, välja arvatud osalevad valitsuse poolt organiseeritud messidel ja näitustel osalemist. Hilisemates etappides, omandavad Hiina ettevõtted välisturuga seotud teadmisi eriviisidel.
Kui oluline oli teadmuse roll Hiina ettevõtetele rahvusvahelistumise erinevates etappides (algstaadiumis, väljumises ja taassisenemises)?	Põhineb uuringutel IV ja V: algsaasis on Hiina ettevõtted, vaatamata puudulikele teadmistele, globaliseerumises edukad. Pärast esimese kolme välisturu sisenemise, hakkavad ettevõtted omandama vajalikke teadmisi, mis suurendab firmade välisturgudele laienemise strateegiaid. Radikaalsete muutuste ja kriisiperioodil määrab teadmuse tase, kas ettevõtted lahkuvad välisturgudel ning kui edukas on nende taassisenemine välisturule.
Millised on laienemise strateegiad ja välisturu teadmuse tase Hiina BG-del ja NBG-del?	Põhineb uuringutel I, III, IV ja V: nii BG-d kui ka NBG-d järgida ühist laienemise teed: just varases internatsionaliseerumise etapis vaadatakse pigem USA-Saksamaa-Ühendkuningriikide/Kanada/Austraalia poole, olenemata asjaolust, et ettevõtetel puuduvad nende välisturgude kohta varasemad teadmised. Algstaadiumis on Hiina ettevõtted sageli valitud välisostjate poolt, kuid hiljem hakkavad ettevõtted ise valima sobivaid välisturge, kuhu siseneda. Teadmised on olulised Hiina ettevõtetele, tegemaks vajalikke otsuseid välisturust lahkumisel ja taassisenemisel.

Allikas: koostatud autori poolt

Mõjud

Antud doktoriväitekiri avaldab sügavat hinnatavat mõju nii riigiametnikele, poliitikutele, samuti ettevõtjatele ja äriühingu otsusetegijatele. Viie empiirilise uuringu järeldustest lähtuvalt, mängib valitsuse toetus olulist rolli, seda just Hiina ettevõtete varajases rahvusvahelistumise etapis, eriti arvestades, et valimis olevatel ettevõtetel olid välisturgude kohta vaid vähesed teadmised. Kohalikud omavalitsused korraldavad messe, näituseid ja tõmbavad kohalikkesse tööstuse tsoonidesse ligi välismaiseid ostjate delegatsioone, mis annavad väikese ja keskmise suurusega ettevõtjate ehk VKE-de jaoks unikaalse võimaluse alustada juba varakult eksportimist ja ühisettevõtlust (*joint venture: JV*). Valitsus võiks edendada eksportimist, luues uusi seadusi (nt ekspordi deklaratsioonid) ja pakkuda teatud tööstussektoritele erinevaid toetusi. Sedasi, luues industriaalse kobara, kus VKE-d võiksid paremini ära kasutada valitsusasutuste toetust ja omandada lihtsamini hädavajalikke teadmisi ning partnerlussuhteid. Selleks, et mitte konkureerida omavahel vaid kulude kokkuhoiuga ning säilitada või saada uus konkurentsivõimelisus, peaks valitsus toetama ettevõtete innovatsiooni ja rahvusvahelistumist, seda eriti VKE-de puhul.

Antreprenööridele ja ettevõtetes otsuste tegijatele, näitavad uuringu tulemused, et ettevõtte rahvusvahelistumise protsesside ajal on tähtsal kohal teadmiste omandamine. Ettevõtted võivad omandada vajalikke teadmisi, osaledes näitustel, külastades välisturge ning palgates välismaa eksperte. Samuti võivad ettevõtted omandada teadmisi läbi valitsusasutuste tegemiste ja nende organisatsioonide. Selleks, et olla maailmaturul parem ja pikaajalisema tulemuslikkusega, tuleb firma arengu käigus suurendada teadus- ja arendustegevuse rolli. Viimaks, et saavutada eesmärk, muuta tööstuslikult madalad lõpptootjaid OEM-d ODM-deks (*original design manufacturer*) ehk algse kujunduse valmistajateks ning lõpuks juba OIM-deks (*original idea manufacturer*) ehk originaalidee tootjateks, selle arengu võtmeteguriteks on välisturgude kogemusliku teadmus ja internatsionaliseerumine.

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