



Vaasan yliopisto
UNIVERSITY OF VAASA

**13th Vaasa Conference
on International Business**

August 27-28, 2015

**CONFERENCE
PROGRAMME**



Dear Participant of the 13th Vaasa Conference on International Business,

You are warmly welcome to the 13th Vaasa Conference on International Business at the University of Vaasa. The city of Vaasa is the energy hub of Finland with a cluster of companies in the energy sector dealing with the challenges of internationalisation and international business. Furthermore, Vaasa has a long history of dealing with cultural variety as a truly bilingual town hosting Finnish and Swedish speaking populations amicably side by side. We hope to provide you with a stimulating environment to make the most of your time here.

Over a hundred participants from more than twenty countries have come to the conference to discuss the latest advances in the field of international business, to present their findings, and to meet colleagues both new and old. I would especially like to thank all the people who participated in the review process, present in the plenaries, or act as chairs or discussants during sessions. Furthermore, I would like to thank most warmly all those foundations, institutes, and publishing companies, listed at the back of this programme, which have supported the conference. Without the help and support of our community and peers this event would not be possible, and we are grateful for your time and aid.

We are delighted to have MP Joakim Strand and Vice President Finance and Control Eva-Stina Rönholm as our guest speakers. Ms Rönholm is from a local multinational manufacturing company Wärtsilä and will join the conference presenting issues of local and global market development. Strong ties with the business world keep research grounded to the needs of the companies we as academics study, and co-operation with local businesses has long been a priority for the University of Vaasa.

The conference will host two plenary sessions with distinguished guests and members of the conference board presenting issues of firm internationalisation as well as discussing topics around research on international business. In addition, a special session on qualitative methods in IB chaired by Professor Pervez Ghauri will offer insights on conceptualisations of time, quality and assessment of qualitative IB methods from both practitioner and editor point of view.

I hope you will have an enjoyable time at the conference. Our social programme is designed to create a relaxed atmosphere so you may catch up with your old contacts as well as meet your future writing partners, reviewers and, we hope, friends.

Vaasa, August 25th, 2015.

Jorma Larimo

Professor, Conference Chair and Head of Organising Committee

Conference board

Larimo, Jorma	University of Vaasa, Finland
Ghauri, Pervez	University of Birmingham, UK
Hennart, Jean-François	Tilburg University, the Netherlands
Meyer, Klaus	China Europe International Business School, China
Schmid, Stefan	ESCP Europe, Berlin, Germany
Schuh, Arnold	Vienna University of Economics and Business, Austria
Zucchella, Antonella	University of Pavia, Italy
Marinova, Svetla Trifonova	Aalborg University, Denmark
Shoham, Aviv	University of Haifa, Israel

Conference Organising Committee from University of Vaasa

Alho, Elina
Bhatti, Waheed
Jokinen, Tiina
Larimo, Jorma
Leposky, Tiina
Olsbo, Helena
Smedlund, Mia
Wang, Yi
Yang, Man

The organisers thank all the board members and reviewers for their support!

Conference Reviewers

Ali, Tahir	University of Vaasa, Finland
Arslan, Ahmad	Edge Hill University, UK
Coudounaris, Dafnis	University of Vaasa, Finland
Ferencikova, Sonia	School of Management, Bratislava, Slovakia
Gabrielsson, Mika	Lappeenranta University of Technology, Finland
Gabrielsson, Peter	University of Vaasa, Finland
Galkina, Tamara	Hanken School of Economics, Finland
Ghuri, Pervez	University of Birmingham, UK
Glowik, Mario	Berlin School of Economics and Law, Germany
Gölgeci, Ismail	University of Vaasa, Finland
Hassett, Mélanie	Turku School of Economics, University of Turku, Finland
Hennart, Jean-François	Tilburg University, the Netherlands
Huovinen, Pekka	Tampere University of Technology, Finland
Hurmelinna-Laukkanen, Pia	University of Oulu, Finland
Karhunen, Päivi	Aalto University School of Business, Finland
Kontkanen, Minnie	University of Vaasa, Finland
Kuivalainen, Olli	Lappeenranta University of Technology, Finland
Larimo, Jorma	University of Vaasa, Finland
Leonidou, Leonidas	University of Cyprus, Cyprus
Leppäaho, Tanja	University of Jyväskylä, Finland
Marinova, Svetla Trifonova	Aalborg University, Denmark
Meyer, Klaus	China Europe International Business School, China
Mäkelä, Kristiina	Aalto University School of Business, Finland
Nguyen, Huu Le	University of Vaasa, Finland
Ojala, Arto	University of Jyväskylä, Finland
Paavilainen-Mäntymäki, Eriikka	Turku School of Economics, University of Turku, Finland
Saarenketo, Sami	Lappeenranta University of Technology, Finland
Salmi, Asta	Aalto University School of Business, Finland
Sasi, Viveca	Aalto University School of Business, Finland
Schmid, Stefan	ESCP Europe, Berlin, Germany
Schuh, Arnold	Vienna University of Economics and Business, Austria
Servais, Per	University of Southern Denmark, Denmark
Shoham, Aviv	University of Haifa, Israel
Smale, Adam	University of Vaasa, Finland
Sumelius, Jennie	University of Vaasa, Finland
Torkkeli, Lasse	Lappeenranta University of Technology, Finland
Wang, Yi	University of Vaasa, Finland
Vincze, Zsuzsanna	Umeå University, Sweden
Vissak, Tiia	University of Tartu, Estonia
Zettinig, Peter	Turku School of Economics, University of Turku, Finland
Zucchella, Antonella	University of Pavia, Italy

GENERAL INFORMATION

Conference Venue

The conference is held at the University of Vaasa. The opening of the conference, plenary sessions and special sessions are in Nissi auditorium, Tritonia building. The parallel sessions on Thursday and Friday are in the Tervahovi building in seminar rooms D102, D103 and D115 (1st floor), and D218 and D219 (2nd floor). The rooms are indicated with signs.

Registration and Information Desk

The registration and information desk will be open daily during the tutorial and conference. Thursday morning the desk is at Tritonia building outside Nissi auditorium, where the conference welcome and opening plenary are held. At all other times the desk can be found in Tervahovi D-block, 1st floor. If you need to contact the information desk during the conference or if somebody needs to contact you, the phone number is: +358 (0) 29 449 8289

Bus Service

There is a free shuttle bus service between Hotel Tekla, Original Sokos Hotel Royal Vaasa and the conference venue. Please check the bus departure schedule below.

Wednesday, August 26th

18.00 Hotel Tekla to city hall
 18.10 Hotel Original Sokos Hotel Royal Vaasa to city hall
 20.00 City reception to hotels

Thursday, August 27th

08.10 Hotel Original Sokos Hotel Royal Vaasa to the University of Vaasa
 08.15 Hotel Tekla to the University of Vaasa

 17.30 From the University of Vaasa to hotels

 18.20 Hotel Tekla to conference dinner
 18.30 Hotel Original Sokos Hotel Royal Vaasa to conference dinner
 23.00 From dinner venue to hotels

Friday, August 28th

08.10 Hotel Original Sokos Hotel Royal Vaasa to the University of Vaasa
 08.15 Hotel Tekla to the University of Vaasa

 16.00 From the University of Vaasa to the Airport

Please note that the bus service to the airport will drop off passengers to the town centre if required, but will not wait for people to gather luggage from hotels due to time restrictions. There is a storage area at the conference venue room D118 for participants with luggage.

Internet

Wireless connections eduroam and UwasaOpen are available in the University area. Participants also have the possibility to use computers in room D217 in Tervahovi:

Username: ibconference2015

Password: IB2015conf

Log on to: uva_classes

Book Exhibition

Participants have the possibility to get acquainted with books of Edward Elgar Publishing, Palgrave Macmillan, Pearson Education, Routledge – Taylor & Francis, and SAGE in the room D118. The books are on display only. Please note that the organisers take no responsibility for any book orders. If you want to order a book please contact the publisher directly.

Social Programme*City Reception, Wednesday, August 26th*

The city of Vaasa invites the conference participants to a reception held at Vaasa City Hall (Hall of Mirrors, 2nd floor), Senaatinkatu 1, 65100 Vaasa. The event will be hosted by Member of the Finnish Parliament and Chair of Vaasa City Council Joakim Strand. Buses to this centrally located venue will leave from the hotels according to the timetable.

Conference dinner, Thursday, August 27th

Conference dinner is held at the Hemmer Restaurant within the grounds of Stundars open-air museum in Sulva (www.stundars.fi). Named after a Vaasa-born poet Jarl Hemmer (1893 - 1944), the restaurant offers a Finnish-Scandinavian cuisine fitted for its historic environs, preferring locally-sourced produce. The dinner venue is located c. 15km from Vaasa town centre and a shuttle bus is provided.

CONFERENCE PROGRAMME

THURSDAY AUGUST 27th 2015

8.10 Bus from Original Sokos Hotel Royal Vaasa to the University

8.15 Bus from Hotel Tekla to the University

8.30-9.00 **REGISTRATION**
 Place Tritonia building, outside Nissi auditorium

9.00-11.00 **OPENING SESSION**
 Place Tritonia building, Nissi auditorium

Welcome

Vice Rector of the University of Vaasa Jari Kuusisto
 Conference Chair Jorma Larimo, University of Vaasa, Finland

Plenary 1

- **Institutional theory as foundation for emerging economy research**
 Klaus Meyer, China Europe International Business School, China
 - **Forget Uppsala! Why selling abroad can be cheap and easy**
 Jean-François Hennart, Tilburg University, the Netherlands
 - **Decision making under uncertainty and small firms' internationalisation patterns**
 Antonella Zucchella, University of Pavia, Italy
 - **The dangerous nature of conceptualizing and operationalizing international performance**
 Aviv Shoham, University of Haifa, Israel
-

11.00-11.30 **COFFEE BREAK**
 Place Tritonia building, outside Nissi auditorium

11.30-13.00 **PARALLEL SESSION 1**
Place **Tervahovi building, rooms D102, D103, D115, D218**

Session IA: International Alliance and Network Research

Chair Jorma Larimo, University of Vaasa, Finland

Room D102

- **85 Knowledge transfer and organizational learning processes in international strategic alliances: The determinants, consequences, and moderators**
Mia Hsiao-Wen Ho, King's College London, UK
Pervez N. Ghauri, University of Birmingham, UK

 - **76 Transaction cost perspectives on alliances and joint ventures: Explanatory power and empirical limitations**
Klaus E. Meyer, China Europe International Business School, China
Yi Wang, University of Vaasa, Finland

 - **87 The development of network competence in an internationalized SME**
Lasse Torkkeli, Lappeenranta University of Technology, Finland
Sami Saarenketo, Lappeenranta University of Technology, Finland
Niina Nummela, Turku School of Economics at Turku University, Finland

 - **88 Hybrid ways of organizing international opportunities.**
Tuija Mainela, University of Oulu Business School, Finland
Vesa Puhakka, University of Oulu Business School, Finland
Per Servais, University of Southern Denmark, Denmark
-

Session IB: Operation Mode Choices in IB

Chair Stefan Schmid, ESCP Europe, Germany

Room D103

- **47 The role of the domestic market in firm internationalization: Born local born globals**
Birgit Hagen, University of Pavia, Italy
Per Servais, University of Southern Denmark, Denmark
Antonella Zucchella, University of Pavia, Italy

 - **44 Foreign operation mode strategies of software firms**
Arto Ojala, University of Jyväskylä, Finland
Eriikka Paaivilainen-Mäntymäki, Turku School of Economics at Turku University, Finland
Elizabeth Rose, University of Otago, New Zealand

 - **67 Foreign operation mode choice portfolios and firm performance**
Minnie Kontkanen, University of Vaasa, Finland
Mika Gabrielsson, University of Eastern Finland, Finland
Peter Gabrielsson, University of Vaasa, Finland
-

Session IC: Complexity of International Markets

Chair Leonidas Leonidou, University of Cyprus, Cyprus

Room D115

- **20 Effects of cross-border M&A on product creation processes**
Lauri Haapanen, University of Oulu Business School, Finland
Ilkka Rainto, University of Oulu Business School, Finland
Pia Hurmelinna-Laukkanen, University of Oulu Business School, Finland
Sakari Nikkilä, University of Oulu Business School, Finland

- **4 Linking the impact of reference groups on the antecedents and outcomes of country-of-origin effect**
Dafnis Coudoumaris, University of Vaasa, Finland

- **14 The translation mechanisms of market-shaping ideas**
Valtteri Kaartemo, Turku School of Economics, University of Turku, Finland
Elina Pelto, Turku School of Economics, University of Turku, Finland
 - **29 Foreign market selection of online retailers – A path-dependent perspective on influence factors**
Matthias Schu, University of Fribourg, Switzerland
Dirk Morschett, University of Fribourg, Switzerland
-

Session ID: Emerging Market Institutions

Chair Marin Marinov, Aalborg University, Denmark

Room D218

- **78 The institutionalization of political risk by Chinese multinational firms**
Ilan Alon, University of Agder, Norway
Alfredo Jiménez, University of Burgos, Spain
Hui Liu, University of International Business and Economics, China; Monterrey University of Technology, Mexico
Hua Wang, KEDGE Business School
 - **49 Grocery retail development in Russia: An institutional viewpoint and analysis**
Juhana Lounela, University of Turku, Turku School of Economics, Finland
 - **55 Experience-based country institutional profile for entrepreneurship and internationalization: Case of Russia**
Igor Laine, Lappeenranta University of Technology, Finland
Oleg Anisimov, Cloud accounting service Moedelo.org, Russia
 - **17 Investing in China's water: The role of the private sector**
Esa Stenberg, University of Turku, Finland
-

13.00-14.00

LUNCH

Place

Tervahovi building, restaurant Mathilda

14.00-15.30 **PARALLEL SESSION 2**
Place **Tervahovi building, rooms D102, D103, D115, D218**

Session 2A: Internationalisation in Context

Chair Marin Marinov, Aalborg University, Denmark

Room D102

- **63 Subsidiary strategies and performance in emerging markets: An analysis of four Finnish MNCs in China**
 Yi Wang, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland
 Jari Koskinen
 Ilkka Sillanpää, University of Vaasa, Finland
 - **16 An Estonian jewellery designer's nonlinear internationalization by countries and sales channels**
 Tiia Vissak, University of Tartu, Estonia
 Xiaotian Zhang, University of Tartu, Estonia; University of Southern Denmark, Denmark; University of Oulu, Finland
 - **68 Sourcing from Africa – Opportunities and challenges for foreign firms**
 Weimu You, Aalto University School of Business, Finland
 Asta Salmi, LUT School of Business and Management, Finland
 Katri Kauppi, Aalto University School of Business, Finland
 - **69 The Swedish banks internationalization - What is attracting them abroad?**
 Andreas Pajuvirta, Uppsala University, Sweden
-

Session 2B: International Advertising

Chair Leonidas Leonidou, University of Cyprus, Cyprus

Room D103

- **1 Antecedents and consequences of internal brand equity in B2B service markets - Case study IBM Finland**
 Dafnis Coudounaris, University of Vaasa, Finland
 Henni Järvenkallas, Turku School Economics, Finland
 - **30 Branding strategy and performance of internationalizing ventures: The role of culture**
 Samuel Yaw Kusi, University of Vaasa, Finland
 Peter Gabrielsson, University of Vaasa, Finland
 - **22 Cross-cultural perspective on customer engagement behavior in social media: A conceptual framework**
 Agnieszka Chwialkowska, University of Vaasa, Finland
 - **75 Hofstede's cultural values in international advertisements: An assessment of literature**
 Salman Saleem, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland
-

Session 2C: SME Internationalisation

Chair Antonella Zucchella, University of Pavia, Italy

Room D115

- **7 Bundles of learning: Opportunity creation in the internationalization process of enduring SMEs**
 Giovanna Magnani, University of Pavia, Italy
 Antonella Zucchella, University of Pavia, Italy
- **73 The Role of the Internet as a risk-coping mechanism in SME internationalization**
 Jonas S. Eduardsen, Aalborg University, Denmark
- **82 Risk perceptions and risk coping strategies in the internationalisation of SMEs: a six country study**
 Svetla Trifonova Marinova, Aalborg University, Denmark

Session 2D: Methodological Approaches in IB Research**Chair** Niina Nummela, Turku School of Economics at Turku University, Finland**Room** D218

- **21 Process approach and the internationalization of family businesses**
Tanja Leppäaho, University of Jyväskylä, Finland

 - **26 It's about time - temporal paradigm in internationalization process research**
Leila Hurmerinta, Turku School of Economics at Turku University, Finland
Eriikka Paavilainen-Mäntymäki, Turku School of Economics at Turku University, Finland
Mélanie E. Hassett, Turku School of Economics at Turku University, Finland; Oxford Brookes University, UK

 - **28 Methodological approaches to research on internationalization process of e-commerce enterprises**
Magdalena Grochal-Brejdak, University of Economics in Katowice, Poland
-

15.30-15.50 **COFFEE BREAK****Place** **Tervahovi building, D-block, ground floor (outside rooms D102, D103, D115)**

15.50-17.20 **SPECIAL SESSION**
Place **Tritonia building, Nissi auditorium**

Qualitative Methods in IB Research

Chair Pervez Ghauri, University of Birmingham, UK

- **Methodological trends in IB - an editor's perspective**
 Pervez Ghauri, University of Birmingham, UK
 - **How should we judge the 'quality' of qualitative research in IB? A re-assessment of current criteria**
 Rebecca Piekkari, Aalto University School of Business, Finland
 - **Contextualising international business research – A mixed-method approach**
 Niina Nummela, Turku School of Economics at University of Turku, Finland
 - **Constructing time in international business research**
 Eriikka Paavilainen-Mäntymäki, Turku School of Economics at University of Turku, Finland
-

17.30 **Bus to hotels**

18.20 **Bus from Hotel Tekla to conference dinner**
18.30 **Bus from Original Sokos Hotel Royal Vaasa to conference dinner**

19.00 **CONFERENCE DINNER**
Place **Restaurant Hemmer, Stundars, Sulva**

- **Guest Speaker: Wärtsilä Corporation – global market and focus areas**
 Eva-Stina Rönnholm, Vice President Finance & Control, Wärtsilä Marine Solutions, Engines

c. 23:00 **Bus to hotels**

FRIDAY AUGUST 28th 2015

8.10 **Bus from Hotel Original Sokos Hotel Royal Vaasa to the University**
 8.15 **Bus from Hotel Tekla to the University**

8.30-10.00 **PARALLEL SESSION 3**
 Place **Tervahovi building, rooms D102, D103, D115, D218, D219**

Session 3A: Value Creation 1

Chair Svetla Trifonova Marinova, Aalborg University, Denmark
Room D102

- **23 Africa – An emerging context for value creation with mergers and acquisitions**
 William Y. Degbey, Turku School of Economics, University of Turku, Finland
 Kimberly M. Ellis, Florida Atlantic University, USA; University of West Indies, Barbados
- **34 Evolution of international joint ventures in Slovakia: From transformation to the market economy phase**
 Sonia Ferencikova, Vysoka skola manazmentu/School of Management, Finland
 Tatiana Hluskova, Vysoka skola manazmentu/School of Management, Finland
- **36 Mergers and acquisitions from India - what are the drivers behind Indian cross-border M&As**
 Mélanie E. Hassett, Turku School of Economics at Turku University, Finland; Oxford Brookes University, UK
 Niina Nummela, Turku School of Economics, University of Turku, Finland
 Uma Urs, Oxford Brookes University, UK
 Zsuzsanna Vincze, Umeå University, Sweden
 Duncan Angwin, Oxford Brookes University, UK
 Peter Zettinig, Turku School of Economics, University of Turku, Finland
- **83 Value creation in the internationalization of a small company from a traditional industry**
 Marin Marinov, Aalborg University, Denmark
 Svetla Trifonova Marinova, Aalborg University, Denmark

Session 3B: International Marketing

Chair Arnold Schuh, Vienna University of Economics and Business, Austria
Room D103

- **41 Reducing betrayal intention in international business relationships**
 Leonidas C. Leonidou, University of Cyprus, Cyprus
 Bilge Aykol, Dokuz Eylul University, Turkey
 Paul Christodoulides, Cyprus University of Technology, Cyprus
 Thomas A. Fotiadis, Democritus University of Thrace, Greece
- **66 Export pricing decisions in SMEs: Theory and practice**
 Andrea Setti, University of Pavia, Italy
 Birgit Hagen, University of Pavia, Italy
 Jorma Larimo, University of Vaasa, Finland
- **81 Types of marketing mix combinations in export markets**
 Minnie Kontkanen, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland
 Antonella Zucchella, University of Pavia, Italy
 Birgit Hagen, University of Pavia, Italy
- **84 Antecedents and outcomes of foreign country image formation: A meta-analysis**
 Saeed Samiee, University of Tulsa, USA
 Leonidas C. Leonidou, University of Cyprus, Cyprus
 Bilge Aykol, Dokuz Eylul University, Turkey
 Barbara Stöttinger, Vienna University of Economics and Business, Austria
 Paul Christodoulides, Cyprus University of Technology, Cyprus

Session 3C: Capabilities in IB**Chair** Aviv Shoham, University of Haifa, Israel**Room** D218

- **37 Development of marketing capabilities in an internationalizing high-technology firm: A qualitative perspective**
Taina Eriksson, Turku School of Economics at University of Turku, Finland
Mari Ketolainen, Turku School of Economics at University of Turku, Finland
Alexandra Kriz, University of Sydney, Australia
 - **64 The relative impact of benchmarked marketing versus operations versus finance capabilities on international performance of Israeli firms**
Amir Lahat, University of Haifa, Israel
Aviv Shoham, University of Haifa, Israel
 - **12 Subsidiary manager's experiential learning and its influence on subsidiary knowledge and performance**
Waheed Bhatti, University of Vaasa, Finland
Jorma Larimo, University of Vaasa, Finland
Dafnis Coudounaris, University of Vaasa, Finland
-

Session 3D: Decision-Making in IB Context**Chair** Mario Glowik, Berlin School of Economics and Law, Germany**Room** D219

- **8 Advancing international business ideation concepts for contexts embedded within capital investment markets**
Pekka Huovinen, Tampere University of Technology, Finland
 - **32 The role of uncertainty in decision-making in international business: A literature review**
Sniazhana Sniazhko, University of Vaasa, Finland
 - **40 From causal to effectual decision-making about international activities: Opportunity development or survival strategy in the context of Russian SMEs**
Igor Laine, Lappeenranta University of Technology, Finland
Tamara Galkina, Hanken School of Economics, Finland
-

Session 3E: Opportunities in International Markets**Chair** Mika Gabriellson, Lappeenranta University of Technology, Finland**Room** D115

- **59 Living with transformations of international opportunities**
Pia Hurmelinna-Laukkanen, University of Oulu Business School, Finland
Tuija Mainela University of Oulu Business School, Finland
Vesa Puhakka, University of Oulu Business School, Finland
 - **15 Born global sourcers – Buying internationally right from the inception**
Morten Rask, Aarhus University, Denmark
Per Servais, University of Southern Denmark, Denmark
 - **45 The video game industry as international firm-user innovation networks**
Peter Ek, Uppsala Universitet, Sweden
 - **79 End-user services as market entry strategy in emerging markets**
Khalid M. Bhatti, Lapland University of Applied Sciences, Finland; National University of Science and Technology
-

10.00-10.30**COFFEE BREAK****Place****Tervahovi building, D-block, ground floor (outside rooms D102, D103, D115)**

10.30-12.00 **PARALLEL SESSION 4**
Place **Tervahovi building, rooms D102, D103, D115, D218, D219**

Session 4A: Value Creation 2

Chair Svetla Trifonova Marinova, Aalborg University, Denmark
Room D102

- **5 Value creation in international joint ventures: Inter-partner factor determinants and the location effects**
 Huu Le Nguyen, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland
 Tahir Ali, University of Vaasa, Finland
 - **33 How to create value in the turbulent time: A case study from Slovak banking sector**
 Sonia Ferencikova, School of Management, Slovakia
 - **58 International alliances: Do we really know what are we researching on?**
 Susana Costa e Silva, Catholic University of Portugal, Portugal
 Raquel Meneses, University of Porto, Portugal
 Jorma Larimo, University of Vaasa, Finland
 - **80 The role of trust for the outcome of a cross-border acquisition in Russia - A case illustration**
 Elina Pelto, Turku School of Economics at University of Turku, Finland
-

Session 4B: Managing International Subsidiaries

Chair Rebecca Piekkari, Aalto University School of Business, Finland
Room D103

- **11 Message or the messenger: Subsidiary voice and headquarters attention**
 Hammad ul Haq, University of Uppsala, Sweden
 Desirée Blankenburg Holm, University of Uppsala, Sweden
 Rian Drogendijk, Groningen University, the Netherlands
 - **60 Regional management in multinational service operations: A case study of four German MNCs**
 Jörg Freiling, University of Bremen, Germany
 Perttu Kähäri, Aalto University School of Business, Finland
 Rebecca Piekkari, Aalto University School of Business, Finland
 Fabian Schmutz, University of Bremen, Germany
 - **3 Forms of dual organizational identification within the MNC: An empirical investigation**
 Sofia John, Hanken School of Economics, Finland
 Kristiina Mäkelä, Aalto University School of Business, Finland
 Jennie Sumelius, University of Vaasa, Finland
 Davina Vora, New Paltz State University of New York, USA
 - **39 Easy and caring in Russia – Cross-border transfer of organizational values to a Russian subsidiary of a Finnish service company**
 Päivi Karhunen, Aalto University School of Business, Finland
 Piia Heliste, Aalto University School of Business, Finland
 Riitta Kosonen, Aalto University School of Business, Finland
-

Session 4C: International Entrepreneurship

Chair Tiia Vissak, University of Tartu, Estonia
Room D115

- **24 Internet of things and international entrepreneurship. A first exploratory analysis**
 Valerio Veglio, Università della Svizzera Italiana, Switzerland
 Antonella Zucchella, University of Pavia, Italy

- **27 International entrepreneurial marketing strategy in MNCs: The role of intrapreneurial marketing managers**
Man Yang, University of Vaasa, Finland

- **50 Discursive construction of understandings and performances of international entrepreneurial selling**
Irene Lehto, University of Oulu, Finland

Session 4D: Networks and Relationships

Chair Tuija Mainela, University of Oulu, Finland

Room D218

- **2 Procurement networks in healthcare**
Mario Glowik, Berlin School of Economics and Law, Germany
Thuy Nguyen, Berlin School of Economics and Law, Germany
- **6 Power strategies enforcing strategy implementation: a case of an international business-relationship triad**
Elisa Kallio, Turku School of Economics -University of Turku, Finland
Peter Zetting, Turku School of Economics -University of Turku, Finland
- **25 Opportunity creation through effectual networks: Making sense of the stakeholder commitment decision**
Jonathan Van Mumford, Turku School of Economics - University of Turku, Finland
Peter Zetting, Turku School of Economics -University of Turku, Finland
- **43 Effective online brand management**
Alexandra Ioanid, University Politehnica of Bucharest, Romania
Gheorghe Militaru, University Politehnica of Bucharest, Romania

Session 4E: Managing Ground Level Operations

Chair Minnie Kontkanen, University of Vaasa, Finland

Room D219

- **38 Subnational location decisions of multinational enterprises: A critical review of empirical literature**
Markus Laine, Turku School of Economics, University of Turku, Finland
- **57 Project risk management practices: An exploratory study of Emirati public and private projects**
Mian Ajmal, Abu Dhabi University, UAE
- **71 How to define the business model. Evidences from a web-based startup**
Marco Talaia, University of Insubria, Italy
Alessia Pisoni, University of Insubria, Italy
Alberto Onetti, University of Insubria, Italy
- **62 The importance of psychic distance in the internationalization process of Polish companies – pilot research results**
Aleksandra Nizielska, University of Economics in Katowice, Poland

12.00-12.45

LUNCH

Place

Tervahovi building, restaurant Mathilda

12.45-14.00 **PARALLEL SESSION 5**
Place **Tervahovi building, rooms D102, D103, D115, D218**

Session 5A: Success and Failure of International Operations

Chair Jean-François Hennart, Tilburg University, the Netherlands
Room D102

- **13 The effects of control and trust on international joint venture (IJV) success - A case study of financial services in the Nordic countries**
 Noora Hakkarainen, University of Vaasa, Finland
 Annukka Jokipii, University of Vaasa, Finland
 - **31 De-internationalization: Past research and future challenges**
 Tobias Dauth, HHL Leipzig Graduate School of Management, Germany
 Pascal Lehnen, HHL Leipzig Graduate School of Management, Germany
 Vivek Velamur, HHL Leipzig Graduate School of Management, Germany
 - **42 Impact of ownership level on subsidiary survival in foreign acquisitions**
 Yi Wang, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland
-

Session 5B: Subsidiary-Headquarter Knowledge Flows and Processes

Chair Klaus Meyer, China Europe International Business School, China
Room D103

- **18 National cultural dimensions and transferability of marketing knowledge from emerging market subsidiaries to multinational enterprises' headquarters**
 Tiina Leposky, University of Vaasa, Finland
 Ahmad Arslan, Edge Hill University, UK
 Minnie Kontkanen, University of Vaasa, Finland
 - **46 Optimization of subsidiary's benefits from reverse knowledge transfer**
 Hiroyuki Ishihara, Manchester Business School, UK
 Judith Zolkiewski, Manchester Business School, UK
 - **48 Unravelling the internal processes constituting the evolutionary growth of a subsidiary**
 Katarina Hamberg-Lagerström, Uppsala University, Sweden
 Roger Schweizer, University of Gothenburg, Sweden
 Johan Jakobsson, University of Gothenburg, Sweden
-

Session 5C: Learning and Development in International and Global Business

Chair Per Servais, University of Southern Denmark, Denmark
Room D115

- **61 Transfer as translation of organizational practices: A re-assessment and alternative reading of the Japanese transplants overseas**
 Rebecca Piekkari, Aalto University School of Business, Finland
 Eleanor Westney, MIT Sloan School of Management, USA; Schulich School of Business, Canada; Aalto University School of Business, Finland
 - **35 Leadership development trends and the situation in Central and Eastern Europe (Slovak example)**
 Sonia Ferencikova, Sr., School of Management, Bratislava, Slovakia
 Sonia Ferencikova, Jr., School of Management, Bratislava, Slovakia
 - **70 A systematic review: Organizational learning in international new ventures**
 Tanja Leppäaho, Jyväskylä University School of Business and Economics, Finland
 Teemu Tuomisalo, Jyväskylä University School of Business and Economics, Finland
-

Session 5D: Innovation in IB

Chair Peter Zetting, Turku School of Economics at University of Turku, Finland
Room D218

- **19 Subsidiary innovation measured by patents: A critical literature review**
 Stefan Schmid, ESCP Europe Berlin, Germany
 Cigdem Polat, ESCP Europe Berlin, Germany
- **52 Resource-seeking internationalisation in innovative entrepreneurial companies**
 Nina Rilla, VTT Technical Research Centre of Finland; Turku University, Finland
- **65 The relative impact of market versus entrepreneurial versus innovation orientation on performance in the USA and Israel**
 Aviv Shoham, University of Haifa, Israel
- **56 How and why the institutional context impacts non-uniformly on entry mode strategies in emerging economies – the case of MNEs in Russia and China**
 Katja Schneider, Technische Universität Bergakademie Freiberg, Germany
 Michael Nippa, Free University of Bozen-Bolzano, Italy

14.00-14.15 COFFEE BREAK
Place Tritonia building, outside Nissi auditorium

14.15-15.30 CLOSING SESSION
Place Tritonia building, Nissi auditorium

Plenary 2

Internationalization of top-managers
 Stefan Schmid, ESCP Europe, Germany

Internationalisation of Central and Eastern European firms: Business model application
 Svetla Trifonova Marinova, Aalborg University, Denmark

Local heroes in Central & Eastern Europe – In search of successful domestic firms in the region
 Arnold Schuh, Vienna University of Economics and Business, Austria

CLOSING THE CONFERENCE

16.00 Bus to airport (drop-off to Vaasa town centre if required, no luggage collection)

CONFERENCE ABSTRACTS

Paper 1

Antecedents and consequences of internal brand equity in B2B service markets - Case study IBM Finland

Dafnis N. Coudounaris, University of Vaasa, Finland

Henni Järvenkallas, University of Turku, Turku School of Economics, Finland

Purpose: The purpose of this paper is to explore the antecedents that influence internal brand equity in B2B service markets and in turn, the impact of internal brand equity on the firm's performance. Branding in business-to-business service markets has only recently received attention as a competitive tool in the academic literature.

Design/methodology/approach: The case study method was used. Primary data was gathered with an interview and secondary data by using the Internet and relevant reports.

Findings: A model for building the internal brand equity for B2B service markets was devised. This study explains the internal brand equity of the firm and proceeds towards a more profound understanding of the phenomenon based on the case-study of IBM Finland. Originality/value: This study based on IBM case study, explains and expands the internal brand equity in B2B service markets and indicates the positive impact of the three antecedents' factors on the internal brand equity which finally influences positively the firm's performance. The antecedent of internal shared values of employees includes items that have been revealed from the qualitative research. The construct sales force training is a moderator between the antecedents and the internal brand equity.

Keywords: Brand equity, business-to-business, service brands, internal brand equity, IBM Finland.

Paper 2

Procurement networks in healthcare

Mario Glowik, Berlin School of Economics and Law, Germany

Thuy Nguyen, Berlin School of Economics and Law, Germany

The European healthcare market for technological advanced medical devices indicates promising growth rates while, simultaneously, medical device unit prices for cardiac implants are decreasing. The introduction of the diagnosis-related group (DRG) system in various European countries developed for monitoring and controlling reimbursement costs caused hospitals to be increasingly confronted with business performance rather than merely patient related treatment issues.

In order to optimize their procurement processes for medical devices, hospitals have started to develop and install internal and external network relationships. Our paper aims to evaluate and describe relevant actors and their roles in a modern hospital buying center as well as corresponding configurations with external industry stakeholders.

Paper 3

Forms of dual organizational identification within the MNC: An empirical investigation

Sofia John, Hanken School of Economics, Finland

Kristiina Mäkelä, Aalto University School of Business, Finland

Jennie Sumelius, University of Vaasa, Finland

Davina Vora, New Paltz State University of New York, USA

Organizational identification, and particularly dual organizational identification, has several benefits that may be particularly important in multinational corporations (MNCs). Drawing upon Vora and Kostova's (2007) forms of dual organizational identification, we analyze interview data to empirically examine managers' forms of identification in four Finnish MNCs. Specifically, we develop a method to quantify mentions of "we" and "they" in naturally occurring data to explore form of identification. Three different forms emerge: 'single' denoting identification with only one entity – either the MNC or the subsidiary – 'partially overlapping' denoting identification primarily with one entity, but having some identification with the other to the extent the two are viewed as overlapping; and 'overlapping' where they identify with both the MNC and subsidiary separately as well as perceive them as overlapping. Our findings suggest that identifying with both entities may be rare, and that

at some point individuals may switch from only identifying with one entity to identifying with both. Directions for future research as well as limitations of our study are discussed.

Paper 4

Linking the impact of reference groups on the antecedents and outcomes of country-of-origin effect

Dafnis Coudounaris, University of Vaasa, Finland

Purpose – The purpose of this paper is to examine the symbolic representations of non-consumers (an aspiration group) compared to live experiences of consumers (owners) related to a luxury brand, particularly, the study of different models of the country-of-origin effect related to a luxury brand (Mercedes-Benz) C-Class or E-Series.

Design/methodology/approach – A convenient sample of 275 non-consumers/consumers coming from the community of higher education in Finland is investigated. An on-line questionnaire was used and 40 statements are included in the analysis based on 7 point Likert scale.

Findings - The study reveals that the country-of-origin effect for the aspiration group/ owners (M1 model), the owners (M2 model) and the aspiration group (M3 model) have a similar impact, as the three models developed, have a good fit and they are statistically significant. A comparison of the three models related to country-of-origin effect reveals that the relationship of brand familiarity and price consciousness is not supported. These models provide evidence that the influence of reference groups on the country-of-origin effect is similar. Moreover, the study concludes that there are statistically significant differences between the aspiration group versus possessors/owners of a luxury brand (Mercedes-Benz) and these differences are concerned with the constructs of brand familiarity, brand commitment, product design and product experience.

Originality/value – This study indicates that the aspiration group based on the hypothetical purchases of a luxury brand with a strong country image has a similar country-of-origin effect with the owners of the same luxury brand. Furthermore, it reveals that ‘price consciousness’ is not relevant to luxury brands. Also ‘purchase involvement’ is not so important, however, concerning ‘country image’ few issues are important the innovativeness of the product/brand and the engineering advances as well as the attractiveness of the design of the product.

Keywords: Country-of-origin effect, luxury brands, German country-image, Mercedes-Benz, AMOS 22, SMART PLS

Paper 5

Value creation in international joint ventures: Inter-partner factor determinants and the location effects

Huu Le Nguyen, University of Vaasa, Finland

Jorma Larimo, University of Vaasa, Finland

Tahir Ali, University of Vaasa, Finland

In current fierce global competition, firms often form international joint ventures (IJVs) to gain benefits from their foreign partner’s resources and assets, thus trying to create more value for each other. However, partner firms often struggle to create value for IJVs due to the differences e.g. in resources, cultures, and control strategies. So far relatively few studies have focused on how different internal factors influence value creation in IJVs. Additionally, relatively few studies have IJVs established by firms originating in SMOPEC countries. In this paper, we aim to investigate the role of inter-partner resource complementary, cultural differences, relational quality as well as their control strategy in IJVs on value creation in IJVs. We also investigate the mediating role of location of IJVs including developing countries versus developed countries on the relationship between inter-partner factors and value creation in IJVs. We develop and test our hypotheses with 89 IJVs established by Nordic MNCs. Our results show that resource complementary, relational quality, and social control all have positive influence on value creation in IJVs, whereas national cultural differences have negative impact on value creation in IJVs. However, we do not find support for the link between the level of integration between IJVs and parent firms and value creation in IJVs. An interesting result is that as opposite to our expectations, we found that organizational cultural differences between the partner firms had negative impact on value creation in IJVs. In addition, we find that the influences of flexibility, communication quality and national cultural distance on value creation depend on the location of IJVs.

Keywords: Value creation, international joint venture (IJVs), cultural differences, resource complementary, relational quality, control strategy, and location of IJVs.

Paper 6

Power strategies enforcing strategy implementation: a case of an international business-relationship triad

Elisa Kallio, Turku School of Economics, Finland
 Peter Zettinig, Turku School of Economics, Finland

The focus of this study was in exploring how the power relationships changed in a triad when one of the organisations changes their business strategy and how power was employed by the transforming organisation to enable strategy implementation. The data of the study was gathered using action research approach, while the analysis of the data was a cyclical and iterative process in which a narrative describing the power-dependence relationships of the triad was retrospectively constructed. The findings built theory based on existing literature by conceptualising and identifying different power strategies utilised in different power situations and suggested managerial implications of the findings. It was found that in asymmetric power relationships, rational strategies were used to create favourable outcomes. It was also found that a drastic change of an MNC's strategy transformed the composition of its value system into an international business-relationship triad which had subsequent changes in the established power relationships of each of the dyads inside the triad. The change in the power relations of the triad was created by the supplier utilising rational power strategy to the end-customer which through the actions of the end-customer transformed into a hard strategy. This newly identified power strategy was conceptualised as intermediary power strategy.

Paper 7

Bundles of learning: Opportunity creation in the internationalization process of enduring SMEs

Giovanna Magnani, University of Pavia, Italy
 Antonella Zucchella, University of Pavia, Italy

New entry into international markets is an entrepreneurial act (Covin & Miller, 2014). This is even truer in the case of established organizations (Shane & Venkataraman, 2000) in their persistence to actively growing internationally (Naldi, Achtenhagen, & Davidsson, 2014).

There is consensus around the fact that enduring international growth requires continuous learning processes as the latter are needed in order to generate the configuration of knowledge that is necessary for the next growth phase (Deligianni, Voudouris, & Lioukas, 2014; Hansen & Hamilton, 2011; Voudouris, Dimitratos, & Salavou, 2011). At the same time learning is a crucial process along the whole life cycle of smaller firms to help revealing and capturing (international) opportunities (Naldi & Davidsson, 2014).

In this study we conceive learning as key antecedent to differences in firms' exploitation and exploration of opportunities (Busenitz et al., 2003; Corbett, 2005), and aim to bridge learning to opportunity creation in foreign environments in a process perspective.

Although there are studies that have been investigating International Entrepreneurship (IE) in the realm of international new ventures (INVs) (cfr. Oviatt & McDougall, 1994; Oviatt & McDougall, 1997), little attention has been devoted to established entrepreneurial firms and how they continue their internationalization process (ibid). More specifically, at present little is known about how enduring internationally growing SMEs learn over time, and how do learning mechanisms affect opportunity creation along the internationalization process. Moreover, there is still a lack of research in investigating alternative/complementary forms of learning - different than the experiential one - in entrepreneurship (Politis, 2005; Wang & Chugh, 2014). This gap is present notwithstanding few seminal works (Bingham & Davis, 2012; Cohen & Levinthal, 1990; Huber, 1991; Levitt & March, 1988; Saarenketo, Puimalainen, Kuivalainen, & Kyläheiko, 2004) drawing a set of learning sources.

In this study we commit to the perspective of opportunity creation (Alvarez, Barney, & Anderson, 2013), according to which opportunities are "endogenously formed by entrepreneurs seeking to exploit them" (ibid. p. 305) through enactment (Weick, 1979), and explore (1) which learning types occur in the context of the established firms' internationalization process and (2) how do learning types concur to the creation of opportunities outside the domestic market along SMEs' internationalization process.

The empirical setting is represented by six small and medium enterprises with a long history, where knowledge and visions of the funders need necessarily to be thought as embedded in the organization. We build a multiple retrospective case study of our firms' internationalization process and at the same time track real time internationalization events by having longitudinally observed our firms for five years. Long established SMEs are an insightful context to conduct a process study and to investigate funders' and top management teams' behaviors and thus, ultimately, to understand the manifold dimensions of learning. This way we identify and try to address an additional research gap, i.e. investigating SMEs internationalisation process as an entrepreneurial learning one.

From our case studies' evidence we uncover the existence of "bundles of learning" arising and operating concurrently, thus contributing to extend the emergent theoretical framework that develops the concept of "concurrent learning" set forth by Bingham, Heimeriks, Schijven, and Gates (2014), in the context of firms' internationalization processes. Furthermore we find that two learning types seem to have a prominence in opportunity creation in foreign environments, guiding internationalization choices, viz. internal and insight learning. Internal learning enhances the reputational reach of the firm in foreign markets and thus is a source of creating international opportunities. Insight learning is a learning mechanism in creating international opportunities in those foreign markets characterized by high degrees of uncertainty. With this study we contribute to expanding process research in the field of IE, and contribute to IB studies by bridging the perspective of learning with that of opportunity creation for a deeper understanding of how the internationalization process evolves over time.

Paper 8

Advancing international business ideation concepts for contexts embedded within capital investment markets

Pekka Huovinen, Tampere University of Technology, Finland

The aim of this paper is to advance international business (IB) ideation especially as part of IB management concepts and among concept designers related to contexts embedded within international capital investment markets (CIMs), including real estate and construction markets. A 5-approach typology differentiates between fitting, value-creating, profit-generating, systemizing, and commercializing business ideation. This paper is part of the on-going reviewing of research on CIMs-related business management (BM). So far, the reviewing has resulted in the identification of 71 concepts published between the years 1990 and 2013. Focal firms have their home bases in one of the OECD countries plus in Hong Kong and Singapore due to the heritage of the British Commonwealth. Within the 71-concept platform, there are 18 (25%) IB management concepts, i.e., the authors have designed them for managing businesses based on international CIMs. Thereof, 14 (20%) concepts have been designed also along the business ideation dimension. There are 6 (8%) high-degree concepts, and 4 (6%) medium-degree concepts, and 4 (6%) low-degree concepts. At least each high-degree concept should enable successful IB ideation for contexts within CIMs. However, none of these 14 concepts has been designed for managing primarily IB ideation. Theoretically valid and contextually useful IB ideation concepts can be designed along the four necessary dimensions. Along the 1st dimension of IB ideation, concept designers may rely on one of the five existing approaches or they may come up with a new one. Along the 2nd dimension of content-free frames of reference, concept designers can define the scope and boundaries of IB ideation with sound frames of reference from within strategic management, strategic planning, or systems design, etc. Importantly, frames can be coupled with other content-laden dimensions. Along the 3rd dimension of schools of thought on generic BM, concept designers may rely on one or more particular schools from among the eight schools. Along the 4th broad dimension of contexts, concept designers choose focal contexts and therein they may focus on one or more sub-dimensions such as IB types or political, economic, social, technological, and environmental (PESTE) environments, or cyclical dynamism. Moreover, concept designers are herein advised to couple IB ideation theoretically with frames of reference and schools of thought as well as contextually with IB types, environments, and dynamism. Each of these five couplings can be bounded by an area inside a country, a country as a whole, or a group of countries. Designers need to specify the elements so that their respective IB ideation concepts accommodate variety in managing an IB with focal contexts embedded within international CIMs. It is envisioned that interested IB-related and CIMs-related researchers, with IB managers, incorporate the five couplings into their cross-disciplinary and academia-industry research on IB management and ideation.

Keywords: Business ideation, capital investments, concepts, construction, international business, management, markets, real estate, research review

Paper 11

Message or the messenger: Subsidiary voice and headquarters attention

Hammad ul Haq, University of Uppsala, Sweden

Desirée Blankenburg Holm, University of Uppsala, Sweden

Rian Drogendijk, Groningen University, the Netherlands

The objective of the paper is to examine patterns in the way in which subsidiaries communicate business opportunities to the headquarters, with focus on only those instances where they receive headquarters attention. Past research has shown that subsidiaries communicate business opportunities differently to the headquarters, based on variations at both the unit level and the nature of the business opportunity being communicated but they have studied both these factors independently. Hence, in this paper, we will study both these factors simultaneously to determine whether these variations can mainly be attributed to the unit or business opportunity level. From an empirical perspective, data is being collected at the subsidiary level, by sending the survey questionnaires to 2510 subsidiaries of 235 Swedish multinational companies.

Keywords: Subsidiary, headquarters, attention, voice, business opportunity

Paper 12

Subsidiary manager's experiential learning and its influence on subsidiary knowledge and performance

Waheed Bhatti, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland
 Dafnis Coudounaris, University of Vaasa, Finland

The importance of knowledge in international business is established; however, there is not enough evidence on learning of multinational subsidiaries in host country networks. This research fills the gap by studying experiential learning in host country networks. The study focuses on technological and market knowledge learning from host country networks. The subsidiary manager as the learning agent is the novelty of study. The manager's experiential learning adds to subsidiary knowledge, helps improve trust in network relationships and identification of opportunities. The conceptual model will be empirically operationalized by data collection from a Finnish multinational firm having an internationally recognized product. The subsidiary manager's experiential learning-subsidiary knowledge-subsidiary performance relationship will be tested and hence bridging a research gap (Vahlne and Johanson 2009). This study has implications for managers and policy-makers. Managers will be able to understand their role in filling subsidiary knowledge gap by adopting the model and highlighting opportunities that can lead to commitment decisions in host country environment.

Keywords: Experiential learning, host country networks, market knowledge, technological knowledge, multinational subsidiary.

Paper 13

**The effects of control and trust on international joint venture (IJV) success
 - A case study of financial services in the Nordic countries**

Noora Hakkarainen, University of Vaasa, Finland
 Annukka Jokipii, University of Vaasa, Finland

This paper reports a result of a case study that examine the concepts of control and trust and how they relate to the international joint venture's success. The empirical setting of the research was in the financial services industry between two parent firms both located in the Nordic countries. Data for the study was collected through a series of semi-structured interviews and internal company documentation and reports.

The findings of this study suggest that both control and trust are integral for effective joint venture operations, and they both serve as predictors of joint venture performance and success. However, when assessing the success of the joint venture the relationship is not as straightforward. The findings indicate that trust can be named as the primary factor to success while control works in the background allowing for the conditions of success to emerge in the joint venture relationship. Further, the findings of this study suggest that especially similarity of backgrounds and trust in the partner's competence are important when considering between different choices of a joint venture partner. Also unique trust in Nordic cultures arises upon in discussions.

Keywords: International joint venture, control, trust, performance, financial services industry

Paper 14

The translation mechanisms of market-shaping ideas

Valtteri Kaartemo, Turku School of Economics, University of Turku, Finland
 Elina Peltö, Turku School of Economics, University of Turku, Finland

Scholars have recently become interested in 'market-shaping'. Within this emerging field, scholars have requested more understanding on how single market actors can influence the existing market practices. Further, there have been calls for broader approaches that go beyond the customer-supplier dyad.

We study market-shaping by focusing on how a foreign subsidiary can influence local companies in the context of an emerging economy. Unique to the market-shaping literature, we focus on the translation mechanisms that are employed in spreading the market-shaping ideas. The findings are based on the explorative longitudinal single case study conducted in St. Petersburg bread market, covering a timespan from 1997 to 2007.

We contribute to the market-shaping literature by discussing the translation mechanisms of market-shaping ideas. In our study, we identify six translation mechanisms, namely training, demonstration, requirements, management mobility, consultation, and informal interaction.

Paper15

Born Global Sourcers – buying internationally right from the inception

Morten Rask, Aarhus University, Denmark

Per Servais, University of Southern Denmark, Denmark

This article focuses on a particular type of international New Ventures (INV) the so-called Born Global Sourcers. Through the research development of the INV and by studying overview articles in the field it is concluded that nearly all research is centered on INV's outward activities. At the same time researchers has identified various types of INV's and based on the empirical work by Rasmussen et al (2010) a particular type of international new venture is isolated. The Born Global sourcers which is firms who conducts international purchasing from or near their establishment but who only to a very limited serves foreign markets. From the article by Oviatt and McDougall (2005) the model for exploring the speed and scope of International New Ventures is adapted and modified to explore this particular type of International New Venture. The article concludes that this revised model could be a viable starting point for research into this type, but that this research could be supplemented by including the relations to domestic clients/partners.

Paper 16

An Estonian jewellery designer's nonlinear internationalization by countries and sales channels

Tiia Vissak, University of Tartu, Estonia

Xiaotian Zhang, University of Tartu, Estonia; University of Southern Denmark, Denmark; University of Oulu, Finland

This paper aims to contribute to the internationalization literature by showing that a born global can experience nonlinear internationalization both in terms of entered markets and sales channels. It is based on a single case of a jewelry designer who has used five different sales channels – her shop in Tallinn, her online shop, sales through foreign retailers, sales through export agencies and travelling sales – and who has been active in more than 20 markets. The paper concludes that internationalization should not be only studied in terms of a firm's activities by each market but also by its activities by each sales channel in each market. Even if total sales continue increasing in a specific market, this does not mean that the firm has not experienced nonlinear internationalization. It also shows that despite of exits, the entrepreneur has been quite satisfied with her firm's foreign activities. Moreover, such internationalization should not be automatically regarded as a sign of failure as the firm's nonlinear internationalization was partially caused by external factors.

Keywords: Born globals, sales channels, internationalization, de- and re-internationalization, nonlinear internationalization, case study

Paper 17

Investing in China's water: The role of the private sector

Esa Stenberg, University of Turku, Finland

Water is a resource, without which life is not possible and which cannot be substituted by any other resource. Today, about one billion people lack clean drinking water and approximately 4000 children die every day due to polluted drinking water. The gap between the supply and demand of water will strongly increase, mainly because the supply of water is limited and site specific. The United Nations has proclaimed the access to water as a human right for everybody. However, the national governments have the final responsibility for securing the access to water for their citizens. They have to take the decisions on the forms of water production and delivery. Besides national governments the regional and municipal decision-makers are in the key positions. The biggest cities in the emerging economies are facing growing water stress due to their population growth and more generally, the climate change.

The question of sustainable water management covers all dimensions of sustainable development – economic, environmental and social. In the water debate context, one of the key terms in recent years has been “Integrated Water Resource Management” (IWRM); the main dimensions of that concept are economic efficiency, environmental sustainability and social justice. All these factors have to be considered when the governments make their decisions. The decisions are very complex, because water is also closely related to basic food and energy security, which are necessities for economic growth and societal stability.

The role of private companies in water management has been a controversial topic during recent years. This is the case especially in the human communities' water segment whereas the industrial and agriculture segments have their specific challenges. Definitely, private companies have very advanced technologies and other resources for tackling these challenges. They are also attracted by the growing global market volume of especially the water efficiency of about 25 billion dollars. Hence, the water can be considered both as a human right and a great business opportunity.

Paper 18

National Cultural Dimensions and Transferability of Marketing Knowledge from Emerging Market Subsidiaries to Multinational Enterprises' Headquarters

Tiina Leposky, University of Vaasa, Finland
 Ahmad Arslan, Edge Hill Univeristy, UK
 Minnie Kontkanen, University of Vaasa, Finland

Subsidiaries in emerging markets are a valuable source of knowledge for multinational companies. Accessing the vast potential of these markets is increasingly becoming a priority for businesses from developed countries, but success in the markets requires understanding marketing in the emerging market context, which may differ considerably from the accepted truths of the traditional Western approaches. This paper seeks to improve understanding of the emerging market contextual factors, which influence the transferability of marketing knowledge from emerging market subsidiaries to headquarters of multinational companies. Using the GLOBE cultural framework, this paper proposes that the relationships between power distance, uncertainty avoidance, in-group collectivism, performance orientation, and future orientation with knowledge transferability are made stronger or weaker by the unique emerging market contexts of shortage of resources, strong socio-political governance, inadequate infrastructures, country of origin –effect and turbulence of the environment. A conceptual framework and propositions for future study are presented accordingly.

Keywords: Emerging markets; GLOBE cultural framework; national culture; knowledge transfer; subsidiary knowledge; marketing knowledge

Paper 19

Subsidiary innovation measured by patents: A critical literature review

Stefan Schmid, ESCP Europe Berlin, Germany
 Cigdem Polat, ESCP Europe Berlin, Germany

Subsidiary innovation is of central importance to the competitive advantage of multinational corporations (MNCs). While subsidiary innovation can be measured in several ways, one way of capturing innovative activities by foreign subsidiaries is the analysis of patent data. After more than 20 years of IB research on subsidiary innovation based on patent data, it is time to review and assess the achievements of the research field. This paper answers three questions: (1) First, what do we know about the concept of patent-based subsidiary innovation? (2) Second, what are the antecedents and consequences of subsidiary innovation having been identified by past research based on patents? (3) Third, what is the contribution of patent-based literature in explaining the phenomenon of subsidiary innovation within the MNC? To account for the embeddedness of subsidiaries within the MNC, we apply a business network perspective; this helps us to structure our findings and to reveal insights into accomplishments of past research and avenues for future research.

Keywords: Subsidiary innovation; foreign subsidiary; innovation; patents; R&D; MNC networks.

Paper 20

Effects of cross-border M&A on product creation processes

Lauri Haapanen, University of Oulu, Finland,
 Ilkka Rainto, University of Oulu, Finland
 Pia Hurmelinna-Laukkanen, University of Oulu, Finland
 Sakari Nikkilä, University of Oulu, Finland

Cross-border M&A can become a way to access such resources, capabilities and markets that allow a firm to improve its product creation processes consisting of multiple stages and combining different functions. However, at the same time, these functions

are affected by the very M&A process, and not always for the best. In this study, we consider the effects cross-border M&A can have on the product creation process, especially with regard the interplay and dynamics of R&D and marketing functions. Theoretical examination and empirical analysis of two cross-border cases indicate that cross-border M&A may challenge the balance between the different functions at least temporarily. In terms of product creation process, R&D function seems to adjust to effects of M&A more slowly than sales and marketing, which leads to an increase in relative emphasis of marketing function. Our findings also suggest that stable functioning of product creation processes and the synergies between R&D and marketing benefit the most from strong product strategies during cross-border M&A.

Keywords: Cross-border M&A, Innovation, Product creation, R&D, Marketing, Sales

Paper 21

Process approach and the internationalization of family businesses

Tanja Leppäaho, University of Jyväskylä, Finland

This study provides a meta-synthesis on existing research on the internationalization of family businesses (FBs) from the perspective of the usage of process view versus variance view when studying the phenomenon. The most common and applied definitions on internationalization emphasize the process nature of internationalization. However, among scholars of internationalization, one-shot, cross-sectional studies with dependency on correlational analytic methodologies, i.e. variance based approach, is the commonplace instead of process based approach incorporating time, dynamism and longitudinal observations, i.e. process data with process-like presentation of findings. In this study, we reviewed 109 studies on FB internationalization from the period on 1991-2014. A half of empirical studies (N= 49) have neither longitudinal data nor process-related findings. Only 6 articles have longitudinal data and also discuss the process of internationalization in their study by creating phases and discussing explanatory features behind the phases, i.e. in a process-like fashion. The remaining 43 articles have either longitudinal panel data (N=20) but no process like discussion of the findings, cross-sectional data and a very slight discussion about process retrospectively (N=14) or longitudinal data, but not really a description of internationalization process (N=9) in spite of the opportunities offered by the dataset. Altogether, our review reveals the current stock of knowledge, understanding about FB internationalization is heavily variance based and, hence, we suggest a more thorough usage of process approach in future research, both in relation to collecting longitudinal process data and in discussing the findings by creating illustrations of phases and by discussing the features on the background of the phases in the process of internationalization.

Paper 22

Cross-cultural perspective on customer engagement behavior in social media: A conceptual framework

Agnieszka Chwialkowska, University of Vaasa, Finland

In the past decade, differences across cultures in regard to users' activities in social media have received attention from both academics and marketing practitioners. In response to a call for research testing the applicability of GLOBE (Global Leadership and Organizational Behavior Effectiveness Research) in international advertising and for more research on social media from a cross-cultural perspective, this paper proposes a conceptual framework of how differences in engagement behavior with firms on social media can be explained by GLOBE cultural dimensions: performance orientation, uncertainty avoidance, in-group collectivism, power distance, humane orientation, institutional collectivism, future orientation, assertiveness. Based on the literature on motives for online participation, the paper proposes relationships between cultural dimensions and engagement behavior. The developed conceptual framework can help marketers stimulate customer engagement with firm-generated content on social media and encourage researchers to test the formulated hypothesis.

Keywords: Customer engagement in social media, GLOBE cultural framework, firm-generated content, engagement behavior online.

Paper 23

Africa – An emerging context for value creation with mergers and acquisitions

William Y. Degbey, Turku School of Economics, University of Turku, Finland
 Kimberly M. Ellis, Florida Atlantic University, USA; University of West Indies, Barbados

Similar to most emerging markets, Africa presents significant opportunities for companies seeking value creation through international growth initiatives. Merger and acquisition (M&A) transactions have been on the rise as the vehicles for growth and value creation, but research on this phenomenon on the African continent is scarce. In this chapter, we provide insight into and

recognition of the significance of M&A activity in Africa for firms seeking value creation in markets on the continent using secondary data on completed deals from 2009 to 2013. Specifically, we offer insights on several aspects of the current M&A trend, the main actors in the deals, and the nature of the transactions undertaken. In addition, we pose some key research questions that are regarded as relevant in the African context, and how the heterogeneity of the context itself (i.e. a range of differences at the local, national and regional levels) might shape the nature and/or direction of M&A research on the continent in the years ahead.

Paper 24

Internet of things and international entrepreneurship: A first exploratory analysis.

Valerio Veglio, Università della Svizzera Italiana, Switzerland
Antonella Zucchella, University of Pavia, Italy

Internet of Things (IoT) is often considered a fundamental driver change of business paradigms and is increasingly integrated within organizations strategies and models of business. This research analyses the relationship between IoT and International Entrepreneurship (IE) in order to understand if IoT paradigms generate new business opportunity for international entrepreneurs as well as new business models. In particular, we explore the idea that IoT is an international creative endeavour and a natural locus of international entrepreneurial behaviour. We analyse 5 high tech innovative start-ups in the IoT scenery from an exploratory perspective. Our findings confirm that IoT and IE are deeply interconnected. In addition, the new IoT paradigm could have the potential to increase both the international intensity and the global diversity of these new firms. The main IoT companies are clearly born global firms. However, the IoT paradigm implies a novel and fast growing international creative endeavour, in which being international/global is naturally intrinsic in the business model. In this frame, new and different patterns of IE coexist. Finally, leveraging on the IoT eco-system, these firms appear to compensate the lack of critical mass in international experiences and business development.

Keywords: Internet of things, international entrepreneurship, creative international endeavor, opportunity exploration and exploitation.

Paper 25

Opportunity creation through effectual networks: Making sense of the stakeholder commitment decision

Jonathan Van Mumford, Turku School of Economics at University of Turku, Finland
Peter Zettinig, Turku School of Economics at University of Turku, Finland

Effectuation is an emergent theory for entrepreneurship that has rapidly gained influence since its introduction in Sarasvathy (2001); however, it is not without criticisms and requires further development to raise it out of its nascent state. One area for further development relates to the importance of stakeholders within the theory. Effectuation as a model of entrepreneurial opportunity creation emphasises the importance of what it calls effectual stakeholders to the process as, through their commitments, they provide vital new means and new goals to a growing network from which a new market emerges. Despite their importance, surprisingly little has been said about their reasons for making such commitments, especially where the effectuation process is characterised by high levels of uncertainty.

In this conceptual paper we reconceptualise the constructs contained with effectuation (and proposed opposite, causation) from the perspective of the entrepreneur, to the perspective of the potential stakeholder to an effectual process. In doing this, we investigate the possible rationales by which these stakeholders self-select into the networks from which new opportunities are created, and in what kind of perceived uncertainty conditions they do so. Also, by taking an intersubjective perspective, we investigate how interactions among stakeholders and the focal entrepreneur results in sense-making that influences the commitment decision.

The contribution we make in this paper is the presentation of a typology of potential stakeholder rationales for forming commitments to effectual networks. We argue that stakeholders will utilise reasoning strategies that exist along a continuum from truly effectual to completely causal and, where the stakeholder is basing their decision upon rational criteria, the reasoning strategy they use will match a particular level of uncertainty they perceive. Where affective reasons influence potential stakeholders to form commitments, this may lead to commitments being made where the reasoning strategies behind them are not suited to the level of perceived uncertainty or ability of the stakeholder to bear it. These commitments, while still being either more causal or more effectual, we consider to be non-rational. Finally, we argue that an entrepreneur can influence stakeholders to make commitments through a process of intersubjective sense-making, by reducing the uncertainties they perceive, and/or increasing their willingness to bear it.

Paper 26

It's about time - temporal paradigm in internationalization process research

Leila Hurmerinta, Turku School of Economics at Turku University, Finland

Eriikka Paavilainen-Mäntymäki, Turku School of Economics at Turku University, Finland

Mélanie E. Hassett, Turku School of Economics at Turku University, Finland; Oxford Brookes University, UK

This article focuses on a rather neglected approach in international business (IB) research; the use of a temporal research strategy to capture the nature of a temporal research phenomenon. Although time has emerged in several ways in IB research, a holistic understanding of temporal pluralism in research and how this temporality can (or should) be perceived from the time philosophical perspective over phenomenological, theoretical and methodological choices towards a more comprehensive understanding of the IB field are still largely missing. The paper discusses the body of research on the internationalization process of the firm by reviewing the literature on time philosophy and its reflections on the research strategy. The discussion is illustrated by figures and empirical examples. A temporal paradigm is introduced that brings time to the limelight, guides the design of the research process and results in putting the process back into studies. The paper attempts on drawing further attention to the issue of time, within research topics as well as their contexts, and thereof enriches research results and contributions with the acknowledgement of the aspect of time. Those researchers who have adopted the temporal aspects of their research phenomenon have the potential to contribute most.

Paper 27

International entrepreneurial marketing strategy in MNCs: The role of intrapreneurial marketing managers

Man Yang, University of Vaasa, Finland

This conceptual paper studies how intrapreneurial marketing managers are involved in strategic decision-making to formulate international entrepreneurial marketing strategy in multinational corporations (MNCs) for enhanced marketing performance. The paper suggests that a high degree of corporate entrepreneurship culture, an organic organizational structure, and a high level of external environmental uncertainty facilitates intrapreneurial marketing managers to seek new resource combinations for international entrepreneurial marketing strategy formulation. The paper also proposes that the extent of marketing strategy entrepreneurialness and marketing strategy standardization (versus adaptation) is associated with the bricolage by intrapreneurial marketing managers in making decisions. Moreover, enhanced marketing performance of MNCs is a result of the strategic fit between international entrepreneurial marketing strategy and the internal and external contexts of the MNC.

Keywords: Entrepreneurial marketing, international marketing, bricolage, intrapreneurship, multinational corporations.

Paper 28

Methodological approaches to research on internationalization process of e-commerce enterprises

Magdalena Grochal-Brejdak, University of Economics in Katowice, Poland

The objective of this article is to review research methodologies applied in the research related to the internationalisation of e-commerce enterprises, with particular stress on the research resulting in the process description of the internationalisation of e-commerce firms. In order to better understand the philosophical perspectives in the research methodology, philosophical attitudes and methodological paradigms typical for the management sciences and IB were presented. Assumptions of the processual model (and, by contrast, the variance model) serving the process theorization of the studied phenomena were identified.

As a result of the critical analysis of the literature, qualitative methods were found to prevail in the research of the internationalisation of e-commerce firms along with the lack of the “processual” nature of the description of the internationalisation of such firms. Conclusions state that the research methodology of the internationalisation process in e-commerce firms should start with the definition of the philosophical “position” of the researcher determining the selection of specific research methods, whose application should result in the “processual” nature of description of firms’ internationalisation.

Taking into account the low mobility barriers to e-commerce market that may result in intensive occurrence of de- and re-internationalisation (Grochal-Brejdak, 2014), Welch’s and Paavilainen-Mäntymäki’s (2014) findings regarding consideration of these phenomena into the delineation of the internationalisation process seem to be crucial in case of e-commerce firms. In addition, the previously unencountered aspect of the digital product may be significant for the progress of internationalisation process of ecommerce enterprises, and hence its role should be included and described in the process’ description.

The antipositivist ontology postulated by Welch and Paavilainen Mäntymäki (2014) seems to be the best approach to research on internationalization process of e-commerce firms and is visible in interpretive perspective in methodology of already conducted research. In turn, the process approach should allow to answer the question how does the digitization of a product influence the internationalization of e-commerce companies, and may let to find at least a mechanism stimulating the phases in the future internationalization model of e-commerce firms.

Paper 29

Foreign market selection of online retailers – A path-dependent perspective on influence factors

Matthias Schu, University of Fribourg, Switzerland

Dirk Morschett, University of Fribourg, Switzerland

Internationalization is a critical task for online retailers, yet the question how and in which order online retailers choose foreign markets is not clear. Based on institutional theory and dynamic capabilities, the authors identify, test and explain factors influencing the international market selection behavior of online retailers. Following a dynamic, path-dependent view of the different sequences in the market selection process, we test our hypotheses with a longitudinal database with observations of the international market selection behavior of 140 online retailers in Europe, counting for 825 market entries over 15 years. The use of a rank-ordered logistic regression model allows observing a combination of different attributes into overall evaluations of the attractiveness of chosen markets, assuming that online retailers tempt to maximize the utility of markets for their specific interests, in dependence of the observed factors.

The results indicate that market size, rule of law, local market knowledge as well as a common language and logistics performance of a target country have a positive effect on the likelihood to select a target country. Though the internet is said to reduce the impact of distance, cultural and geographic distance as well as added geographic distance still show a negative impact on the selection of a foreign market by online retailers. However, added cultural distance has not the expected negative impact but a positive effect instead.

Paper 30

Branding Strategy and Performance of Internationalizing Ventures: The Role of Culture

Samuel Yaw Kusi, University of Vaasa, Finland

Peter Gabrielsson, University of Vaasa, Finland

Branding strategy has received less attention in the literature of internationalizing ventures (IVs). Moreover, slender of studies on the subject have to a large degree omitted to investigate the influence of culture on branding strategies of IVs. This paper develops a conceptual framework of branding strategies of IVs and develops propositions that demonstrate how international entrepreneurial culture (IEC) shapes branding strategies and asserts how country culture (i.e. Hofstede 5 dimensions) moderates the relationship between standardized branding strategy and performance. The main contribution can be seen in the attempt to develop a theoretical model of branding strategy for IVs that takes both the IEC and country culture into consideration thus contributing to the international entrepreneurship literature that has lacked studies investigating the contingency factors on branding strategies.

Keywords: Branding strategies, internationalizing ventures, international entrepreneurial culture, country culture.

Paper 31

De-internationalization: Past research and future challenges

Tobias Dauth, HHL Leipzig Graduate School of Management, Germany; Fraunhofer Center for Central and Eastern Europe, Germany

Pascal Lehnen, HHL Leipzig Graduate School of Management, Germany

Vivek Velamuri, HHL Leipzig Graduate School of Management, Germany

The objective of this article is to offer an overview and a synthesis of the relevant publications on firms' de-internationalization and to provide suggestions for future research in this field. Our broad and systematic literature review reveals that research on de-internationalization continues to be relatively scarce and fragmented. We identify three categories (reasons for de-internationalization, process of de-internationalization, outcomes of de-internationalization) that enable us to integrate existing studies and to guide future research efforts. Overall, this systematic review shall encourage a more vivid discussion and extend efforts to investigate the phenomenon of de-internationalization of multinational corporations.

Paper 32

The role of uncertainty in decision-making in international business: A literature review

Sniazhana Sniazhko, University of Vaasa, Finland

Uncertainty, deriving from the increasing complexity of international operations and bounded rationality of managers, has always been an issue with which every decision-maker wrestles. Taking a broad view of uncertainty in the context of international business (IB) studies and by the means of a systematic review, this paper aims to assess the role of uncertainty in international decisions-making and to identify the areas and directions for future research. As a result of the dispersed and inconsistent variety of uncertainty dimensions in IB field, a comprehensive and up-to-date review becomes an important necessity to organize the existing literature on central theme of international decision-making and to identify areas of the field that need more research. The literature review identifies 13 dimensions of uncertainty and 2 categories of approaches to managing uncertainty: 3 approaches for reducing uncertainty and 5 approaches for coping with it. The literature review identifies 5 characteristics of individual decision-makers that have been shown to have an impact on international decision-making. The review also reveals the need for more rigorous research on dimensions of uncertainty and their alignment with the proper uncertainty management approaches. Simultaneously, an important impact of an individual manager on international decision-making and uncertainty management has been overlooked and need deeper understanding.

Keywords: Uncertainty, conceptualization, international decision-making, individual decision-maker, systematic review

Paper 33

How to create value in the turbulent time: A case study from Slovak banking sector

Sonia Ferencikova, School of Management, Bratislava, Slovakia

The paper briefly analyzes key changes in the structure and behavior of the banking sector in Slovakia over the period of the last 20 years. Slovakia is a special case among CEE countries; it went through revolution under Czechoslovakia in 1989, splitting from the economically stronger part to become independent in 1993, transforming the economy including the banking sector which resulted in the highest participation of foreign capital in it in the region. The country introduced the euro as the second one in the CEE region after Slovenia and was able to cope successfully with the economic and financial crisis.

In the first half of the 1990s the Slovak banking system was inefficient, with a high share of bad loans. As a solution to these problems the pre-privatization measures and the privatization itself at the turn of the millennium is briefly analyzed in the paper. The main form of privatization was the acquisition of local banks by foreign banking institutions. Foreign investors brought new know-how and made the system more flexible and competitive. At that time several important foreign banks acquired the local ones – the best examples are the Austrian Erste Bank that acquired local saving bank Slovanska sporitelna, and Italian Intessa having acquired big local bank close to corporate sphere Vseobecna uverova banka. Some foreign banks created “greenfield type of operations – like Reiffeissen Bank that has founded a very successful Tatrabanka or Bank Austria/Creditanstalt – later HVB and Unicredit Bank. Special cases were the Austrian Bawag that bought the local Istrobanka, and the subsidiary of the Czech Ceskoslovenska obchodni banka acquired originally by a Belgian banking group KBC. The analysis in the paper is supported by a study of this acquisition in the time of economic and financial crisis and euro adoption in Slovakia (turbulent or “roller coaster time”). Main managerial challenges resulting from the external and internal environment have been profoundly analyzed and the conclusion about the sense of the deal has been done.

Keywords: Slovak banking sector, FDI in privatization, financial crisis, euro adoption, acquisition

Paper 34

Evolution of international joint ventures in Slovakia: From transformation to the market economy phase

Sonia Ferencikova, School of Management, Bratislava, Slovakia

Tatiana Hluskova, School of Management, Bratislava, Slovakia

The aim of the paper is to point out the most important changes of Slovak-foreign international joint ventures since the last studies on this topic conducted in 1990s. International joint ventures played a major role in Slovakia's transition to market economy. Nevertheless, they are not paid sufficient attention not only by the constantly changing state administrations, but also by economists. Research presented in this paper shows that these alliances underwent significant changes since 1990s, which correlate with the development of the Slovak economy itself. The most important shifts concern motives of establishment and partner satisfaction with performance and strategy of the joint ventures.

Keywords: International joint venture, Slovakia, transformation, foreign investors, performance

Additional keywords: Foreign direct investment, motives for IJV creation, positive effects, strategic alliance, strategy, opportunistic behaviour, trust, performance criteria, affiliate, knowledge transfer

Paper 35

Leadership development trends and the situation in Central and Eastern Europe (Slovak example)

Sonia Ferencikova, sr., School of Management, Bratislava, Slovakia

Sonia Ferencikova, jr., School of Management, Bratislava, Slovakia

The article highlights the most frequently mentioned leadership development trends in the near future based on the experience and expectations of the global organisations operating across a vast array of countries and industries and offer insights on a variety of leadership topics. It underlines that the global business environment has changed: it is now more volatile, uncertain, complex and ambiguous. Nowadays, leaders are facing information overload, increased globalization, interconnectedness of business communities and systems and must learn to deal with new technologies that disrupt old work practices. In summary, not only has the environment in which organisations and individuals operate changed, but also have the skills needed for leadership shifted to more complex and adaptive thinking. Collective leadership, vertical development, interacting, leadership on all the levels and managing and leading the differences among the generations are the major leadership trends.

The situation in Central and Eastern Europe reflects global trends to certain level – the article discusses the major differences in leadership development in this region. This discussion is based on the interviews with HR leaders across Central and Eastern Europe during HR workshops as well as on the qualitative study the authors conducted in FDI-companies in Slovakia: they studied leadership style used in parent companies, leadership style used in the subsidiary in Slovakia, female managers and their appointments in the leadership position, generation Y and its impact on HR policies and tools in the companies. They addressed a sample of 50 biggest FDI-invested companies and use open-ended interviews as the main research method. They assume that their research findings can help the companies as well as the decision-making bodies in the improvement of the policies of leadership development and diversity management – that is why they discuss their findings and consequences for the managerial and leadership practices as the answer to the call that the academic research should be more related to the managerial practice.

Keywords: Leadership development, leadership trends, leadership in Central and Eastern Europe, gender diversity, generation Y

Paper 36

Mergers and acquisitions from India - What are the drivers behind Indian cross-border M&As

Melanie E. Hassett, Turku School of Economic, University of Turku, Finland

Niina Nummela, Turku School of Economics, University of Turku, Finland

Uma Urs, Oxford Brookes University, UK

Zsuzsanna Vincze, Umeå University, Sweden

Duncan Angwin, Oxford Brookes University, UK

Peter Zettinig, Turku School of Economics, University of Turku, Finland

Cross-border M&As from emerging economies have increased in 21st century, and for many EE firm cross-border M&A is the primary mode of internationalization (cf. Kumar 2009; Yamakava et al. 2013; Lebedev et al. 2014). It has been argued that this among other things makes Indian cross-border M&As different and they challenge the traditional internationalization theories (Gubbi et al. 2010; Nicholson & Salaber 2013).

Recent research suggests that the main drivers for Indian cross-border acquisitions are: fast entry, strategic asset seeking, lower liability of foreignness due to common wealth and relationship with the UK, comparative ownership advantage (cf. Kumar 2009; Gubbi et al. 2010; Sun et al. 2012; Nicholson & Salaber 2013). To shed more light on what really drives Indian M&As we used three cases from three different industries to illustrate the key characteristics.

The cases represented Indian cross-border acquisitions in three different industry, namely ICT, textile industry and pharmaceutical industry. Both the Saska Communication Technologies acquisition in the Finnish ICT industry and the Adita Birla acquisition in the textile industry were motivated by strategic asset seeking. Gaining access to complementary resources and capabilities and obtaining foothold in the market was critical. What is unique and interesting in the evolution and growth through acquisition in the case of the Birla Group is how the diversified business group from India made parallel strategic, organisational and managerial changes in order to respond to changing environments (cf. Som 2006). Today the Group may be well on its way to achieve the goals of local domination and global relevance, as it rolls out a consistent evolutionary process of a comprehensive

global strategy, in order to bring home entrepreneurial opportunities to prosper for a long-term. However, the acquisitions by the serial acquirer Zgenet Pharma in the pharmaceutical industry were motivated by comparative ownership advantages and more specifically restrictions within the industry. These cases had in common the lack or slow post-M&A integration, which might result from the fact that Indian acquirers are very well aware of the liability of foreignness and prefer to reserve time to learn the target company. This would be in line also with a asset seeking strategy where the main purpose is to integrate the complementary assets to the business.

To conclude, while there is a need to understand the drivers behind the Indian cross-border M&As to better understand how they perform and create value, it is important to understand also the contextual factors. The context such as the pharmaceutical industry may have restrictions that drive the companies to acquire rather than look for other internationalization opportunities. It is evident that this topic needs further investigation, particularly in terms of understanding what internationalization theories can be applied to M&As from EE.

Paper 37

Development of marketing capabilities in an internationalizing high-technology firm: A qualitative perspective

Taina Eriksson, Turku School of Economics at University of Turku, Finland
 Mari Ketolainen, Turku School of Economics at University of Turku, Finland
 Alexandra Kriz, University of Sydney, Australia

We apply capability development as a lens through which to understand how high-technology small to medium enterprises (HTSME) develop marketing capabilities while internationalising. Our qualitative approach tracks a single Scandinavian internationalising HTSME firm over a period of ten years in order to identify the multi-faceted nature of capability development. In doing so, we extend an understanding of capability development and in particular its relevance to internationalising HTSMEs by revealing that capability development is complex and involves various components. While the dynamic capability lens has been popularly applied to understand a firm's capabilities, we highlight that dynamic capabilities constitute merely one component of capability development. These 'dynamic' capabilities take place as the firm matures and begins to generate an established resource-base, however capability creation and building processes are more relevant when a company is in the embryonic phase of its life.

Paper 38

Subnational Location Decisions of Multinational Enterprises: A Critical Review of Empirical Literature

Markus Laine, Turku School of Economics, University of Turku, Finland

This paper presents a critical, systematic review of existing empirical literature on the decisions multinational enterprises make about the subnational location of their foreign direct investments. Following a duplicable and documented method I located and reviewed 53 empirical articles in high-quality academic journals. A synthesis of this literature, examining the geographical context, datasets used, theoretical and methodological underpinnings, and recognized determinants of location is presented. The consequences of identified characteristics of research on what can be known about location decisions of MNEs are discussed. Current literature is found to be dominated by research following the quantitative paradigm, relying on analysis of secondary, often government generated data. The geographical resolution of analysis in current research often remains coarse, with the majority of articles examining province-level data. These prevalent characteristics of the reviewed articles lead to an aggregate body of research that cannot adequately approach some research questions, and that has potential for limited theoretical contributions. The paper concludes with some suggestions for a future research agenda on the phenomenon.

Keywords: Multinational enterprises, foreign direct investment, location choice, systematic literature review

Paper 39

Easy and caring in Russia –

Cross-border transfer of organizational values to a Russian subsidiary of a Finnish service company

Päivi Karhunen, Aalto University School of Business, Center for Markets in Transition, Finland
 Piia Heliste, Aalto University School of Business, Center for Markets in Transition, Finland
 Riitta Kosonen, Aalto University School of Business, Center for Markets in Transition, Finland

This paper empirically analyzes the interplay of national culture, organizational values and day-to-day activities in a foreign subsidiary of a multinational company (MNC). The paper is conceptually positioned in and contributes to the debate on whether

and how organizational values are influenced by national culture, and to the literature on transfer of values as intangible assets to MNC subsidiaries. The empirical analysis is based on a qualitative case study of middle managers at a Russian subsidiary of a Finnish MNC, and the ways in which these managers interpret the espoused (i.e. officially stated) organizational values, and attribute new values characteristic to the subsidiary through their observations of the organizational culture. The results show how national culture, day-to-day activities of the subsidiary managers and organizational values interact in two ways. First, the subsidiary managers interpret the espoused organizational values not only through the lens of their national culture and meaning system but also the day-to-day activities they are engaged in, which may alter the meaning and emphasis of the values. On the other hand, reflecting both the uncertain socio-economic environment as well as paternalism and collectivism as dominant dimensions of the traditional Russian organizational culture, some values are predominantly viewed as governing the relations between the company and its employees, and among the employees, rather than the relations towards external stakeholders. For example, the corporate value “care” originally meant to capture the organization’s approach to its customers was interpreted as the company caring for its employees and the employees caring for each other. Second, the subsidiary managers attribute new values on the basis of their observations of the organizational culture. Such values are linked to features of the organizational culture that the managers perceive as positively representing the Finnish culture as opposed to the Russian culture. These include openness and low hierarchy, which are characteristic to the Nordic management culture, and make it distinct from traditional Russian management culture that the respondents/interviewees claim is authoritarian and hierarchical. On the other hand, the middle managers also call for more “human” approach from their superiors which reflects the Russian paternalistic management tradition with emphasis on informal interaction between the management and employees.

Keywords: Organizational values, national culture, transfer of intangible assets, MNC, Russia

Paper 40

**From causal to effectual decision-making about international activities:
Opportunity development or survival strategy in the context of Russian SMEs**

Igor Laine, Lappeenranta University of Technology, Finland
Tamara Galkina, Hanken School of Economics, Finland

This study aims to track the course of changes in internal decision-making processes concerning international activities of entrepreneurial firms caused by increased institutional uncertainty. Institutional context of Russia, especially in relation with the recent economic crisis and trade sanctions, made it a natural laboratory to investigate how this changing institutional environment is evaluated, enacted and responded to by entrepreneurs in charge. The case companies, heavily involved in international business relations, had to adapt to the dramatically changed and unstable institutional settings. The study reveals that the founding entrepreneurs under conditions of increased institutional uncertainty rely more heavily on effectuation logic in their decision-making, whereas previously in a more stable institutional environment they have predominantly employed causation logic. While effectuation literature mainly talks about the change from effectual to causal decision making in young entrepreneurial firms, this study makes contribution by showing the process of change from causal to effectual logic in established firms. In this change, we also distinguish two types of effectual strategies: 1) effectuation as an opportunity driven strategy and 2) effectuation as a survival strategy.

Keywords: Effectuation, causation, decision making, international entrepreneurship

Paper 41

Reducing betrayal intention in international business relationships

Leonidas C. Leonidou, University of Cyprus, Cyprus
Bilge Aykol, Dokuz Eylul University, Turkey
Paul Christodoulides, Cyprus University of Technology, Cyprus
Thomas A. Fotiadis, Democritus University of Thrace, Greece

We propose a conceptual model of the factors reducing betrayal intention in exporter-importer (E-I) relationships and its resulting effect on actual betrayal. Using a random sample of 262 exporters of manufactured goods based in Greece, we confirm that betrayal intention in their relationships with foreign buyers is significantly affected by three key parameters, namely, the existence of low trust, limited communication, and loose social bonds, while long-term orientation has no significant effect on betrayal intention. The harmful effect of most of these factors on betrayal intention becomes stronger in the case of young relationships and when there is no contractual obligation among the interacting parties. Betrayal intention subsequently causes actual betrayal in the relationship.

Paper 42

Impact of ownership level on subsidiary survival in foreign acquisitions

Yi Wang, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland

Foreign acquisitions play a significant role in international business. However, the failure rate of foreign acquisitions is surprisingly high. Thus, there is a great interest towards analyzing performance and survival of foreign acquisitions. In this study we analyze the general effect of acquirers' ownership level on foreign acquisitions' survival. Furthermore, we attempt to address potential moderating effects. The hypotheses are tested on a sample of 1345 Finnish acquisitions established in 59 countries during the period of 1980-2005. The results indicate that in general ownership level of acquiring firms increases the probability of survival of acquired units. We further found that the impact of ownership level of acquiring firms is contingent on three variables: acquiring firms' international experience, cultural distance, and host country development (that is, OECD vs. non-OECD countries). Along with the theoretical and empirical contributions, this study provides important managerial implications.

Keywords: Foreign direct investments, foreign acquisitions, subsidiary survival, ownership level, Finnish acquisitions.

Paper 43

Effective online brand management

Alexandra Ioanid, University Politehnica of Bucharest, Romania
 Gheorghe Militaru, University Politehnica of Bucharest, Romania

Online brand management is one of the most important components when developing marketing strategies for a certain brand. Taking into consideration the fact that buyers are mostly online nowadays, or at least they do their own research online in proportion of almost 90%, before any important acquisition, no company should ignore the power of the online media, including here social networks, websites, blogs, online reviews, articles, ranking in search engines, etc. In one word, it's the reputation of the brand, the perception that the public has on it, being created mostly online. Researches state that about 80% of the buyers are influenced mostly by online information, they read about the product or service they want to acquire, so managing the online presence of the brand correctly most probably would lead to a better reputation and to greater profit in the end.

Keywords: Social networks, influence marketing, brand management, brand reputation, entrepreneurship

Paper 44

Foreign Operation Mode Strategies of Software Firms

Arto Ojala, University of Jyväskylä, Finland
 Eriikka Paavilainen-Mäntymäki, Turku School of Economics at Turku University, Finland
 Elizabeth Rose, University of Otago, New Zealand

In many cases, software managers are struggling with the problem of how to find potential foreign customers for their innovative products and how to serve customers that are located around the globe. While the extant literature offers some insights about the role of the firm's software offering in a foreign entry mode strategy, a more detailed consideration is needed. Using an in-depth, qualitative approach, this study attempts to understand more about the connection between the nature of the firm's software and its internationalization strategy. Findings in this study reveal that although software firms used very similar entry modes, the roles of the entry modes varied considerably based on the type of software provided. That is, the nature of the software offering is clearly related to the firm's entry mode strategy, driving what types of activities distributors and subsidiaries are able to undertake in foreign markets.

Paper 45

The Video Game Industry as International Firm-User Innovation Networks

Peter Ek, Uppsala Universitet, Sweden

By examining innovation processes central to product development in the video game industry the paper frames these processes as occurring in international network constellations engaging both firm and user actors in different yet overlapping parts of the development process. The paper attempts to show the open nature of innovation processes in the video game industry, the commonness and potential centrality of user production to product development, both pre and post after product launch. The

paper draws on an examination of user developed content in a sample of 100 top selling PC video games to show the prevalence of user- production activities and innovations in the form of mods in addition to an illustrative case based on interviews with managers and employees in a Swedish game developing firm.

Results show user developed content and production to be highly prevalent among the games examined and the case highlights the importance of user production and provide an illustration of the role of users for innovation along with the interplay and co-creative processes that exist between firm and user, which forms the foundation for the proposed view of the industry as constituted by firm-user innovation networks.

Paper 46

Optimization of subsidiary's benefits from reverse knowledge transfer

Hiroyuki Ishihara, Manchester Business School, UK

Judith Zolkiewski, Manchester Business School, UK

So far 'reverse knowledge transfer', the knowledge flows from a subsidiary to the headquarters of a MNC, has been researched, mainly from the perspective of the knowledge dissemination to the headquarters from 'innovator' type subsidiaries, emphasizing on the importance of transfer of innovative knowledge created by such subsidiaries. Recently, however, under the fierce competition in the world economy, some MNCs are obliged to centralize their decision-making process to the headquarters to speed up their decisions, so in such MNCs, more and more subsidiaries are becoming a mere implementer of the strategy. Under such a situation, the roles of the 'implementer' type subsidiaries should not be overlooked.

Therefore, in this research, reverse knowledge transfer from the perspective of the implementer subsidiaries is focused. More specifically, how the headquarters and an implementer type subsidiary of a MNC can improve reverse knowledge transfer under limited autonomy in order to optimize the subsidiary's benefits is explored.

In this research, multiple-case case study is conducted to investigate what factors affect reverse knowledge transfer. From the findings of such a case study to a U.S.-based global IT company, it is made clear that nature of knowledge, the headquarters' absorptive capacity, subsidiary's disseminative capacity, and means of communication affect strongly reverse knowledge transfer, and network ties (or social capital) between the headquarters and subsidiaries are regarded to affect the headquarters' absorptive capacity and subsidiary's disseminative capacity. Also it is highlighted that a tie between the headquarters and a local client can improve largely the headquarters' lower absorptive capacity ('bypass effect'), and that the headquarters' 'heeding capacity' to heed carefully what a subsidiary has to say can improve the implementer type subsidiary's lower disseminative capacity. Culture difference also is regarded to affect all those factors behind the scene. Finally, a framework consisting of factors which affect reverse knowledge transfer from the viewpoint to improve subsidiaries' benefits is proposed.

Paper 47

The role of the domestic market in firm internationalization: Born local born globals

Birgit Hagen, University of Pavia, Italy

Per Servais, University of Southern Denmark, Denmark

Antonella Zucchella, University of Pavia, Italy

An increasing number of small firms are international at their start and reach high levels of foreign sales in their first years. In addition, the more traditional internationalizers are increasingly focused on foreign markets. In these earlier, faster and more intense internationalization processes, the role of the domestic market seems shadowed, or sometimes even denied. Some firms feel "citizens of the world" but a large majority of firms is active on both domestic and foreign markets. Understanding how the domestic market and domestic operations affect processes of international expansion therefore provides an important contribution both to management and policy making. The paper first offers an overview of the role of the domestic market in existing theories and approaches to explaining internationalization processes. Empirical analysis, based on four case studies, highlights the beneficial role of domestic experimentation and incremental domestic expansion as an "incubator" for early and accelerated internationalization. However, knowledge and resources built in the home market are conducive to early internationalization only when combined with international growth objectives from the outset and a niche strategy based on "home country"-specialization. Our findings also show that the home market is more than a geographically confined place; it may be characterized with a particular "milieu", a natural place to be and from which to draw entrepreneurial inspiration.

Keywords: Domestic market, home market, SME internationalization, internationalization process, international entrepreneurship, early internationalization.

Paper 48

Unravelling the internal processes constituting the evolutionary growth of a subsidiary

Katarina Hamberg-Lagerström, Uppsala University, Sweden

Roger Schweizer, University of Gothenburg, Sweden

Johan Jakobsson, University of Gothenburg, Sweden

The subsidiary evolution framework created by Birkinshaw and Hood (1998) emphasizes HQs, the environment and subsidiary choices to affect the business responsibilities or charter that a subsidiary undertakes. In order to undertake such a charter, capabilities need to be developed in order to try to fulfill that charter. However the internal processes of how resources are managed and result into capabilities, as a part of the subsidiary choices that a subsidiary engages into in order to evolutionarily grow, is an unknown phenomena. This paper conceptually attempts to reveal these processes and give an enhanced understanding to the requirements and effects of those internal processes and propose; sequences of differentiated capability developments as a subsidiary evolutionarily grows; the resources required for capability creation and development; the importance of managerial and operational capabilities; and how the creation and development of managerial and operational capabilities can enhance a subsidiary's interdependence with actors as well as enhance the subsidiary's influential power in internal and external networks.

Paper 49

Grocery retail development in Russia: An institutional viewpoint and analysis

Juhana Lounela, Turku School of Economics at University of Turku, Finland

Purpose – This working paper describes the development of grocery retail business in Russia, notably a comparison of the modern retail development there over the past 10-15 years in selected markets. The paper mainly covers empirical material, as the topic was covered from an academic literature point of view in my earlier papers. This paper essentially provides the background for my doctoral dissertation and is intended to offer a performance understanding of a focused field of business.

Methodology – Desk research is the main methodology and offers published and unpublished presentations and reports, reports and materials of consultants, annual reports and academic articles. Data were collected and combined using various secondary sources. The aspect and the markets were selected in such a way as to be fully relevant and guide greater understanding of development of the grocery retail market. In addition, personal experience from the early 1990's.

Findings – The grocery retail market is growing in Russia quicker than many other markets there. Its format is not clear except for hypermarkets and supermarkets. The business format is more borderline for the smaller store concepts or formats and thus less clear. The Russian market is very challenging for international retailers largely due to corruption, regulations, the legal environment and unstable economic and political systems. Organic growth does offer opportunities even for smaller foreign entrants. During the past 20 years, the structures have changed; however, the development of retail is still at a relatively early stage of development compared to the Western market. The hypermarket format has been a pioneer format of modern retailing development in Russia, and therefore symbol of modernity.

Research Limitations - This research has compiled mainly as desk research, influenced by the author's long experience in various CIS countries. Therefore, this viewpoint does not cover all emerging markets. The data was also collected from various secondary data sources.

Practical Implications – This area is important to my own further academic research. The main purpose of this paper is to identify the issues, chains, or phenomena for continued effort. This paper provides practical insights on how best to understand and classify retailers and the grocery retail market in Russia. These practical aspects give even greater relevance to the entire research effort.

Keywords: Modern grocery retail, format, chains, retail institutions, development, Russia, sales analysis

Paper 50

Discursive construction of understandings and performances of international entrepreneurial selling

Irene Lehto, University of Oulu, Finland

This study aims to gain insights to entrepreneurs' understandings of international entrepreneurial selling by examining how they discursively construct dynamics of sales performances and their meanings. It approaches international entrepreneurial selling

from a social constructionist and performative perspective, and draws from narrative analysis literature to reflect upon discursive characteristics of narratives. International entrepreneurial selling is viewed as a dynamic, non-linear process of constructing international opportunities in cross-national buyer-seller interaction. The research focuses on the unfolding process, rather than beginnings and ends, of international entrepreneurial selling. Hence, the focus is on the dynamics between performances that create and recreate entrepreneurs' understandings of selling and the understandings that constrain and enable entrepreneurial sales performances. The narrative approach allows for an in-depth, holistic view to the varying meanings of international entrepreneurial selling as it directs our attention to discursive frameworks that entrepreneurs use to (re)frame and (re)interpret their experiences.

The empirical study is based on longitudinal interviews with five Finnish entrepreneurs involved in international sales. The empirical context is limited to early internationalizing firms, i.e. firms that internationalize within three years of inception, and to sales in international business-to-business negotiations. Narrative data was collected in face-to-face interviews. Two entrepreneurs were interviewed three times over the process of first foreign market entry, and three entrepreneurs were interviewed twice to provide insights to past foreign sales and ongoing and planned market entries and expansion. The analysis utilizes both connecting and categorizing strategies in providing contextualized personal narratives of each entrepreneur and in comparing and matching discursive themes within and between these narratives.

The findings reveal three kinds of dual discursive elements in the entrepreneurs' efforts of (re)framing decisions and performances within international sales processes: 1) specialization vs. high flexibility, 2) entrepreneurial selling vs. professional selling and, 3) sales is the same anywhere vs. context matters. The study contributes to the IE literature by providing insights to entrepreneurs' discursive efforts of making sense of their international sales experiences and suggesting entrepreneurs' own sales efforts as crucial for early internationalization. Through use of narrative discursive and longitudinal approach the paper also contributes to the methodological diversity of the international entrepreneurship field.

Keywords: International entrepreneurship, selling, discourse, narrative, social construction, understanding, performance

Paper 52

Resource-seeking internationalisation in innovative entrepreneurial companies
Nina Rilla, VTT Technical Research Centre of Finland and Turku University, Finland

This paper is motivated by the important role of innovative and international growth seeking companies in national economies and innovation systems to create novel innovations and employment. Many young innovative businesses operate in international context since the beginning without a domestic market and are often engaged in international innovation long before company is officially incorporated. Seeking and leveraging resources globally has become an important activity of resource scarce innovative entrepreneurial companies. Yet, previous research in entrepreneurial internationalisation has traditionally concentrated on market seeking instead of resource seeking behaviour. Consequently, understanding of the micro processes underlying resource driven internationalisation is important, and paper aims to explore how innovation and internationalisation processes are interrelated in entrepreneurial internationalisation that is mostly exploiting growth opportunities in international context. More specifically, how innovative companies internationalise in the interaction of external resource deployment? Paper approaches the phenomenon from entrepreneurial innovation and resource seeking internationalisation perspectives.

Multiple case study reveals that innovative entrepreneurial companies engage in inter-organisational relationships to gain complementing resources early in entrepreneurial internationalisation process. Often the partnerships were formed with domestic organisation, but evidence of cross-border relationships in pre-internationalisation was also presented. When tapping the inward-outward links, very minor evidence was found on inward links translating into outward links in entrepreneurial internationalisation process. It was clearly expected to observe more of these links in the data. The findings however suggest that internationalisation process investigation in entrepreneurial innovative ventures should incorporate early stages of innovation development to understand the antecedents of entrepreneurial internationalisation behaviour. Innovation should be one of the central variables in entrepreneurial internationalisation studies.

Paper 55

Experience-based country institutional profile for entrepreneurship and internationalization: case of Russia

Igor Laine, Lappeenranta University of Technology, Finland
Oleg Anisimov, Cloud accounting service Moedelo.org, Russia

This study aims at uncovering individual experiences of entrepreneurs in dealing with home country institutional environment related to operations of their ventures, such as venture creation, domestic growth and internationalization. Real-life experiences of entrepreneurs in dealing with institutional environment not only expand our understanding of institutional factors involved in

entrepreneurship as well as in framing intentions or discouragement for internationalization, but also show ways how institutional settings are evaluated, enacted and responded by entrepreneurs through mechanisms of cognition. Bringing these real-life experiences to a more abstract level would be helpful for designing better policies towards both domestic and international entrepreneurship, thus fueling national economy.

Keywords: Entrepreneurship, internationalization, institutional theory, cognition, country institutional profile for entrepreneurship

Paper 56

Similar yet different?

How and why the institutional context impacts non-uniformly on entry mode strategies in emerging economies - The case of MNEs in Russia and China.

Katja Schneider, Technische Universität Bergakademie Freiberg, Germany
Michael Nippa, Free University of Bozen-Bolzano, Italy

Research focusing on market entry modes particularly in transition countries has come up with rather ambivalent results regarding the preferred strategic choice during different phases of transition processes. While one group of authors argues that the formation of IJVs - compared to the establishment of WFOEs - in foreign markets becomes less probable with strengthened institutional and business environments, this argument is found to be challenged among others against the background of access to intangible assets and resources.

With regard to the two emerging economies Russia and China the literature unanimously ascertains a development towards more rule- and market-based institutional contexts. However, a comprehensive empirical investigation of Western MNEs strategic choices during the past transition years has been abundant by now. This especially proves true for a comparative assessment of institution-based factors which might explain the divergent number and significance of selected MNE market entry modes (e.g. IJVs, WFOEs) in both countries.

Both Russia and China provide a quite attractive setting for investigation given their similarities regarding e.g. geographical scope, common ideological and economic backgrounds as well as the speed of economic growth. The need for a deeper, comparative investigation becomes even more essential as the literature also points to significant differences in terms of the time and quality of institution building in both countries. Whereas reforms in Russia started with a 'shock therapy' during the first years after the collapse of the Soviet Union and are still in a constant state of flux, the reforms in China have been characterized by more gradual, continuous developments. For this reason the paper includes a comparative derivation of institutional factors arising from similar, yet different reform and modernization processes in Russia and China. These look-alike contextual factors seem to impact non-uniformly on the preference of different market entry modes in both countries, such as IJVs and WFOEs. The comparison is then mirrored against general findings from prior research regarding institutional theory as well as its impacts on MNE market entry mode choices in emerging economies as mentioned above.

Paper 57

Project Risk Management Practices: An Exploratory Study of Emirati Public and Private Projects

Mian Ajmal, Abu Dhabi University, UAE

The implementation of project risk management practices vary in different regions due to limitations in resources and capabilities accompanied with lack of technical skills. This research is an exploratory study pertaining to how companies in United Arab Emirates deal with project risk. The aim is to understand the impact of core elements in a typical risk register namely, risk planning, risk analysis and risk mitigation on projects. Furthermore, the study finds the relation between the elements of the risk register with three key project characteristics.

Keywords: Risk, risk management, risk management process, project, project risks

Paper 58

International alliances: Do we really know what are we researching on?

Susana Costa e Silva, Catholic University of Portugal, Portugal
Raquel Meneses, University of Porto, Portugal

Jorma Larimo, University of Vaasa, Finland

Based on a comprehensive review of articles on international strategic alliances (ISAs) published in the past seven years (from 2008 to 2014), we attempt to unveil the approach used by International Business (IB) researchers to deal with two type of problems normally associated to IAs research: a need to clarify international alliances in a scenario where different terminology is used and where different concepts are used interchangeably when referring to this phenomenon; an absence of a reliable and complete database where all IAs can be reported and therefore investigated for the sake of knowledge creation.

Throughout our research, we realize that even though this is an evident and pertinent issue on IAs studies, many researchers sidestep the problem without even noticing that this is a concern in IB research. We understand this may bias the obtained results.

Our study reveals that (a) there is not a consensual definition of ISA; (b) there are very few deep qualitative studies on this topic; (c) the majority of the studies are predominantly quantitative studies, with large samples, and located in a single country; (d) there are very few studies that include African (only Ghana, in one study) or South American (only Brazil was included) countries; (e) in terms of sector of activity, manufacturing firms are better represented than service firms in the studies conducted; (f) in what concerns the research question that led the study, most of the questions referred to concern ISA processual issues; and finally, (g) most of the articles researched claim to ISA a key role in the globalization process of firms, but at the same time they note its fragility and his high failure rate.

Based on this extensive literature review, we propose some consistencies in the approach to this important topic in IB that may bring more uniformities into the study and we also present some future research opportunities on the basis of the extensive literature reviewed on this topic on the past 7 years.

Keywords: International strategic alliances, state-of-the art, international alliances

Paper 59

Living with transformations of international opportunities

Pia Hurmelinna-Laukkanen, University of Oulu, Finland

Tuija Mainela, University of Oulu, Finland

Vesa Puhakka, University of Oulu, Finland

This study addresses the question of how organizations can respond to (and even initiate) transformations of international opportunities. Instead of focusing on the changes that happen in the attributes of an international opportunity, the focus of this study is on the ways to live with different transformations of international opportunities. We examine the forms of international opportunities and categorize them into arbitrage, as well as incremental and radical innovation opportunities. We argue that different (endogenous or exogenous, minor or major, more or less (in)voluntary) sources of transformation affect the viability of these opportunities, and that the ways in which organizations “live with” these transformations appear as the transformation intensifying (even initiating), transformation utilizing, shifting (e.g., through downsizing or replacement), and exiting behaviours in the international markets. We suggest that while multiple and complex connections exist, some patterns can be detected regarding the alignment of the present manifestation of the international opportunity, the transformation type that influences it, and the ways in which these situations are faced.

Keywords: International opportunity, transformation, management

Paper 60

Regional management in multinational service operations: A case study of four German MNCs

Jörg Freiling, University of Bremen, Germany

Perttu Kähäri, Aalto University School of Business, Finland

Rebecca Piekkari, Aalto University School of Business, Finland

Fabian Schmutz, University of Bremen, Germany

Compared to manufacturing firms, service firms tend to select more often regional structures to carry out their strategies. This study sheds light on the relatively uncharted phenomenon of regional structures in coordinating services across borders. With the help of case analysis of four German manufacturing firms with servitization strategies, we will better understand which tasks corporate headquarters delegate to regional units (headquarters or other units) and why they choose to do so. We draw on the conceptualization of three types of regional advantages, namely parenting advantage, knowledge advantage, and organizational

advantage. Our study will make the following contributions to the existing body of research on organization design and headquarters-subsidary relationships in MNCs. First, it will focus on regional management in coordinating services across borders. This will assist in understanding what drives servitization strategies of MNCs and what the available options for organizational design are. Second, this study will provide insights into the division of labour between corporate and regional headquarters. Third, the study will contribute to the growing stream of research on regional management which to date has largely focused on the internal dynamics of the MNC rather than the customer interface and the boundary spanning role of the RHQ.

Paper 61

Transfer as translation of organizational practices: A re-assessment and alternative reading of the Japanese transplants overseas

Rebecca Piekkari, Aalto University School of Business, Finland

D. Eleanor Westney, MIT Sloan School of Management, USA; Schulich School of Business, Canada; Aalto University School of Business, Finland

In the 1980s and 1990s, Japanese MNCs succeeded in transferring complex organizational systems and ways of working from their home country to their transplant factories in North America and Western Europe. These transplants applied foreign organizational practices that differed significantly from the patterns prevalent in their local environments, reaching almost the same industry-leading performance levels as their factories in their home country (Pil & MacDuffie, 1999; Womack, Jones, & Roos, 1990). The Japanese experience poses an intriguing paradox: on the one hand, these MNCs were highly successful in transferring complex organizational patterns into foreign subsidiaries; on the other, they continued to rely on the Japanese language that was inaccessible to local employees in the U.S. and Western Europe.

A stream of literature on Japanese transplants has captured the transfer process of organization patterns and work practices by emphasizing what was transferred and what was changed in the new environment (e.g., Abo, 1994; Adler 1999; Boyer, Charron, Jurgens, & Tolliday, 1998; Pils & MacDuffie, 1999; Womack et al., 1990). Much of this research has focused on the written documents and artefacts – the presentations, guidelines, standards, templates – that accompany the transfer process. Considerably less attention has been paid to the personal, (non)-verbal interaction during the transfer process and to the way the transmitters themselves engaged and related to the receivers which is the focus of our paper.

In this paper we reassess the experience of the first non-Western MNCs to invade North America and conceptualize it as translation of organizational practices. We approach the Japanese experience as a successful example of institutional translation intertwined with formidable challenges of interlingual translation (see also Piekkari, Tietze, & Koskinen, 2015). We build on previous research on Japanese transplants and provide an alternative reading rooted in institutional theory and International Business research (cf. Langley, 1999 on alternate templates). Language emerged as a significant research issue in International Business in the last decade and a half, as MNCs moved towards the so-called transnational or integrated network model. The research community in Europe that took up the theme of language diversity in the MNC in the last decade did not look back and reassess the Japanese experience. The very extensive and detailed fieldwork and analysis of the Japanese MNCs from the 1980s and 1990s, conducted by many scholars from a range of disciplines from Japanese studies to technology management, provide us with the foundation for revisiting and reassessing this experience retrospectively.

Paper 62

The importance of psychic distance in the internationalization process of Polish companies – Pilot research results

Aleksandra Nizielska, University of Economics in Katowice, Poland

Purpose – Research objectives presented in the article are both of theoretical and methodological nature. The theoretical aim of the article is to present the perceptions of managers about the importance of each psychic distance stimuli (differences in culture, differences in economic and political systems as well as differences in mentality and geographic distance) in the process of Polish companies internationalization. The methodological aim of the article is to present the pilot results of quantitative research. The paper aims at presenting the results of testifying the questionnaire, especially reactions of the respondents on the level of difficulty of questions included in it.

Design/ methodology/ approach - The paper is based on the critical literature overview and on the field research conducted on the sample of 18 Polish companies with the technique of direct interview. In the first part of the article the research design as well as methodological issues connected psychic distance measurement are presented. The second, empirical part of the article

presents field research results on the importance of psychic distance in the process of internationalization. The conclusions of the current stage of the research will comprise the base of complete research.

Originality/ value - There is applied a methodology stating, that psychic distance (and its stimuli) should not be measured only with the use of objective constructs and statistical data, but also with the use of subjective data, such as the responses of decision makers of companies under internationalization. The value of the article is the presentation of the application of new research tool for psychic distance measurement.

Keywords: Psychic distance, companies internationalization, pilot research

Paper 63

Subsidiary strategies and performance in emerging markets: An analysis of four Finnish MNCs in China

Yi Wang, University of Vaasa, Finland
 Jorma Larimo, University of Vaasa, Finland
 Jari Koskinen
 Ilkka Sillanpää, University of Vaasa, Finland

Subsidiary strategies and performance have been one of the key research topics in the international business field for long time. During last ten years subsidiary operations in Emerging markets, especially in China, have been of growing interest. The development of the investment legislation and infrastructure as well as high market growth in the country has increased drastically the amount of investments made into the country. However, the special features of the country as well as highly increased competition have influenced significantly the strategies and performance by the foreign investors. The goal of this study is to analyze subsidiary strategies and performance of four Finnish firms since early 1990s in China. All four firms are operating in Business to Business (B2B) fields and the firms are connected with each other. Based on interviews and secondary data, the entry motives, establishment and ownership mode choice, development of the units as well as performance in the operations are analyzed. All subsidiaries have been established based on market oriented motives, but firms have used both greenfield and acquisition establishment mode as well as both joint ventures and wholly-owned subsidiary ownership mode. Key issues in the development of operation have been the development of the local sourcing and expansion of the customer target groups from the top segment towards the middle or low-end segment. All four companies have expanded significantly their operations in China during the years all of them regard China as a key market for the companies in future, but there are significant differences in the profitability of the operations.

Keywords: Motives, establishment and ownership mode, integration, performance, emerging market, China

Paper 64

The relative impact of benchmarked marketing versus operations versus finance capabilities on international performance of Israeli firms

Amir Lahat, University of Haifa, Israel
 Aviv Shoham, University of Haifa, Israel

While research on benchmarking and market-based learning is of theoretical importance, several gaps exist in the literature. First, studies have examined benchmarked marketing capabilities *or* manufacturing capabilities *or* financial capabilities but not on combinations thereof. Second, studies have focused mostly on financial indicators of international performance to the neglect of other facets of firms' performance. The model developed and tested here furthers the understanding of firms' benchmarking of marketing, operational (R&D and manufacturing), and financial capabilities. These are modelled as drivers of international performance.

Keywords: Marketing capabilities, operation capabilities, finance capabilities, performance

Paper 65

The relative impact of market versus entrepreneurial versus innovation orientation on performance in the USA and Israel

Aviv Shoham, University of Haifa, Israel

Internationally active firms in all countries can select an orientation to emphasize from a large and growing number of alternatives. Potential orientations include market, sales, production, product, reputation, entrepreneurial, innovation, and others. Relatively few scholars examined combinations of such orientations on firm performance (see Hakala 2011 for an excellent review of the relevant literature). The current paper examines three possible orientations (entrepreneurial, market, and innovation orientations) as drivers of two possible capabilities (marketing and innovation), which, in turn, impact international performance of Israeli and US exporters.

The data indicate that all three orientations are important drivers of firm capabilities. Interestingly, innovation capabilities are more important drivers of performance than marketing capabilities in Israel whereas the reverse was found for US exporters.

Paper 66

Export Pricing Decisions in SMEs: Theory and Practice

Andrea Setti, University of Pavia, Italy
 Birgit Hagen, University of Pavia, Italy
 Jorma Larimo, University of Vaasa, Finland

Despite the importance of international price setting for small and medium-sized exporters, only scant research has examined the topic. Based on the thoughts of contingency theory, and through empirical analysis of twelve Italian business cases, we aim to develop a comprehensive model of an Export Pricing Strategy, which tries to provide answers to the “why” and “how” questions of export pricing decisions and complements predominant quantitative analyses. The model focuses on key determinants of an EPSs and may serve as a starting point for more research in different country and firm contexts, for longitudinal research which aims at capturing change in pricing strategy, and as a guideline for managers in export ventures. The research introduces new contingency and response variables such as firm/brand reputation, distributor relationships and a nuanced view of “distance” which play a key role in the EPS formulation. From the empirical findings also emerges the differentiated impact of contingencies during the phases of internationalization, calling for more work in the field.

Keywords: Export pricing decisions, pricing determinants, European SMEs, export ventures.

Paper 67

Foreign operation mode choice portfolios and firm performance

Minnie Kontkanen, University of Vaasa, Finland
 Mika Gabrielsson, University of Eastern Finland, Finland
 Peter Gabrielsson, University of Vaasa, Finland

Recent studies in FOM choice have acknowledged a clear contradiction between how firms are making foreign operation mode choices in practice and how it is understood and studied in international business research (Benito, Petersen & Welch 2009; Asmussen, Benito & Petersen 2009; Hashai, Asmussen, Benito & Petersen 2010; Benito, Petersen & Welch 2011). When the focus in research has mostly been on studying the individual FOM choice to a specific market or value chain activity, in practice FOM choice is not often conducted between discrete alternatives, but rather as Benito, Petersen and Welch (2009:) state “decisions are made on mode packages, within-mode adjustments and mode role changes “. In fact, the relevance of individual FOM choice knowledge for top managers is strongly questioned because of the interdependences of FOM decisions in different countries and over time. Thus from normative perspective corporate level understanding of the FOM decisions become more important than individual level decisions. (see e.g. Asmussen et al. 2009) indicating a need to change the focus from individual FOM decisions to firm-level FOM portfolio decisions.

Even though the importance of firm-level FOM decisions and the use of multiple modes has been acknowledged, there is a limited understanding of what type combinations firms are using and what are their potential performance implications. Thus, the aim of the study is to identify varieties of FOM portfolios and to explore their performance outcomes..

The structure of the paper is the following: We first review literature on the use of multiple FOMs. Secondly, we analyse the main features of the most often used theoretical approaches in FOM studies. Thirdly, we present the empirically identified varieties of FOM portfolios and fourthly, explore the performance outcomes of the portfolios based on the data of 505 Finnish SMEs.

Paper 68

Sourcing from Africa – Opportunities and challenges for foreign firms

Weimu You, Aalto University School of Business, Finland
 Asta Salmi, Lappeenranta University of Technology, Finland
 Katri Kauppi, Aalto University School of Business, Finland

While international purchasing and sourcing are becoming increasingly important areas for both firms and analysts, so far we know little about the African continent as a sourcing context. Furthermore, international comparison studies provide a useful opportunity in supply chain management to benchmark logistics practices, however, it is surprising that there does not appear to be any benchmarking studies comparing performance between the developed and developing world. To fill the gap, we set out to investigate companies from both developed and developing countries that are sourcing from Africa. We identify drivers and challenges in sourcing from Africa for companies in different industries, and we also make an attempt to discuss the reasons behind the similarities and differences between the drivers and challenges for companies from developed and developing countries in sourcing from Africa. The goal is to apply an extended resource-based view to analyze characteristics of sourcing from Africa. The expected contribution of this research is, firstly, to provide conceptual understanding of this emerging field, and secondly, to provide managerial guidance for companies; both those that are already sourcing from Africa and those that are planning such operations.

Paper 69

The Swedish banks internationalization - What is attracting them abroad?

Andreas Pajuvirta, Uppsala University, Sweden

This paper sets out to examine what drives the Swedish banks in their internationalization and what market characteristics that seem to attract the banks into certain markets. Building on research by Engwall and Wallenstål (1988) that showed how Swedish banks expanded to international financial centers where additional financial resources were present. Taking departure from that study and also the studies by Ekman, Hadjikhani, Pajuvirta, and Thilenius (2014); Hadjikhani, Pajuvirta, and Thilenius (2012) this study tries to examine what influences the banks decisions regarding what countries or markets to expand to. Using statistical measures pointing to different types of characteristics in the countries this paper aims to discuss what is attracting the Swedish banks towards that country when expanding. These measures will be correlated with the banks activities, divided in different types of commitments in order to build on Engwall and Wallenstål (1988). Commitments are divided into large investments such as mergers and acquisitions and smaller investments such as representative offices and branch offices.

Some preliminary findings is that the banking market does not seem to be of that much importance in contrast with for example industry which seem to be present in the same countries to a much larger extent. Dividing the commitments also show that distance, both geographic and cultural show a larger correlation when only looking at larger commitments which indicates that these are more important to keep closer to the home market. Even if some differences are found one could argue that the internationalization pattern of Swedish banks seem to be largely dependent on what type of commitment rather than following customers or industry abroad.

Paper 70

A Systematic Review: Organizational Learning in International New Ventures

Tanja Leppäaho, Jyväskylä University, Finland
 Teemu Tuomisaalo, Jyväskylä University, Finland

This paper is a work-in-progress systematic review about organizational learning in International New Ventures (INVs). The reason for this is the insight that INVs are before anything knowledge intensive organizations (Autio, George & Alexy, 2011; Oviatt & McDougall, 1994; Zahra, 2005; Zahra, Matherne & Carleton, 2003), so rather than examining the resource sufficiency in them we need to focus on the learning aspect, because that is essential for any global firm (Bingham, Eisenhardt & Davis, 2007; Ruigrok & Wagner 2003; Santos-Vijande, López-Sánchez & Trespalacios, 2012). Learning is particularly important for INVs, which often operate in turbulent emerging markets (Turcan, 2013) and when examining these organizations more closely, we can realize that learning is the central function in them (Brennan & Garvey, 2009; Casillas, Moreno, Acedo, Gallego & Ramos, 2009; De Clercq, Sapienza, Yavuz & Zhou, 2012). Organizational learning theory offers us the way to investigate these organizations comprehensively, starting from the individual and proceeding all the way up to the whole organization (Crossan, Maurer & White, 2011).

This study follows the principles of systematic review by Tranfield, Denyer & Smart (2003). According to Tranfield et al. (2003) the first task in this process is to define the research question for the review, which is in our case the following: *How has the organizational learning theory been applied in international new venture research?*

25 articles have been included in the review and we have conducted a preliminary analysis on them. Our analysis reveals that the implications from the results to the INV theory are slim and that these studies lack rigor in the frameworks and methodologies applied. Based on these insights we suggest that there is a need for research that investigates organizational learning in international new ventures, in order to answer for the most essential question in INV research: why these organizations are able to internationalize from their inception.

Paper 71

How to define the business model. Evidences from a web-based startup.

Marco Talaia, University of Insubria, Italy

Alessia Pisoni, University of Insubria, Italy

Alberto Onetti, University of Insubria, Italy

The entrepreneurial team and in particular the CEO play a crucial role in defining the international approach of the company, especially for startup companies. In this respect, business model and specifically location decisions might result influenced by the international orientation/attitude of the CEO. The present study aims at analyzing the business model of an Italian startup operating in the web-based industry that showed a fast and praecox internationalization. Business case analysis shows how the CEO plays a critical role in the definition of the company business model, specifically the internationalization approach. Since its inception, the business model of the company shifted towards a “dual model”: the firm has been headquartered in the US, while the R&D activities remained in Europe (Italy). The choice of this model has been influenced by the previous international experience of the CEO and the managerial team. Limitations and future research conclude the article.

Keywords: Business model; startup; web-based company; CEO; dual company; venture capitalists.

Paper 73

The role of the Internet as a risk-coping mechanism in SME internationalization

Jonas S. Eduardsen, Aalborg University, Denmark

Risk is a prominent construct in internationalization research, where it refers to instabilities and vulnerabilities faced by companies engaged in international business, which impose limitations, restrictions or even losses. Risk has been identified to be a major barrier to foreign market expansion, why a key consideration in internationalization research is therefore to understand how SMEs deal with their concerns about risk in order to commit to internationalization.

Building upon Internationalization Process Theory, this study explores how the Internet can be used by SMEs to reduce the risks that adhere to doing business in foreign markets. First, the study examines how the Internet is used to close perceived knowledge gaps and reduce uncertainties accompanying internationalization. Second, the study examines how the Internet influences market commitment, including SMEs internationalization costs. Such exploration is important in order to understand the true impact of the Internet on the internationalization of SMEs, as the academic literature on this topic is limited and in a formative stage.

In order to achieve this purpose, a case study approach was adopted. In total, XX cases were selected, based on two predetermined selection criteria's. First, cases had to be classified as SMEs (i.e. less than 250 employees). Second, cases had to be involved in international operations, that is, exports or subsidiaries abroad. The primary method of data collection was semi-structured interviewing with key informants. The transformation of data into findings was informed by thematic analysis.

The results of the study show how the Internet was often used by SMEs as an intended vehicle for internationalization. Specifically, the Internet was perceived to enhance the scope and speed of internationalization, by increasing decision-makers exposure to foreign market knowledge, either through accidental discovery or deliberate search. In addition, the Internet was found to have a central role in reducing the costs of doing business in foreign markets, including costs related to identifying and evaluating international opportunities as well as building awareness about the company and its products. The results of this exploratory study therefore highlights the potential of the Internet as a coping mechanism for reducing the risks accompanying internationalization, enabling them to commit to internationalization and in-crease involvement in foreign markets

The results of the study contributes to existing knowledge on SME internationalization, by exploring how the Internet affect the amount of risk that adheres to doing business in foreign markets. In addition, findings show that SMEs should recognize the importance of integrating the Internet into the firms' internationalization strategy and start using the Internet as a means for conducting or supporting international business activities.

Keywords: Risk; Internationalisation; Internet; Uncertainty; Learning; Knowledge; Market commitment

Paper 75

Hofstede's cultural values in international advertisements: An assessment of literature

Salman Saleem, University of Vaasa, Finland

Jorma Larimo, University of Vaasa, Finland

The Hofstede cultural framework has been around for over three decades and has inspired an increasing amount of advertising research. The purpose of this review is to assess the extent of literature investigating Hofstede cultural values in advertising with an aim of identifying drawbacks for methodological improvements. A systematic search of leading marketing, advertising and consumer behaviour journals resulted in 52 empirical advertising articles, published between 1992 and 2014, which used Hofstede's cultural dimensions. The review revealed that Hofstede-inspired advertising research frequently analysed: individualism/collectivism, masculinity/femininity, and uncertainty avoidance dimensions; comparisons of culturally distant countries; and advertising from North America, East and Southeast Asia. Further, scholars seldom paid attention to the discrepancy between the cultural values and practices. The review also revealed that scholars have paid insufficient attention to various methodological aspects such as: research method, sample sizes and characteristics, reliability and validity of data, and analytical techniques. Based on our findings, we make several recommendations for researchers who use Hofstede's framework in their studies of advertising appeal.

Keywords: Advertising appeal, culture, cultural values, cultural practices, cross-cultural

Paper 76

Transaction cost perspectives on alliances and joint ventures: Explanatory power and empirical limitations

Klaus E. Meyer, China Europe International Business School, China

Yi Wang, University of Vaasa, Finland

Transaction cost economics (TCE) has been extensively applied by international business scholars to analyze joint ventures and strategic alliances. It provides a theoretical basis to analyze how firms organize their transactions with other firms, and hence their choices of governance structures, for example between JVs and other organizational forms. However, TCE has also been frequently critiqued and empirical findings on some of the constructs derived from TCE find inconsistent results.

This chapter critically evaluates the TCE literature on cross-border business activity to evaluate to what extent this empirical literature actually allows to support or refute TCE-based arguments, and to provide directions for future work research. We identify four major challenges: 1) The level of analysis used to proxy transaction costs, 2) contextual drivers of transaction costs, especially in emerging economies, 3) theoretical ambiguity of TCE arguments with respect to distance and experience, and 4) the assumption that JVs are a flexible (low risk) mode of operation. This discussion leads to suggestions how to design empirical research more consistent with the statements of the theory.

Keywords: Transaction costs economics, Joint ventures, Alliances, Empirical tests, Research methodology

Paper 78

The institutionalization of political risk by Chinese multinational firms

Ilan Alon, University of Agder, Norway

Alfredo Jiménez, University of Burgos, Spain

Hui Liu, University of International Business and Economics, China; Monterrey University of Technology, Mexico

Hua Wang, KEDGE Business School,

Building on resource dependence theory and the literature on non-market strategies, this study examines the impact of ownership structure, firm scale, and the degree of internationalization on the institutionalization of political risk assessments (IPRA) by

Chinese firms. A one-way ANOVA was used to determine the role of resources (state ownership, scale, and internationalization) in the IPRA of Chinese firms. In order to take the advantage of firm-government resources, state-owned firms cultivate a higher level of IPRA. Our results also demonstrate that larger firms devote more resources to IPRA. However, in the case of internationalization the relationship is not straightforward. Our framework highlights the firm-specific resources as the drivers of institutional change in response to political risk in a host country. Firms facing political risk will seek to become more institutionalized in ways that will allow them to use firm-specific resources.

Keywords: Political Risk; Chinese MNEs; Resource Dependence Theory; Non-market Strategy; State-ownership; Political Connections.

Paper 79

End-users services as market entry strategy in emerging markets

Khalid M. Bhatti, Lapland University of Applied Sciences, Finland; National University of Science and Technology

The present paper is consisting of a theoretical framework to analyze the clear tech SMEs market entry strategy; as end-user service development. For end-users services development, it's important for the parent SMEs to share knowledge of their capabilities with customers by understanding the end-users value creation processes. Such internationalization efforts required to understand the end user supply chain and production processes and also design, development and innovations through providing new solutions. This knowledge integration among parent SMEs and end-users is to be analyzed as market entry strategy in the present theoretical framework. Thus the present study attempts to fulfill an important gap in the literature by conceptualizing knowledge transfer as internationalization strategy of the firm.

However the study has also wide managerial implications linked to the commercialization of firm specific knowledge and technology which is a vital dimension of profitability for new technology and knowledge driven clean tech SMEs clusters. In this context, the managers need to understand as technology development as such will not create wealth; it needs to be coupled with successful commercialization on the increasingly global markets. In many sectors, technological cycles are progressing at an increasing rate, and yet customers require individually tailored product-service offers which signifies the end-users services development.

Paper 80

The Role of Trust for the Outcome of a Cross-Border Acquisition in Russia – A Case Illustration

Elina Peltö, Turku School of Economics, University of Turku, Finland

By presenting an empirical illustrative cross-border acquisition case in Russian context, this chapter discusses the role of trust for the acquisition outcome. Despite a growing body of research on the factors affecting the success of M&As, significant research gaps still remain related to the concept of trust. Furthermore, research on mergers and acquisitions has been accused for being fragmented by concentrating mostly on a single acquisition phase, and on the merging parties, while disregarding the external business relationships. Consequently, this chapter aims to answer to the call for developing more holistic understanding of acquisitions and their outcomes by focusing on both pre- and post-merger issues in its case illustration and analysis. With a case study on a Finnish multinational corporation's acquisition of a Russian company, the chapter discusses the importance of trust for the outcome of a cross-border acquisition – not only between the acquirer and acquired company but also in connection to other network relationships and stakeholders.

Paper 81

Types of marketing mix combinations in export markets

Minnie Kontkanen, University of Vaasa, Finland

Jorma Larimo, University of Vaasa, Finland

Antonella Zucchella, University of Pavia, Italy

Birgit Hagen, University of Pavia, Italy

Marketing mix decisions have been under research focus since 1960s. Studies have focused on the following three areas: identifying 1) the adaptation / standardization levels of marketing mix package, 2) factors having an effect on the adaptation / standardization levels and 3) lately exploring the performance implications of the marketing mix decisions. What is common in all these focus areas, is that marketing mix has been studied either as a total package or the focus has been on some of the main

elements of the package (i.e. product, price, place promotion). In other words, we know that the adaptation / standardization levels of total marketing mix package can vary from high level of standardization to high level of adaptation depending on the contingency factors. In the similar way, when the focus has been on some specific marketing mix elements, different levels of adaptation / standardization have been identified depending on the context. However, we do not know so much about what type marketing mix combinations, in terms of standardization / adaptation level, firms are utilizing. Taking into account that marketing mix decisions continue to be one of the most important decisions managers are making when exporting products and services to foreign markets in order to reach and serve customers, it remains essential to increase our understanding of the typical combinations of marketing mix elements in terms of their standardization / adaptation levels.

The goal of the paper is to identify types of marketing mix combinations in terms of their standardization / adaptation levels and analyse their characteristics. The empirical part of the study focuses on the marketing mix decisions used by 261 Finnish and Italian SMEs. The approach is exploratory using cluster analysis to group firms empirically.

Based on the preliminary results four empirical types of marketing mix combinations were identified. The results indicate some differences in the type of marketing mix combinations used depending on the origin of the country. In addition, the combination types differ in terms of the perceived competitiveness. However, there are no performance differences among the four types, supporting thus the contingency view point.

Paper 83

Value creation in the internationalization of a small company from a traditional industry

Marin Marinov, Aalborg University, Denmark
Svetla Trifonova Marinova, Aalborg University, Denmark

Internationalisation is viewed as essential for the value creation of a firm in increasing the worth of the business and its goods and services. The paper examines the nature of value creation through international business operations of an SME from a traditional industry sector in which firms from developed countries are subjected to intense global competition. The focus is on the approaches and mechanisms that the company uses in increasing the value created in its internationalisation process by examining its global business model and entrepreneurial opportunity development. The case study approach based on in-depth interviews offers a context rich data that enable conceptualisation. The paper proposes a business model internationalisation – innovation – relationship framework that demonstrates the key approaches to value creation in small firm internationalisation.

Paper 84

Antecedents and Outcomes of Foreign Country Image Formation: A Meta-analysis

Saeed Samiee, University of Tulsa, USA
Leonidas C. Leonidou, University of Cyprus, Cyprus
Bilge Aykol, Dokuz Eylül University, Turkey
Barbara Stöttinger, Vienna University of Economics and Business, Austria
Paul Christodoulides, Cyprus University of Technology, Cyprus

We identify, synthesize, and evaluate the antecedents and outcomes of consumer foreign country image perceptions. We first develop a conceptual model comprising consumer demographics (i.e., gender, age, education, and income), domestic country-related (i.e., ethnocentrism, patriotism, and animosity), and foreign country-related (i.e., brand familiarity, product familiarity, and country familiarity) antecedents of foreign country image, which subsequently lead to cognitive (foreign product/ brand evaluation), attitudinal (attitude toward foreign products/ brands), and behavioral (intention to buy foreign products/ brands) outcomes. Using data extracted from 149 empirical studies, we test the model by adopting meta-analytical procedures. The results reveal that eleven out of the total thirteen hypothesized associations examined are statistically significant. Important implications for managers and public policymakers are provided, as well as directions for future research.

Paper 85

Knowledge transfer and organisational learning processes in international strategic alliances: The determinants, consequences, and moderators

Mia Hsiao-Wen Ho, Yuan Ze University, Taiwan
Pervez N Ghauri, King's College London, UK

This chapter reconsiders the determinants, consequences, and moderators of knowledge transfer and organizational learning processes in international strategic alliances by highlighting the contextual differences between partners. We argue institutional distance and realized absorptive capacity as critical moderators in the processes of knowledge transfer and organizational learning, which in turn, determine the alliance performance. We also unpack the transferring and learning processes by demonstrating how the transferor firm's behavior towards knowledge transfer influences the recipient firm's learning mechanisms. We propose relationship quality as an important determinant of the transferor firm's protective behavior, which will subsequently affect the level of knowledge acquisition by the recipient firm. Yet knowledge acquisition will be significantly reduced if the negative impact of knowledge protection is intensified by large institutional distance between alliance partners. We further assert that an alliance performance is not necessarily relied on the level of knowledge acquisition, but rather dependent on the firm's realized absorptive capacity to apply the sufficient, acquired knowledge into the alliance context.

Keywords: alliance performance, institutional distance, relationship quality, knowledge acquisition, knowledge transfer and learning, realized absorptive capacity

Paper 87

The development of network competence in an internationalized SME

Lasse Torkkeli, Lappeenranta University of Technology, Finland

Sami Saarenketo, Lappeenranta University of Technology, Finland

Niina Nummela, University of Turku, Finland

There is ample evidence suggesting that the business networks of small- and medium-sized enterprises (SMEs) drive the internationalization process. Network competence, in other words the ability of SMEs to develop and manage key business relationships with their suppliers, customers and other key actors, tends to increase the propensity to expand beyond domestic markets. However, thus far there has been no attempt to find out whether network competence is something SMEs develop before entering foreign markets, or if they only have the need and the resources to do so when operating internationally. The aim of this study is to find out by examining the development of network competence in a rapidly internationalizing Finnish SME during the internationalization process. Methodologically it is thus a longitudinal case study. We investigate the phenomenon processually in the distinct phases of internationalization, separated by critical incidents throughout. The results indicate that it is only after entering a number of foreign markets that such a firm has the resources and the organizational structure to develop substantial network competence. We also interpret this to imply that different kinds of network competence may be needed during the early phases of the process as business networks are being developed. We believe this finding makes an additional contribution to the literature given that the extant measures and research on internationalization and business networking tend to discount these differences, particularly when it comes to early-phase network competence.

Keywords: Internationalization of SMEs, business networking, network competence, Internationalization process, Born globals

Paper 88

Hybrid ways of organizing opportunities in international entrepreneurship

Tuija Mainela, University of Oulu, Finland

Vesa Puhakka, University of Oulu, Finland

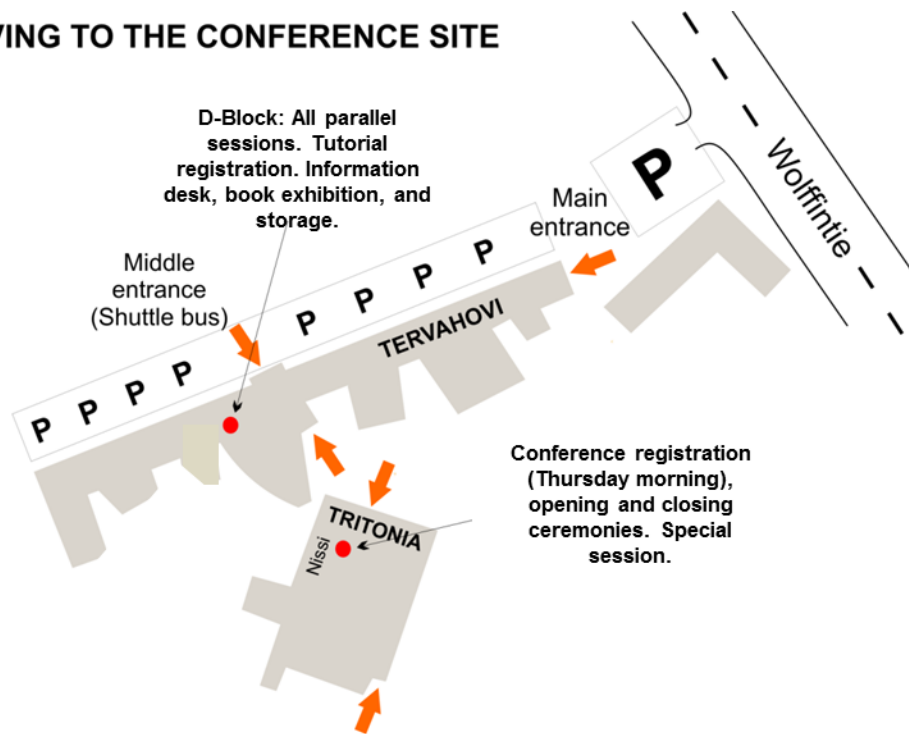
Per Servais, Southern Denmark University, Denmark

Twenty years ago Oviatt and McDougall suggested an international new venture (INV) to be a specific type of organization that is international from or near inception. International entrepreneurship (IE) field has been later widened to cover studies on entrepreneurial behavior on opportunities in other types of organizations such as MNCs, micro-multinationals and re-internationalizing SMEs. The widening scope of organizational structures under study in the IE field together with emergence of a variety of new ways of governing economic activities in present day business, opens up a question of the possible ways of organizing the opportunities in international entrepreneurship. In the present study we aim to advance IE research that examines international entrepreneurial behaviors focused on international opportunities within various organizational settings and questions the taken-for-granted assumptions of organizing IE. The research question of the present study is: How does the research in IE field uncover the varying forms of organizing international opportunities? In search for an answer to this question, we review the forms of organizing in a set of IE articles published between 1989 and 2012. We find that, although IE research has widened its scope to cover wider variety of firms and their sub-units it is still rather limited in its acknowledgement and understanding of the more flexible organizing forms, such as network organization and various types of virtual and latent ways of organizing economic activities. Building on these observations, we articulate a future research directions for study of the hybrid ways of organizing international opportunities in present day global markets.

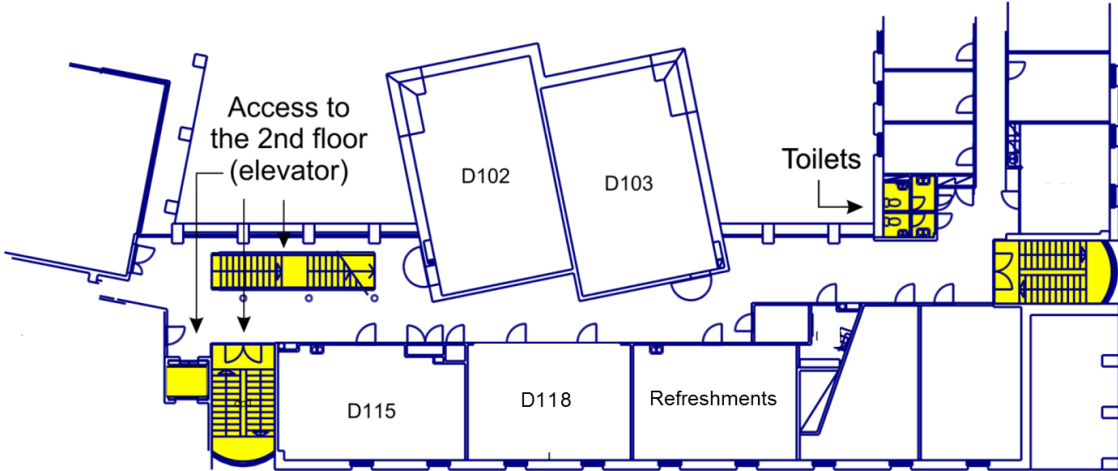
Keywords: Hybrids, organizing, international opportunity, international entrepreneurship, networks, alliances, review, cooperation, governance structure, organizing logic, international new venture, multinational corporation

Maps and Directions

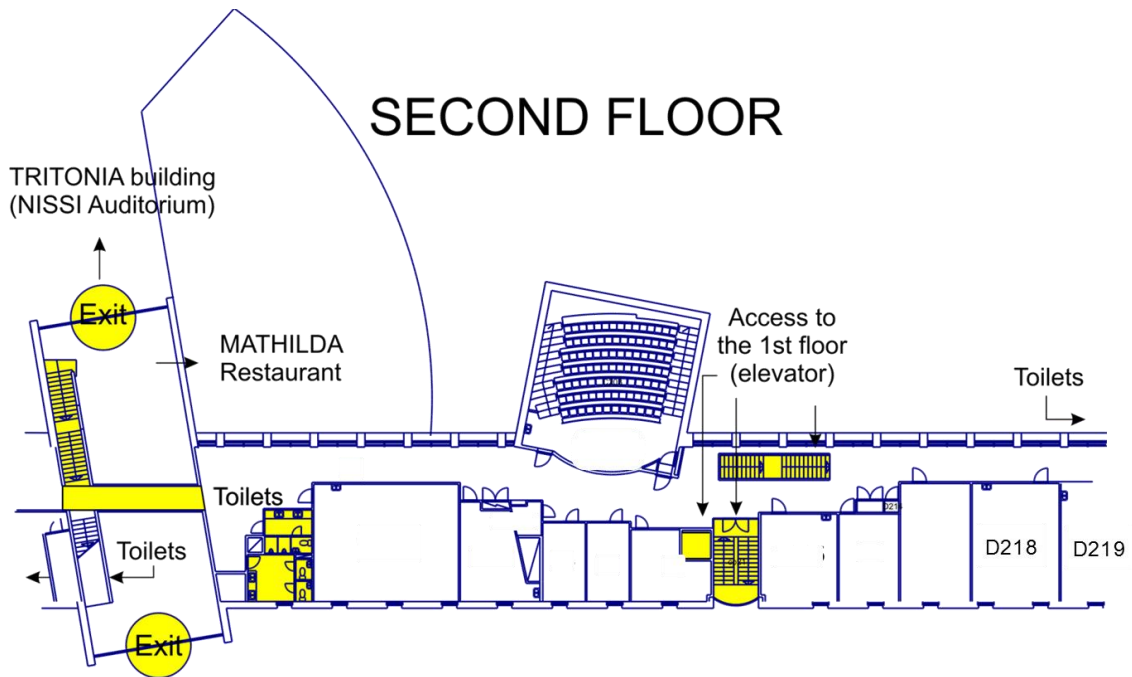
ARRIVING TO THE CONFERENCE SITE



FIRST FLOOR



SECOND FLOOR





- A** University of Vaasa
- B** Hotel Tekla
- C** Original Sokos Hotel Royal Vaasa
- D** City Hall (city reception venue)

13th Vaasa IB Conference Book Exhibitors

The book exhibits are located in Room D118, Tervahovi building on Thursday August 27th and Friday the 28th. The organising team would like to thank the following publishers for exhibiting at this year's conference.

Edward Elgar Publishing



Palgrave Macmillan



Pearson Education



Routledge – Taylor & Francis



SAGE



The organisers of the 13th Vaasa Conference on International Business wish to acknowledge with gratitude the generous support given by the following foundations and institutions:

Aktiasäätiöt



Säästöpankkisäätiöt



Gustaf Svanljugin Säätiö

Handlanden Gustaf Svanljugns donationsfond
Kauppias Gustaf Svanljugin lahjoitusrahaston säätiö



Vaasan yliopisto
UNIVERSITY OF VAASA