The Mechanism of Internationalisation

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In the last decade, we have witnessed a growing amount of research about the internationalisation of firms. Evidently, this expanding research reflects an increasing internationalisation of firms and industries. This internationalisation process is manifested in a number of different ways. It can be seen in the establishment of foreign subsidiaries, in international joint ventures, in licensing agreements, in international advertising campaigns, in international trade, exhibitions and a multitude of other events and actions.

Although the eclectic theory combining economic theories of monopolistic competition, location and transaction costs has been the dominant line in this research, a number of studies have been based on more behavioural approaches. One such theoretical line has focused on the process of internationalisation of the firm (Johanson and Vahlne, 1977; Bilkey, 1978; Wiedersheim-Paul *et al.*, 1978; Cavusgil, 1980; Welch and Luostarinen, 1988). The following description and discussion of the mechanism of the internationalisation process — one of the most widely adopted concepts in the field (Reid and Rosson, 1987) — is based on Johanson and Vahlne's model. This line of research is later contrasted with the eclectic theory, and ideas for further development of this theory are proposed.

The Uppsala Internationalisation Model

In this model, the internationalisation of the firm, which has its theoretical base in the behavioural theory of the firm (Cyert and March, 1963; Aharoni, 1966) and Penrose's (1959) theory of the growth of the firm, is seen as a process in which the enterprise gradually increases its international involvement. This process evolves in an interplay between the development of knowledge about foreign markets and operations on one hand and an increasing commitment of resources to foreign markets on the other.

A distinction is made between state and change aspects of internationalisation. The state aspects of internationalisation are market commitment and market knowledge; the change aspects are current business activities and commitment decisions. Market knowledge and market commitment are assumed to affect decisions regarding commitment of resources to foreign markets and the way current activities are performed. Market knowledge and market commitment are, in turn, affected by current activities and commitment decisions (Figure 1). Thus, the process is seen as causal cycles.

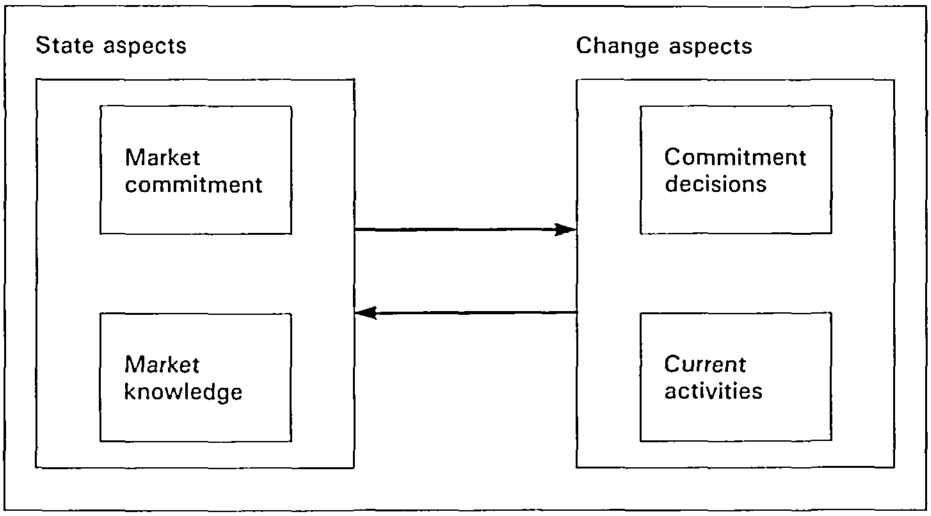

Figure 1.
The Internationalisation Process of the Firm

Following Penrose (1959), two kinds of knowledge are distinguished: objective knowledge which can be taught, and experiential knowledge which can only be acquired through personal experience. A critical assumption is that market knowledge, including perceptions of market opportunities and problems, is acquired primarily through experience from current business activities in the market. Experiential market knowledge generates business opportunities and is consequently a driving force in the internationalisation process. But experiential knowledge is also assumed to be the primary way of reducing market uncertainty. Thus, in a specific country, the firm can be expected to make stronger resource commitments incrementally as it gains experience from current activities in the market. This market experience is to a large extent country-specific, i.e. it can be generalised to other country markets only with difficulty.

The model implies that additional market commitment will be made in small steps with three exceptions. First, when firms have large resources the consequences of commitments are small. Thus, big firms or firms with surplus resources can be expected to make larger internationalisation steps. Second, when market conditions are stable and homogeneous, relevant market knowledge can be gained in ways other than through experience. Third, when the firm has considerable experience from markets with similar conditions it may be possible to generalise this experience to the specific market.

A characteristic of the internationalisation process model is that the firm is viewed as a loosely coupled system in which different actors in the firm have different interests and ideas concerning the development of the firm (Cyert and March, 1963; Weick, 1969; Pfeffer, 1981). In particular those who are engaged in a foreign market will see opportunities and problems in that market, they will seek solutions to the problems in that market and they will promote those solutions. Thus, the model expects that the internationalisation process, once it has started, will tend to proceed regardless of whether strategic decisions in that direction are made or not.

The internationalisation process model can explain two patterns in the internationalisation of the firm (Johanson and Wiedersheim-Paul, 1975). One is that the firm's engagement in the specific country market develops according to an establishment chain, i.e. at the start no regular export activities are performed in the market, then export takes place via independent representatives, later through a sales subsidiary, and eventually manufacturing may follow. In terms of the process model, this sequence of stages indicates an increasing commitment of resources to the market. It also indicates current business activities which differ with regard to the market experience gained. The first stage gives practically no market experience. The second stage sees the firm as having an information channel to the market and receiving fairly regular but superficial information about market conditions. The subsequent business activities being performed in the market lead to more differentiated and wide market experience, which even may include factor markets.

The second pattern explained is that firms enter new markets with successively greater psychic distance. Psychic distance is defined in terms of factors such as differences in language, culture, political systems, etc., which disturb the flow of information between the firm and the market (Vahlne and Wiedersheim-Paul, 1973). Thus firms start internationalisation by going to those markets they can most easily understand. There they will see opportunities, and there the perceived market uncertainty is low.

Observe, however, that these patterns are manifestations of the process in the internationalisation of the firm. The process is a theoretical model based on assumptions about the relations between the concepts of market commitment, market knowledge, current business activities, and commitment decisions. The patterns can be seen as operationalisations of the process model with the stages and the psychic distance as possible indicators. Other indicators may also be possible. Market commitments can be indicated by the size of the investment in the market or the strength of the links with the foreign markets, i.e. the degree of vertical integration. Other patterns may be derived as well, such as regarding joint ventures or acquisitions versus greenfield investments.

The process model has grown out of empirical research, based on traditional microeconomic and marketing theory, about Swedish firms competing internationally (Carlson, 1966, 1975). It could be expected that the model's validity is limited to countries like Sweden which are rather small and highly industrialised. Later research from other countries has reported empirical observations in support of or consistent with the model. Empirical research by Wisconsin researchers about export behaviour provides a similar picture (Bilkey, 1978; Bilkey and Tesar, 1977; Cavusgil, 1980, 1984). Consistent results have also been reported from extensive export research in Mannheim (Dichtl *et al.*, 1984). Davidson (1980, 1983) and Denis and Depelteau (1985) have also reported supporting results from empirical studies of market selections of US firms going abroad. Similar results have also been obtained in studies of Hawaiian export firms (Hook and Czinkota, 1988), Japanese firms' export strategies (Johansson and Nonaka, 1983), Turkish exporters (Karafakioglu, 1986), and Australian firms (Barrett, 1986). A study of US entry by acquisitions and joint ventures gives robust results supporting the model (Kogut and Singh, 1986). Ford *et al.* (1987) report in a study of export development of firms from less developed countries that export entries are first made in culturally close countries and subsequently in the developed countries. In a study of US firms exporting at industrial shows, Bello and Barksdale (1986) found strong support for the model.

Overall, the model has gained strong support in studies of a wide spectrum of countries and situations. The empirical research confirms that commitment and experience are important factors explaining international business behaviour. In particular, the model receives strong support regarding export behaviour, and the relevance of cultural distance has also been confirmed.

Critical Views

Criticism of various kinds has also been put forward. One criticism is that the model is too deterministic (Reid, 1983; Turnbull, 1987; Rosson, 1987). This is primarily directed at what is sometimes called the "stages theory", which is one of the manifestations of the internationalisation process. The argument is that the firm has the option of making a strategic choice as to modes of entry and expansion. Reid argues that such a choice is contingent on market conditions, and a transaction cost approach is superior to the process model in explaining diversity and variations in internationalisation behaviour. This view is supported by Turnbull's (1987) studies of export organisation in some British industries.

This argument is quite plausible but should perhaps not be primarily an argument against the process model — unless it is directed at the manifestations of the model — but rather an argument for development and differentiation of the model. This means that the critique should be directed at the very partial nature of the model, which is the consequence of a very conscious effort by the model builders to catch one single, and so far rather unnoticed, mechanism with strong explanatory power regarding a wide spectrum of manifestations of the internationalisation of the firm.

It has also been argued that the process model says something important only about the early stages of internationalisation when lack of market knowledge and market resources are still constraining factors (Forsgren, 1989a). When the firm already has activities in several countries, these factors are no longer a problem. In that situation, the firm can allocate resources to international activities on the basis of the real market conditions rather than in response to the unknown. This view is consistent with the fact that most of the empirical support has come from studies of the early stages of internationalisation. This critique concerns the range of validity of the model and should be shared with the direct investment theory in which a basic assumption is the disadvantage a foreign firm has compared with domestic firms.

In a study of Swedish firms in Japan, Hedlund and Kverneland (1985) found evidence that the development patterns of those firms were not in accordance with those expected on the basis of the internationalisation process model. The reason for this, they argued, is that there has been a general internationalisation of industries and markets so that the lack of market knowledge is no longer a factor limiting the pace and patterns of internationalisation of firms. Assuming that internationalisation is an irreversible process, their conclusion is that the model of the firm internationalisation process will be increasingly less valid in the future. Their reasoning seems, however, more convincing than their interpretation of the data which are surprisingly consistent with the process model.

Nordström (1990) argues that the world has become much more homogeneous and that consequently psychic distance has decreased. He expects that recent starters are willing and able to enter directly into large markets as some of these are now as close to Sweden in a cultural sense as are the Scandinavian countries. The explanatory value of psychic distance would in that case have decreased. Nordström's preliminary results seem to confirm this argument. Britain, Germany and the US have become as common a target for the very first establishment of sales subsidiaries as the Scandinavian neighbours. Other environmental changes such as improved information supply and more efficient means of transmitting information, less fragmented markets (cf. Nordström and Vahlne, 1985), increased emphasis on R&D, all have an impact on the internationalisation process.

It has also been argued that the model does not take into account interdependencies between different country markets (Johanson and Mattsson, 1986). This is both a conceptual and an explanatory problem. The conceptual problem is that it seems reasonable to consider a firm more internationalised if it views and handles different country markets as interdependent than if it views them as completely separate entities. The explanatory problem is that interdependencies between markets can be expected to have a strong impact on the internationalisation of the firm.

Studies have shown that the internationalisation process model is not valid for service industries. A study of the internationalisation process of Swedish banks suggests that their foreign establishments are not governed by cultural distance (Engwall and Wallenstål, 1988). Nevertheless, like Tschoegl's (1982) study of bank entry into Japan and California, this study showed that market entry was made in small steps. On research about the internationalisation of Swedish technical consultants — a typical service industry — it has been demonstrated that the cumulative reinforcement of foreign commitments implied by the process model is absent (Johanson and Sharma, 1987).

A process view of internationalisation differs radically from the internalisation model both in its assumptions and its predictions. Forsgren (1989b) used the two models to analyse how international expansion via foreign acquisitions or greenfield investments is influenced by such factors as degree of internationalisation, diversification and R&D intensity. In an empirical analysis of the acquisitions of Swedish multinationals, the process model was strongly supported.

The Eclectic Paradigm

The internationalisation model explains and predicts the mode and pattern of the internationalisation process whereby national firms are transformed into being multinational. It is of interest to relate this model to direct investment theory. As we perceive "the eclectic paradigm" to be the most widely accepted framework within this area of theoretical thought, we have chosen it as our frame of reference.

The condensed version of the eclectic paradigm given below is based on Dunning (1988). This paradigm sets out to explain the extent, form and pattern of international production which relies on three distinct sets of advantages. The first set is ownership-specific advantages. Dunning makes the distinction between advantages stemming out of structural and transactional market imperfections. The former relate to the company's possession of, for example, superior technology or a characteristic such as multinationality. The transaction type advantage implies that the multinational organisation, as compared with the market mechanism, can enjoy lower transaction costs.

The second set of advantages, internalisation advantages, refer to the multinational enterprise's (MNE's) ability to transfer ownership-specific advantages across national borders within its own organisation rather than exploiting the advantage by selling it. Again, imperfect markets explain why the company, for example, prefers to exploit technology by using it as an input in its own foreign manufacturing unit, rather than to sell the right to use that technology to an indigenous firm in that same market.

The internalisation advantage should be distinguished from the transaction advantage mentioned above. In Dunning's words (1988): "We believe it is not only useful but logically correct to distinguish between the capability of MNEs to internalise markets, and their willingness to do so. For while the latter (internalisation advantages) may explain why hierarchies rather than external markets are the vehicle by which transactional ownership advantages are transferred across national boundaries, it is the former (ownership advantages) which explains why these advantages are exploited by one group of MNEs rather than another, or by MNEs rather than firms indigenous to the country of production".

The third set of advantages are locational advantages, again of two types: structural and transactional. The former relates, for example, to differences in factor costs while the latter refers to "enhanced arbitrage and leverage opportunities". "It is then the juxtaposition of the ownership-specific advantages of firms contemplating foreign production, or an increase in foreign production, the propensity to internalise the cross-border markets for these, and the attractions of a foreign location for production which is the gist of the eclectic paradigm of international production" (Dunning, 1988).

The Eclectic Paradigm and the Internationalisation Model Contrasted

According to Dunning, the eclectic paradigm sets out to explain "the extent, form and pattern of international production", while the internationalisation model aims at explaining the pattern and mode of establishing marketing-oriented operations (including manufacturing for the local market). "Pattern" implies choice of location. The eclectic paradigm predicts that production will be established where advantages can be enjoyed. The internationalisation model predicts, taking only psychic distance into account, that firms will start by invading "neighbouring" (in the cultural sense) markets and later, as experience grows, more distant markets will be entered. It is thereby assumed, of course, that the firm would not enter markets where there is not some demand for its output. Obviously, timing is also an important aspect of the pattern.

One might suspect, as is confirmed by empirical research, that the explanatory value of the internationalisation model in this regard is high in the very early stages of the internationalisation process, while the explanatory value of the eclectic paradigm is high for "global" (in the sense of having experience from many regions of the world) firms. The internationalisation model rests on behavioural theories while the theoretical underpinnings of the eclectic paradigm assume that the decision makers have access to perfect information. The former assumption is obviously more true for inexperienced firms and the latter for experienced. On this point the two frameworks are obviously inconsistent, but it is interesting to note that when Dunning discusses to what extent the eclectic paradigm allows for firm-specific behavioural differences, he asks for more research on the attributes of firms which can have an impact on their response to any particular configuration of the three types of advantages. We would argue that the commitment and the amount and quality of experience gained, are examples of such attributes.

A second explained variable in both frameworks is the mode or form, internal or external to the firm. Again, the eclectic paradigm predicts that the company will optimise rationally, while the internationalisation model, placing uncertainty avoidance in the centre, assumes that no optimisation will occur. Unless the constraints in terms of lack of knowledge of the foreign market and lack of established relationships to various parties, especially customers, on the foreign market (which makes it possible to calculate costs and risks) are included among the explanatory firm characteristics, the eclectic paradigm cannot explain the shifts in mode explained by the internationalisation model. In other words, an experienced decision maker will perceive future transaction costs differently than the inexperienced decision maker.

In terms of explanatory variables the difference is dramatic. The internationalisation model in its original version explicitly used only one — the firm's knowledge. Implicitly there was another — relationships to other bodies on the foreign market. This is now made explicit in the present article. There is no ambition to increase the number of explanatory variables, as our aim is really to contribute to an understanding of the incremental nature of the internationalisation process. The eclectic paradigm on the other hand has the objective of giving a full-fledged explanation of the firm's foreign operations, thereby relying on all relevant exploratory factors.

It is interesting to compare the underlying mechanism of the two frameworks. According to Williamson (1981) transaction costs are affected by uncertainty, bounded rationality and opportunism. When transaction costs reach a certain size, it pays to internalise. Transaction costs are, for example, high for technologically complex products. Consequently, the propensity to rely on own sales organisations rather than agents are higher in firms with those kinds of products (cf. Hörnell and Vahlne, 1973). But these typically also rely on outside middlemen in the early stages of the internationalisation process for reasons explained above. The company at this stage is neither able nor willing to internalise the activities performed by the middleman. Once uncertainty falls below a certain level, the ability to internalise is there but the willingness to do it may not exist until something triggers the decision. Alternatively, when uncertainty is eliminated externalisation might be feasible. The main difference between the two frameworks is that the internationalisation model recognises that transaction costs change over time, while the eclectic paradigm assumes the decision makers involved are rational and well-informed right from the start of the internationalisation process.

The eclectic paradigm is basically static in nature, while the internationalisation model is dynamic paying explicit consideration to changes in the explanatory variables as the process proceeds. But, of course, the internationalisation model is extremely partial, deliberately excluding many relevant explanatory factors. Clearly, the two frameworks in their present shape are inconsistent as the basic assumptions are so different.

Industrial Networks

Some of the deficiencies of the process model will be discussed by relating the internationalisation process to the concept of industrial networks. Empirical research has demonstrated that firms in industrial markets establish, develop, and maintain lasting business relationships with other business actors (Håkansson, 1982; Turnbull and Valla, 1986; Hallén *et al.*, 1987). This research has shown that relationships develop through interaction in which the parties build mutual trust and knowledge, and that interaction means strong commitment to the relationships (Ford, 1979).

The relationships are connected by networks which develop as a consequence of the interaction between firms. The specific firm is engaged in a network of business relationships comprising a number of different firms — customers, customers' customers, competitors, supplementary suppliers, suppliers, distributors, agents and consultants as well as regulatory and other public agencies. Similarly, industries can be regarded as networks of business relationships comprising a number of different business actors. In any specific country, different industrial networks can be distinguished. Such different industrial networks may be more or less international to the extent that the connections between networks in different countries are more or less extensive.

Evidently, business relationships and consequently industrial networks are subtle phenomena, which cannot easily be observed by an outside observer, i.e. a potential entrant. The actors are tied to each other through a number of different bonds: technical, social, cognitive, administrative, legal, economic, etc. The outsider can only achieve a very superficial comprehension of such a complex and fluid network. The relationships and the networks can only be understood through experience from interaction inside, and especially so if there is a cultural distance between the actors. Thus, in relation to the internationalisation process model it can be assumed that market (i.e. network) knowledge is based on experience from current business activities, or current business interaction.

The network view implies that all actors in a network are more or less active and that the establishment of new relationships and the development of old, is a result of interaction between active parties. To enter a network from outside requires that other actors have to be motivated to engage in interaction, something which is resource demanding, and which may require several firms to make adaptations in their ways of performing business. Thus, foreign market, or network, entry of the firm may very well be the result of interaction initiatives taken by other firms which are insiders in the network in the specific country. However, the chances of being the object of such initiatives are much greater for an insider. An extension of the internationalisation process model to take into account the network aspect should consequently make the concepts "commitment, knowledge, current activities and commitment decisions" as multilateral rather than unilateral as in the original model. That is, the process is also inter-organisational and not just intra-organisational (Figure 2).

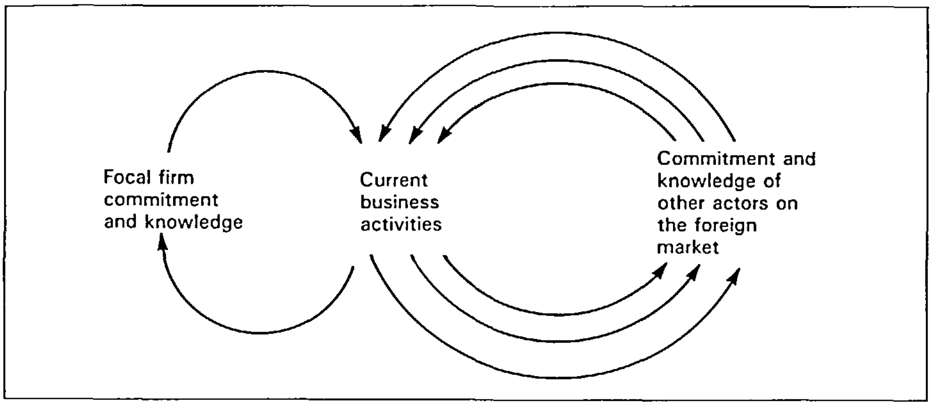

Figure 2.
The Multilateral Aspect of the Internationalisation Process

This line of thinking is related to that of Porter (1980), who argues that "switching costs" make it expensive for a customer to change supplier. The higher these costs are, the more difficult it will be for a potential alternative supplier to convince the buyer to change, and it will require some time.

The networks in a country may well extend far beyond country borders. It can be assumed that there are differences between countries as to the international extension of the networks in the country. Likewise it can be assumed that there are differences between products regarding the internationalisation of the relevant networks. It can also be expected that the international extension of these networks has strong implications for the internationalisation of the firm.

Thus, in relation to the internationalisation of the firm the network view argues that the internationalising firm is initially engaged in a network which is primarily domestic. In terms of networks, internationalisation means that the firm develops business relationships in networks in other countries (Johanson and Mattsson, 1988). This can be achieved: (1) through the establishment of relationships in country networks that are new to the firm, i.e. international extension; (2) through the development of relationships in those networks, i.e. penetration; and (3) through connecting networks in different countries, i.e. international integration.

The relationships of a firm can be used as bridges to other networks. Consider the firm which is engaged in international business relationships. These relationships can help the firm in getting inside networks in foreign countries. In some cases they can even force the firm to enter foreign networks (Johanson and Sharma, 1987). This is the case when the customer demands that the supplier follows him abroad if he wants to keep the business at home. Generally, it can be assumed that direct or indirect bridges exist between firms and different country networks. Such bridges can be important both in the initial steps abroad and in the subsequent entry of new markets.

The character of the ties in a network is partly a matter of the firms involved. This is primarily the case with technical, economic and legal ties. To an important extent, however, the ties are formed between the persons engaged in the business relationships. This is the case with social and cognitive ties. Industries as well as countries may differ with regard to the relative importance of firm and person relationships. But it can be expected that the personal influence on relationships is strongest in the early establishment of relationships. This conforms closely to the finding that cosmopolitans are often important in the first steps abroad (Simmonds and Smith, 1968). Later in the process, routines and systems will become more important.

Correspondingly, it can be expected that personal relationships and networks are especially important in turbulent, high technology industries (Laage-Hellman, 1989). A study of the internationalisation process of small high-tech firms indicates that some of these companies follow the traditional internationalisation patterns, while others behave differently (Lindqvist, 1988). They go directly to more distant markets and more rapidly set up their own subsidiaries. One reason seems to be that the entrepreneurs behind those companies have networks of colleagues dealing with the new technology. Internationalisation, in these cases, is an exploitation of the advantage this network constitutes.

The Advantage Package and the Advantage Cycle

In a research project on Swedish multinationals, the concepts of the "advantage package" and the "advantage cycle" were used (Sandén and Vahlne, 1976). The advantage package is designed as the aggregated amount of strengths and weaknesses of a company, evaluated in relation to a specific set of circumstances, such as a particular environment, set of competitors and objectives. In principle, all relevant attributes of the company should be taken into consideration. Certain attributes, which in other situations might have constituted a strength, can be regarded as a weakness. In this particular situation, the relative size of the advantage package and the composition of the package will have an impact on the characteristics of the internationalisation process.

The advantage cycle proposes that the size and composition of the package changes over time. In these terms, the internationalisation model can be described in the following way. A company, performing activities in a foreign market, interacts not only with potential and actual customers but also authorities, suppliers, etc. In this way, knowledge is accumulated and relationships established, the company improves on certain attributes, and an advantage is created. This is not free of cost. In principle it should be regarded as an investment, but many companies do not, and the assets created cannot be incorporated in the balance sheet. The cost for building the new advantage is covered by exploiting the previous advantages whether access to technology or something else. If the value of the previous advantage decreases because of the exploitation, it is really an advantage cycle. If not, the package increases in value but there is still a change in the composition of the package. The changed composition of the package will have an impact on the continued development of the company as new or different opportunities can be exploited. For example, joint product development between supplier and customers might lead to the creation of new technology that can be utilised by the supplier elsewhere. Also, the location of the new advantage in terms of units within the multinational organisation will change the power balance within the corporation. Those decision makers controlling critical resources will have a say concerning, for example, investment decisions (cf. Forsgren, 1989a).

An example of the advantage cycle is Sandvik's switch from being a manufacturer of steel to products made of cemented carbide. Towards the end of the last century, Sandvik was an unprofitable producer of steel. It managed to acquire the right to use the newly invented Bessemer process, which was superior to other available methods in terms of the quality of the output. Resting on this advantage, Sandvik built a network of agents and established a strong position with individual customers. The size of the original package did not permit Sandvik to establish its own sales organisation directly — that is, to internalise the sales operations. But as sales volume grew, experience was gained and relationships established, and the size of the package permitted internalisation. Later, methods superior to the Bessemer process were developed and Sandvik's main advantage became its distribution network in foreign markets and relationships established with customers. These, in spite of the technological disadvantage, allowed Sandvik to sustain profitability. Parts of these resources were used to develop cemented carbide technology, a new product range was launched and again a new advantage was born. Utilising its network of subsidiaries today, Sandvik supplies systems for performing cutting operations, incorporating software adjusted to the needs of the individual customer. Successful distribution of this type of system clearly benefits from lower transaction costs connected with the internalisation of sales and service activities.

Seen in this way, the internationalisation process through the advantage cycle is clearly linked to the network view on markets. As discussed earlier, internationalisation is to a large extent a matter of establishing relationships in foreign markets. We are admittedly biased in this respect as Swedish companies went abroad almost exclusively for market reasons, in which case establishment of relationships may be more important than in other cases.

Application of the concepts of the advantage cycle and advantage package are, however, not limited to this type of internationalisation. As in the somewhat simplistic case of Esselte, the Swedish office equipment supplier, the advantage was possession of a large sum of cash, which was used to acquire a number of companies abroad to create a whole new set of advantages.

Relaxing some of the "neoclassical" assumptions, thereby making room for some of the most striking features of the area of international business and using the concepts of the advantage package and advantage cycle, would go a long way to "dynamise" the eclectic paradigm and make it useful to explain states and changes in the early phases of the internationalisation process also.

Conclusion

Although the internationalisation process has captured the interest of many researchers, there have been only a few attempts at developing the concept. This is easily understandable as the basic ideas are drawn from several theoretical traditions — economic theory, organisation theory and marketing theory — and most researchers feel at home in only one. We think, however, that future research about this process can be very fruitful. It can enrich our understanding about how basic changes in the international business arena take place.

We suggest that researchers should investigate how firm internationalisation processes are related to surrounding processes, i.e. market or network internationalisation, industry internationalisation, technical development, concentration as well as deconcentration processes. It is important to remember that firm internationalisation is embedded in an ever-changing world.

Another field of study worth attention concerns internationalisation strategies. Basically the process model is rather sceptical in regard to strategy. Nevertheless, we think that internationalisation processes are the result of a mixture of strategic thinking, strategic action, emergent developments, chance and necessity. We believe it is worthwhile to analyse the internationalisation of firms with an open mind with regard to these factors.

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