



# How international entrepreneurship characteristics influence Internet capabilities for the international business processes of the firm

Charmaine Glavas<sup>\*</sup>, Shane Mathews<sup>1</sup>

School of Business, Advertising, Marketing and Public Relations, Queensland University of Technology, 2 George Street, GPO Box 2434, Brisbane 4001, Queensland, Australia

## ARTICLE INFO

### Article history:

Received 27 April 2012

Received in revised form 29 March 2013

Accepted 3 April 2013

### Keywords:

Internet capabilities

International entrepreneurship

International entrepreneurship characteristics

International business processes

SMEs

## ABSTRACT

This research explores the relationship between international entrepreneurship characteristics and the use of Internet capabilities for the international business processes of the firm. It has been suggested, that the accumulation of a firm's Internet capability can assist international operations, especially when operating in fast changing dynamic Internet environments. However, international entrepreneurship characteristics which are seen as a precursor to leveraging Internet capabilities are still vague. Given this finding, eight case studies of small and medium sized travel and tourism firms were selected to investigate the influence of international entrepreneurship characteristics, and Internet capabilities for international business processes. Based on the eight in-depth case studies, the results signify that successful international entrepreneurial firms which encompass high levels of international innovativeness and proactiveness behaviour integrate Internet capabilities to a greater degree. Our findings also indicate that the prior international business experience, international risk-taking propensity and international networking characteristics are not necessarily precursors to successful integration of Internet capabilities for international business processes. On the contrary, international business experience and international networks actually lead to a reliance on traditional mechanisms of internationalisation and can dilute the development of Internet capabilities for international business processes.

© 2013 Elsevier Ltd. All rights reserved.

## 1. Introduction

It is widely recognised that the Internet has been one of the most important tools for modern day international business (see [Loane, McNaughton, & Bell, 2004](#); [Loane, 2006](#); [Mathews & Healy, 2007](#); [Mostafa, Wheeler, & Jones, 2006](#); [Petersen, Welch, & Leisch, 2002](#)). For example, the Internet has enabled international firms to improve the efficiency of international market transactions ([Gabrielsson & Manek Kirpalania, 2004](#); [Loane et al., 2004](#); [Mathews & Healy, 2008](#); [Prasad, Ramamurthy, & Naidu, 2001](#)). This includes, strengthening of international business relationships, whilst significantly improving the collection and exchange of information related to international markets ([Petersen et al., 2002](#)). In particular, the Internet has played a valuable role in providing small to medium sized enterprises (SMEs) new ways to conduct international business through faster access to market and competitor information ([Mathews & Healy, 2007](#)). In many

<sup>\*</sup> Corresponding author. Tel.: +61 7 3138 8074; fax: +61 7 3138 1811.

E-mail addresses: [charmaine.glavas@qut.edu.au](mailto:charmaine.glavas@qut.edu.au) (C. Glavas), [sw.mathews@qut.edu.au](mailto:sw.mathews@qut.edu.au) (S. Mathews).

<sup>1</sup> Tel.: +61 7 3138 5310; fax: +61 7 3138 1811.

instances the Internet has also levelled the playing field associated with SMEs competing with their larger counterparts in foreign market environments (Loane, 2006; Standing & Vasudavan, 2000). By using the Internet through website applications, SMEs have been able to considerably reduce international business operating costs, thus increasing their ability to respond flexibly to new international market opportunities (Mathews & Healy, 2007). Subsequently, SMEs now have a greater ability to take advantage of international market growth opportunities, such as increased international customer sales due to the Internet (Mathews, Healy, & Wickramasekera, 2012).

Current research has attempted to explain the Internet's impact on the international trajectories taken by firms in foreign market expansion (Loane, 2006; Petersen et al., 2002). Research studies also identify the international entrepreneur as an important and potential catalyst for driving Internet generated internationalisation (Davis, Harveston, & Nicovich, 2000; Loane & Bell, 2006; Loane et al., 2004; Loane, 2006; Mostafa et al., 2006). Predominantly, research highlights the positive impact of the Internet on the firm, but neglects the significant influence of the decision maker, or in this case the international entrepreneur's role in exploiting Internet capabilities for the international business processes of the firm. With the exception of a small number of studies (see Aspelund & Moen, 2004; Loane et al., 2004; Loane, 2006; Mostafa et al., 2006; Reuber & Fischer, 2011), researchers to date have paid limited attention to the relationship between international entrepreneurship (IE) characteristics and Internet capabilities for the international business processes and outcomes of the firm. The Internet has been highlighted as a strategic resource that may help firms achieve operational efficiency and functionality when operating internationally (Li & Ye, 1999). More importantly, Reuber and Fischer (2011) found that entrepreneurial resources, such as Internet capabilities are a critical variable to the successful pursuit of international marketing opportunities. However, the extent to which Internet capabilities can contribute to the international business processes and outcomes of the firm remains unclear. Moreover, the link between IE characteristics, Internet capabilities and international business processes of the firm is still not well understood (Mathews & Healy, 2007; Mostafa et al., 2006; Reuber & Fischer, 2011). Furthermore, research concerning SME internationalisation has been criticised in the entrepreneurship literature due to the lack of consideration paid to IE in an Internet environment (Mostafa et al., 2006; Reuber & Fischer, 2011). Despite the increasing numbers of businesses that are already using the Internet to pursue international business processes, and the latent potential for such activity from rising Internet adoption levels, the IE literature has paid limited attention to this phenomenon (Reuber & Fischer, 2011).

Although several empirical research papers attempt to provide some insight into IE in an Internet environment, the research area is still evolving, warranting greater exploration to reveal the key IE characteristics influencing salient Internet business decisions among SMEs; as the role of the Internet in IE studies remains at a relatively infant stage (Arenius, Sasi, & Gabrielsson, 2006; Etemad, Wilkinson, & Dana, 2010; Loane, 2006; Mostafa et al., 2006; Reuber & Fischer, 2011; Sinkovics & Bell, 2006). More specifically, researchers have suggested that there is a need for further research in IE studies, to identify the IE characteristics influencing the Internet capabilities and international business processes of the firm (Mostafa et al., 2006; Reuber & Fischer, 2011). To address this gap, we review past literature in the fields of international business and IE to identify the IE characteristics and Internet capabilities expected to be related to the international business processes of the firm. This research study will aim to investigate the extent to which IE characteristics are influencing the application of Internet capabilities for international business processes. The research question developed for investigation is; "*Do international entrepreneurship characteristics influence the Internet capabilities and international business processes of the firm? If so, how and why? If not, why not?*" Further, the incorporation of Internet capabilities into our knowledge of the IE characteristics influencing the international business processes of the firm is important. Our paper makes an important contribution to theory development and practice of IE by developing a model of the IE characteristics associated with Internet capabilities, that are expected to be related to a firm's international business processes. This paper has been segmented into four main sections. The first section of this paper evaluates the literature surrounding the influence of IE and IE characteristics, as well as the key Internet capabilities of SMEs as identified in the literature. In addition, the impact of the Internet on the internationalisation of SMEs highlights significant changes to the body of knowledge, thus, these concepts were used to develop a qualitative set of semi-structured protocol questions. This section concludes with two key research questions. Secondly, as this research is exploratory in nature and the processes and procedures in the literature are still to be developed, a multiple case study methodology approach is utilised; the methods inclusion in this paper is also justified. The third section evaluates the findings from the research and highlights the importance of the international entrepreneur in unlocking the Internet potential for international business processes. Lastly, it is concluded that the impact of IE characteristics in assisting the firm to exploit Internet capabilities for international businesses processes and new international opportunities is imperative.

## 2. Literature review

There has been a development within internationalisation studies with a focus on the increasingly active role played by international entrepreneurs of SMEs (see Bell, McNaughton, Young, & Crick, 2003; Johanson & Vahlne, 2003; Johnson, 2004; Loane, 2006; Oviatt & McDougall, 2005; Welch, 2004). This is because decision making power within SMEs and the impetus for firm internationalisation often lies with the international entrepreneur, opposed to the management team, which are responsible for decision making in larger multi-national firms (Bhuan, Menguc, & Bell, 2005). The literature highlights for example, that international business processes can be optimised when the firm is internationally market-oriented and entrepreneurial (Bhuan et al., 2005). Recognition of the role of the international entrepreneur in the internationalisation of

the firm has been widely acknowledged in the international business literature (see Cavusgil, 1984; Frishammar & Andersson, 2010; Hutchinson, Quinn, & Alexander, 2006; Moreno & Casillas, 2008; Lu & Beamish, 2001; Qureshil, Kamal, & Wolcott, 2009). For example, Frishammar and Andersson (2010) argued that there is a positive relationship between IE and international business outcomes, such as: number of international markets and percentage of total sales as international revenue and profit. Further, Lu and Beamish (2001) highlighted that international business outcomes also include the number of foreign investments, and the number of countries to which the firm has customers in. Due to the positive relationship between IE and international outcomes, scholars (see Mostafa et al., 2006; Zahra, Korri, & Yu, 2005) propose that a significant shift in IE research is warranted, by applying cognitive perspectives that examine how international entrepreneurs recognise and exploit opportunities in international markets. The authors also suggest that a cognitive approach, such as identifying IE characteristics will allow researchers to probe international entrepreneurs' motivations to internationalise and capture their mental modes, enriching the current understanding how of international entrepreneurial firms make internationalisation decisions (Zahra et al., 2005).

### 2.1. *International entrepreneurial orientation*

Three decades since its conceptualisation, entrepreneurial orientation has played an important role in the development of entrepreneurship research (Slevin & Terjesen, 2011). Entrepreneurial orientation has been used to refer to the strategy-making processes of firms engaged in entrepreneurial activity (Lumpkin & Dess, 2001). Scholars (see Jantunen, Puumalainen, Saarenketo, & Kyläheiko, 2005; Knight, 2001; Mostafa et al., 2006; Ripollés-Meliá, Menguzzato-Boulard, & Sánchez-Peinado, 2007; Slevin & Terjesen, 2011) have suggested that entrepreneurial orientation can be meaningfully extended into the field of IE as a way of examining and explaining the cross-border internationalisation of firms. To survive and to be continually successful in international markets, firms particularly SMEs need to engage in internationalisation behaviour (Slevin & Terjesen, 2011). A firm's international entrepreneurial orientation (IEO) can also enable business to identify and exploit these internationalisation opportunities. IEO is a multi-dimensional concept (Covin and Slevin, 1991), reflecting the firms overall proactiveness and aggressiveness in its pursuit of international markets (Knight, 2001). IEO involves taking advantage of international market offerings and risks in international environments and to be more proactive than competitors in relation to new international business opportunities (Covin & Slevin, 1991; Jantunen et al., 2005; Wang, 2008). IEO has been utilised in the literature as both an individual and firm-level construct (Knight, 2001). The concept of IEO incorporates three dimensions drawing from the work of Miller (1983). These three dimensions reflect the firm's propensity to engage in international innovative, proactive and risk-taking behaviours in order to achieve the firm's competitive and internationally oriented goals (Knight, 2001). Firstly, international innovativeness refers to a firm's tendency to enter into experimentation, support new international ideas and depart from established practices (Lumpkin & Dess, 1996; Miller, 1983; Wiklund & Shepherd, 2005). The international innovative dimension also refers to the development or enhancement of products and services, such as new administrative techniques and/or technologies for improving the international organisational operations of the firm (Knight, 2001). Secondly, international proactiveness relates to aggressive positioning relative to competitors with an emphasis on the execution and on-going tasks in pursuit of the firms international market objectives (Knight, 2001). It has also been suggested that with a 'forward-looking' perspective, proactive firms have the desire to be pioneers, thereby capitalising on new and existing international business opportunities (Wiklund & Shepherd, 2005). Thirdly, international risk-taking propensity denotes the willingness of the international entrepreneur to make investments and commit resources to projects that have uncertain outcomes or unusually high profits and/or losses (Lee, Kyungmook, & Pennings, 2001; Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). Overall, research suggests that targeting customers in highly dynamic Internet environments requires international innovative, proactive and risk-taking propensities due to the increased probability of failure in unknown competitive environments (Ripollés-Meliá et al., 2007).

### 2.2. *Internet capabilities*

Research suggests that the overall success of entrepreneurial SMEs in international markets relies heavily on the capacity of the firm to change and adapt to new developments such as Internet capabilities (Buttriss & Wilkinson, 2003; Loane, 2006; Mostafa et al., 2006). Internet capabilities are defined as the leveraging of Internet technology for the international business processes of the firm; improving the transference of knowledge, the efficiency of international market transactions and the development and maintenance of international network relationships. Thus, the exploitation of the Internet's capabilities is essential for any international business related activity, or firm that intends to engage in internationalisation. The explosive growth and low cost of the Internet has enabled firms, particularly SMEs to connect with people and locations all over the world, further strengthening international business relations (Loane, 2006; Ruzzier, Hisrich, & Antoncic, 2006). As such, the Internet has the capacity to significantly increase not only the efficiency of market transactions, but also to enhance the learning process about international operations through faster and more extensive access to relevant information (Mathews & Healy, 2008; Morgan-Thomas & Bridgewater, 2004; Petersen et al., 2002).

Due to the Internet's influence and ability to facilitate international market expansion, many scholars have argued for a new paradigm in international business studies (see Aspelund & Moen, 2004; Hamill & Gregory, 1997; Loane & Bell, 2006; Loane, 2006; Mathews & Healy, 2007, 2008; Prasad et al., 2001; Samiee, 1998). This is because Internet capabilities are especially important for international firms, specifically those businesses which are geographically isolated; for example, the

Australian market. This is because the Internet acts as a conduit for many of the international activities between the customer and the firm (Mathews & Healy, 2007). For example, Aspelund and Moen (2004) argued that the Internet can fundamentally reduce communication barriers that often occur for geographically dispersed firms. Therefore, long-term use of the Internet raises the opportunity for cross-border information flows and transactions, while evoking faster foreign market expansion of firms (Aspelund & Moen, 2004; Petersen et al., 2002; Quelch & Klein, 1996). Likewise, business has influenced and been influenced by the evolving technology of the Internet (Buttriss & Wilkinson, 2003). The Internet as a medium for international trade has also been championed as the most significant advancement in global strategy (Lynch & Beck, 2001; Melawar & Stead, 2002). It has also been further suggested that the Internet is a powerful tool, which in most cases can be used to assist firms in overcoming physical and managerial barriers to internationalisation (Sinkovics & Bell, 2006). This is especially true for SMEs given their widely recognised human and financial resource constraints (Loane, 2006; Loane & Bell, 2006).

Scholars have argued that a mere Internet presence whilst it implies instant internationalisation from a technological perspective is limited, because the successful deployment of a virtual presence is restrained by the functional and organisational capabilities of the firm (Kotha, Rindova, & Rothaermel, 2001; Loane, 2006). That is, a website presence does not automatically assume a business is instantly international. Instead, to survive and grow in highly competitive Internet business environments firms have to search beyond their current resource base (Liao, Kickul, & Ma, 2009). There have also been suggestions that Internet environments render seemingly unsustainable competitive advantages and international outcomes obsolete (Liao et al., 2009). Instead, we would argue that competitive advantage and successful internationalisation arise from a firm's capability to constantly rejuvenate and redeploy the firm's Internet capabilities. Despite this finding, the link between IE characteristics, Internet capabilities and international business processes of the firm is still not well understood (Mathews & Healy, 2007; Mostafa et al., 2006; Reuber & Fischer, 2011). That is, research concerning SME internationalisation has been criticised in the entrepreneurship literature due to the lack of consideration paid to IE in an Internet environment (Coviello & Munro, 1995; Nieto & Fernandez, 2006; Oviatt & McDougall, 1994; Sinkovics & Bell, 2006; Zahra & Covin, 1995; Zahra & Dess, 2001).

Business conducted via an Internet platform has been described as the SMEs gateway to global business and markets (Ramsey & Ibbotson, 2006). Ramsey and Ibbotson (2006) further argued that for entrepreneurial SMEs it is the underlying technology that is important, the willingness to embrace its business potential and the innovative nature of how business is conducted. Loane and Bell (2006) further argued that entrepreneurial firms that ignore national boundaries, and are often influenced by both globalisation and the impact of the Internet. The Internet in particular has provided entrepreneurial SMEs with new ways to conduct business and to exchange and communicate ideas and information (Loane, 2006). Sinkovics and Penz (2006) also suggested that the Internet is a promoter of rapidly internationalising entrepreneurial firms. Similarly, Arenius et al. (2006) argued that entrepreneurial knowledge intensive firms can quicken their internationalisation using the Internet as a sales channel. As such, the Internet in terms of information processing capabilities can facilitate firms to improve their market knowledge and international network relationships. This is because the Internet enables firms to obtain valuable information about international markets; consequently the firm finds itself in a better position to conform to specific market needs (Nieto & Fernandez, 2006).

Studies that explore IE in an Internet environment add to the ongoing debate of the Internet, and SMEs in a practical but yet important direction (Sinkovics & Bell, 2006). However, although several empirical research papers attempt to provide some insight into IE in an Internet environment, the research area is still evolving; warranting greater exploration to reveal the key IE characteristics influencing salient Internet business decisions among SMEs, as the role of the Internet in IE studies remains at a relatively infant stage (Arenius et al., 2006; Etemad et al., 2010; Loane, 2006; Mostafa et al., 2006; Reuber & Fischer, 2011; Sinkovics & Bell, 2006). More specifically, researchers have suggested that there is a need for further research in IE studies, to identify the IE characteristics influencing the Internet capabilities and international business processes of the firm (Mostafa et al., 2006; Reuber & Fischer, 2011). In light of a review of the extant literature, the research question developed to address the gap in the IE literature is; *“Do international entrepreneurship characteristics influence the Internet capabilities and international business processes of the firm? If so, how and why? If not, why not?”*

### 3. A priori theory

Briefly, the purpose of Section 3 in this manuscript is to provide an increased understanding of how IE characteristics influence Internet capabilities in the international business processes of the firm. Included in this section is a discussion and assessment of the types of IE characteristics that are expected to be related to the Internet capabilities and international business processes of the firm.

#### 3.1. International innovativeness

Firms often engage in international innovative behaviour in order to achieve competitive and internationally oriented goals, such as successful firm internationalisation. Examples of international innovativeness in an online environment include; new product development in an online context and opening of new markets via the Internet. From a conceptual standpoint, research describes international innovativeness as an antecedent to phenomena including; internationalisation (Knight, 2001; Ripollés-Meliá et al., 2007), successful international outcomes (Jantunen et al., 2005; Mostafa et al., 2006;



Wiklund & Shepherd, 2005) and, technology adoption (Knight & Cavusgil, 2004; Wang, 2008). Research also suggests that an entrepreneurial orientation gives rise to innovative processes and practices intended to maximise organisational success in new markets (Lumpkin & Dess, 1996). Due to the increasing importance and number of firms using the Internet to pursue international markets, it is expected that standardised use of the Internet will no longer be sufficient for competitive advantage. Instead, firms are often forced to become innovative to take advantage of online international market opportunities. Research suggests that increased levels of technological and/or product market innovation can also be used by the firm to pursue new opportunities (Wiklund & Shepherd, 2005). Research further suggests that entrepreneurship, innovation and internationalisation are becoming increasingly intertwined and that innovativeness is imperative for the flexible and proactive management of business activities in a complex and dynamic globalising world (Onetti, Zucchella, Jones, & McDougall-Covin, 2012). Therefore, it is expected that firms operating in an online environment will be forced to develop new international innovations in order to remain competitive in dynamic online environments.

### 3.2. *International proactiveness*

International proactiveness relates to aggressive posturing relative to competitors, with an emphasis on the execution and follow-up of tasks in relation to the firm's international objectives (Knight, 2001; Wiklund & Shepherd, 2005). The literature suggests that firms engaged proactively in international business activities in an online space are more likely to achieve gains beyond financial outcomes (Loane, 2006), including first-mover advantages in anticipation of future demand to create change and shape the environment (Lumpkin & Dess, 1996; Mostafa et al., 2006). Research also highlights that an international proactive approach leads to the international entrepreneur's ability to anticipate future needs of the firm and to gain a competitive advantage by pursuing new international market prospects (Jantunen et al., 2005; Knight & Cavusgil, 2004). Wiklund and Shepherd (2005) suggest that with a forward-looking perspective, proactive firms have the aspiration to be pioneers in their field, doing so by capitalising on emerging international market opportunities. International proactiveness in an Internet environment refers to an opportunity-seeking, forward-looking perspective where firms actively seek out new international market opportunity, whilst anticipating the future international market and technological needs. With the explosive growth of the Internet in the international business environment, limited research exists in examining the proactive behaviour of firms in highly complex, dynamic Internet environments. This insight may provide understanding into how international entrepreneurial firms are leveraging the Internet for the international business processes of the firm.

### 3.3. *International risk-taking propensity*

The international risk-taking dimension of IEO is associated with the planning and implementation of projects that entail significant chances of financial loss (Miller & Friesen 1984; Knight, 2001). The risk-taking dimension also denotes the willingness of the international entrepreneur to make investments and commit resources to projects that have uncertain outcomes or unusually high profits and/or losses (Knight, 2001; Lee et al., 2001; Lumpkin & Dess, 1996); and is willingness to break away from previously established practices and venture into the unknown (Wiklund & Shepherd, 2005). The existing literature in entrepreneurship (see Lumpkin & Dess, 1996, 2001; Moreno & Casillas, 2008; Wang, 2008; Wiklund & Shepherd, 2005) and IE (see Jantunen et al., 2005; Mostafa et al., 2006; Oviatt & McDougall, 2005; Ripollés-Meliá et al., 2007) assumes that entrepreneurial orientation and a firm's international business processes (*such as firm internationalisation*) are positively related to the firm's entrepreneurial orientation, including risk-taking propensities. For example, in a study of small and medium sized exporting firms, Mostafa et al. (2006) found that those managers with high entrepreneurial orientation are innovative, proactive and risk seeking, and, as a consequence were more likely to exploit opportunities provided by Internet capabilities, thus indicating a higher level of commitment to the Internet and firm internationalisation. As such, it is assumed that international risk-taking propensity will be important for the firm's development of Internet capabilities for international business processes.

### 3.4. *International business experience*

The impact of prior international business experience of the entrepreneur has an important effect upon international firms, particularly at the initial decision to expand and for the continuance of the firm's international strategy (Dyer & Handler, 1994; Fischer & Reuber, 2003; Hutchinson et al., 2006; Loane & Bell, 2002; Wang, 2008). According to Westhead, Wright, and Ucbasaran (2001), entrepreneurial firms with diverse management knowhow and international business experience may be able to undertake more promising competitive strategies and opportunities in foreign markets than their larger counterparts. International business experience is said to concern experience related to the business environment (Johanson & Vahlne, 1977, 2003). Johanson and Vahlne (2003) argued that conducting business in international markets allows managers to develop knowledge and specific business skills associated with the context in which they are developed. More explicitly, market specific experience cannot be readily transferred and takes time to develop (Johanson & Vahlne, 2003). Knowledge, as embedded in the international entrepreneur from previous experience, plays an important role in the garnering of firm resources for internationalisation, which can also be enhanced by the Internet (Reuber & Fischer, 1997). Therefore, it can be argued that international business experience is important for the firm's Internet internationalisation and

the overall international business processes of the firm. Although prior international business experience of the manager has gained increased significance and is widely recognised as a vital asset for firms (Andersson & Evangelista, 2006; Chetty & Campbell-Hunt, 2004; Dyer & Handler, 1994; Poon & Swatman, 1997; Wang, 2008), studies examining the prior international experience of managers in an Internet, international entrepreneurial environment are limited (see Poon & Swatman, 1997).

### 3.5. *International networks*

The importance of traditional networks in internationalisation has been widely recognised in the extant literature (see Coviello & McAuley, 1999; Moen & Servais, 2002; Mort, 2006). Network theory depicts markets as a web of relationships among a number of players encompassing, customers, suppliers, distributors, competitors and private and public support agencies (Coviello & Munro, 1995; Etemad, 2001; Oviatt & McDougall, 1995). International entrepreneurial firms seeking to internationalise can leverage and take advantage of these network players. Numerous scholars (see Coviello & Cox, 2007; Coviello & Munro, 1995; Hite & Hesterly, 2001; Johanson and Vahlne, 2003; Mort, 2006; Oviatt & McDougall, 1995; Rothaermel, 2007; Welch, 2004) suggest that traditional network relationships play an important part internationalisation, particularly allowing firms to overcome financial and human resource constraints. The value of international networks as an integral part of the explanation of entrepreneurial success is also acknowledged in the literature (Coviello & Munro, 1995; Dimitratos & Plakoyiannaki, 2003; Mort, 2006). It is also widely suggested that the Internet has provided entrepreneurial SMEs with new ways to conduct and develop international business, communicate ideas, and exchange information (Aspelund & Moen, 2004; Bell & Loane, 2010). The literature further suggests that international networks in an online space are an important and unique firm resource (Etemad et al., 2010; Loane, 2006; Reuber & Fischer, 2011). More than the Internet itself, it has been argued that the sustainability of competitive advantage in the global marketplace from the Internet lies in the firm's ability to re-configure and leverage Internet capabilities in rapidly changing, Internet environments (Liao et al., 2009; Zhu & Kraemer, 2002). The Internet has also been found to be associated with increased international business outcomes, allowing firms to identify new international market opportunities through integration of international networks via the Internet (Bell & Loane, 2010; Mostafa et al., 2006; Reuber & Fischer, 2011). Further, the Internet has also been found to play a pivotal role in the creation of international relationships and is a mechanism for the creation of international growth opportunities in SMEs (Mathews & Healy, 2008). As such, it can be said that international networks remain an important part of any international firm operating in a complex Internet environment.

## 4. Method of research

### 4.1. *Multiple case study methodology*

Multiple case studies, using non-probability purposive selection criteria was deemed to be appropriate for this research methodology. The use of multiple case studies gives a holistic perspective of a complex phenomenon, namely the IE characteristics of the firm and the influence of Internet capabilities for international business processes; thus, constructing a theoretical platform where no set procedures or standards are in place (Gummesson, 2000). In-depth 1½–2 h case interviews were conducted with founding international entrepreneurs from eight Australian travel and tourism SMEs that operate internationally and, where the firm utilised the Internet in their internationalisation activities. Based on 'a priori theory', an interview protocol was developed to guide the interviews, the length of which precludes its inclusion into this paper. However, a significant part of the process included questions about how the founders integrated the Internet into their internationalisation activities. Direct questions about the owner/founders IE characteristics, as well as the usage and integration of Internet technologies within the firm were discussed. Further, probing questions were also added to explore future opportunities of Internet use within the firm.

#### 4.1.1. *Level of analysis*

The objective of this research study was to investigate and explore IE characteristics influencing the use of Internet capabilities for the international business processes of the firm. For the purpose of the enquiry international entrepreneurs from Australian travel and tourism SMEs were selected; from which eight cases were constructed based on in-depth interviews with owner/founders. This internationalisation study has adopted to level of analysis as presented by Loane (2006) who conducted interviews with key decision-makers of SMEs, which in most cases was a member of the founding team; for a firm-level analysis of the role of the Internet in the internationalisation of SMEs. Research papers in international business have argued that the international entrepreneur can be seen as the single representation of the firm in relation to internal international decision-making processes within the SME (Jantunen et al., 2005; Loane, 2006; Mostafa et al., 2006). That is, interviews were conducted at the individual level with international entrepreneurs. The individual international entrepreneur was addressed by the collection of data, while the results of the research have implications for firm strategy.

#### 4.1.2. *Unit of data collection*

The unit of data collection in this study is the individual international entrepreneur. Although data was collected by interviews conducted with international entrepreneurs, case study questions were relevant to both the international

**Table 1**  
Case study selections based on replication logic.

All firms: travel and tourism industry	Female entrepreneurs	Male entrepreneurs
Origin: Australian	CASE B, CASE C, CASE G	CASE H
Origin: non-Australian	CASE E, CASE F	CASE A, CASE D

entrepreneur, and the firm as a collective. It was deemed appropriate to investigate IE characteristics at an individual level first rather than a collective, as decision-making power within SMEs is generally concentrated in the hands of one or very few people (Reid, 1981). This is because owner/founders are generally the principal force behind the initiation, development, sustenance and success of SME internationalisation (Chetty & Hamilton, 1993; Hutchinson et al., 2006). It has been suggested that the decision of a firm to pursue international markets is dependent not only on the availability of technology, but also the international orientation and characteristics of international entrepreneurs (Loane et al., 2004). More recent research for example, highlights a shift in the IE literature by applying cognitive perspectives, such as the understanding of the characteristics of individual international entrepreneurs as managers, which may lead to an increased understanding of how many SMEs are recognising and exploiting new international market opportunities, through the use of Internet capabilities to achieve significant international business outcomes (Mostafa et al., 2006; Zahra et al., 2005). As such, it is important to reiterate that the findings in this research are relevant for both the international entrepreneur and the firm as a collective.

#### 4.1.3. Replication logic

The concept of replication logic is used to select cases as both literal replication and theoretical replication provides a foundation for outcomes through confirmation and analytical generalisability to the research (Parkhe, 1993; Yin, 2009), through a theory building process (Eisenhardt, 1989). That is, cases were chosen to give literal replication (*predicted similarities in the results*) and theoretical replication (*contrasting results but for predicted reasons*) so as to generate similarities and differences in the results from cases. By taking such an approach the study does not only generate results from similar cases where there is no variance or only different cases with nothing in common. For example, within the selection criteria all eight firms are SMEs, five with female entrepreneurs and three with male entrepreneurs, as indicated in Table 1. Similarly, Table 1 indicates that the sample also consisted of four Australian origin entrepreneurs and four international origin entrepreneurs. Similarities in the predicted responses (*literal replication*) were expected as these cases are all SMEs and from the same travel and tourism industry, while diversity in responses (*theoretical replication*) was also expected across small firms in comparison with medium firms. Theoretical replication was also expected across each case due to differences in origin, gender and product type.

The approaches to data analysis espoused by Miles and Huberman (1984) and Yin (1981) were adopted in this research. One of the most difficult aspects of case research is the case analysis (Yin, 1981), yet data analysis is the core of theory-building in case studies (Eisenhardt, 1989). Therefore, the analysis of qualitative data is a 'continuous iterative process' (Miles & Huberman, 1984, p. 23). Following the collection of data, three steps were utilised to manage the information, including; data reduction, data display and data analysis. However, the first step, data reduction, does not necessarily mean the quantification of data. Rather, it is the process of selecting, focusing, simplifying, abstracting and transforming the raw data. Data display, the second step, is where the information is organised and displayed, permitting a conclusion to be drawn, which is the third and final step of the process (Miles & Huberman, 1984). Case study methodology has a unique strength in its ability to deal with a full variety of evidence, such as documents, artefacts, observations and interviews (Eisenhardt, 1989; Yin, 2009). In this research international marketing material, company documents, company website content and interview transcripts were utilised to triangulate the results. The use of various sources of evidence in case studies allows the investigator to address a broader range of behavioural issues (Mason, 2006), aimed at corroborating the same fact or phenomenon (Patton, 1990). Case study methodology has evolved into a well-accepted and widely utilised research method in marketing and international business fields of research, particularly in the areas of Internet international marketing. For example, researchers have recently utilised case study analysis to analyse the Internet's impact on firm internationalisation (Loane, 2006; Mathews & Healy, 2007, 2008). For example, Mathews and Healy (2007) advocate the use of case analysis by exploring the influence of the Internet on international market growth from the strategic perspective of the firm. Similar to this, the purpose of this research is to identify the IE characteristics that influence Internet capabilities and to identify how these key capabilities will influence the international business processes of the firm.

#### 4.1.4. Selection of case studies

A total of eight international entrepreneurial firms from the services sector in Australia were chosen for close examination in this research. The Australian economy is dominated by its service sector, representing 68% of Australian GDP, rising to a record worth of \$53.3 billion in 2008–2009 (Austrade, 2011); despite the worst global financial crisis in seventy years. Service trade firms account for more than three-quarters of the economy's output and four out of every five jobs (Austrade, 2011), signalling the increased importance of the services sector within the Australian economy. Service-oriented firms in this research were sourced from the travel and tourism industry. This is because travel and tourism service

commodities rank in Australia's top 25 export service firms (Austrade, 2011). For example, the travel and tourism industry in Australia has been signalled as an important industry contributing to the economic well-being of the country (Standing & Vasudavan, 2000). Total spending by all visitors to Australia in the travel and tourism industry reached \$95.0 billion in 2011–2012 (Tourism Research Australia, 2012). While the aforementioned highlights the importance of the travel and tourism industry to the Australian economy, it is also important to note the Australian travel and tourism industry has been noticeably impacted by the development of the Internet and by the creation of new international growth opportunities (Standing & Vasudavan, 2000). This is particularly relevant for travel and tourism SMEs given the vast geographical distances between Australia and their international customers. Only SMEs, employing between 2 and 200 employees (ABS, 2002), from the Australian travel and tourism industry were selected for this research. Small firms employ between 1 and 19, and medium sized firms between 20 and 200 employees (Australian Bureau of Statistics, 2002). It is important to note all international entrepreneurs included in this research study were the owner/original founder of the firm. That is decision-making power in these firms' lied with the single key decision-maker or the international entrepreneur.

## 5. Data analysis

### 5.1. Within-case analysis

The demographic information relevant for both the international entrepreneur and the firm can be seen in Table 2. At an individual level, the demographic information in Table 2 indicates the job role, age, gender, country of origin and the prior international business experience of the owner/founder. In relation to demographic information relevant at the firm level, Table 2 indicates the firms year of the establishment, the firms first year of international activity, the firms number of employees, the firms number of international outlets, the firms regional focus, the firms customer orientation, the firms descriptive type, the firms main use of the Internet, the intensity of Internet use within the firm and the proportion of revenue coming from international customers. For reasons of confidentiality the international entrepreneurs in this research cannot be named, however the international entrepreneurs and the firm as a collective will be referred to as CASES A–H. Of the demographics presented in Table 2, all eight international entrepreneurs of the firms interviewed were owners/founders and managing directors of the business, reflected in the job titles presented in Table 2. The sample consisted of five female (see CASES B, C and E–G), and three male (see CASES A, D and H) international entrepreneurs, a relatively young sample of international entrepreneurs, the medium age just 49. The country of origin indicates that four International entrepreneurs from CASES B, C, G and H were Australian; international entrepreneurs from CASES D and E from the United Kingdom, international entrepreneur from CASE A originating from New Zealand and the international entrepreneur from CASE F originating from Japan. Despite the nationality of the international entrepreneurs it is important to note that the firms are private, wholly owned Australian service firms. Of the eight international entrepreneurs, all owner/founders except CASE C had prior international business experience in working in another firm. The year of establishment of each case firm ranged from the earliest, 1986 (CASE G) to the most recent inception, 2006 (CASE E). All firms had international outlets, that is, firms were active in international markets either physically or in an online space. The regional focus of these firms extended to close neighbouring markets; *New Zealand and Fiji* as well as distant markets including; *The United States, The United Kingdom, The United Arab Emirates, China, Taiwan, Japan, India and Thailand*. The customer orientation of firms in this research included both business-to-business and business-to-consumer operations. A brief description of the service offerings for each case can be found in Table 2. In terms of Internet use, all firms were engaged in the use of Internet capabilities, with varying intensity from simple email and website use to advertising, blogging and customer relationship management. Further, the intensity of Internet use in firms can be seen in Table 2. Table 2 also indicates that firms in this research were extensively engaging in internationalisation. For example, five firms indicated that profit from international customers totalled above 40% of the businesses total revenues.

#### 5.1.1. Case one: CASE A

5.1.1.1. *Custom New Zealand holidays specialist.* CASE A is one of Australia's leading and most comprehensive, independent travel export firms to the New Zealand market. As the founder of an internationally focused company CASE A indicated that living in New Zealand, the United States and the United Kingdom for more than five years had a positive impact on the decision to expand the business internationally. The company has a total of five support offices, with the international component of the businesses total revenues equating to 95%.

#### 5.1.2. Case two: CASE B

5.1.2.1. *Certified eco tours specialist.* CASE B is a climate friendly business and leader in providing quality day and night eco-tourism experiences. The firm has appealed to clients in South East Asia including, China Thailand and Taiwan, with 70% of business accounting for international revenue. CASE B was not a born global firm, rather domestically focused until competition saturation in the home domestic market forced the company to make investments in Internet capabilities for international growth. One of these programmes is the development of an online self-serve, reservation system which has since revolutionised the businesses online environment by the streamlining of sales from international customers.



**Table 2**  
Within-case study analysis matrix of the international entrepreneurial travel and tourism cases.

Participant case number	Job role of the entrepreneur	Age of the entrepreneur	Gender of the entrepreneur	Country of origin of the entrepreneur	International business experience of the entrepreneur	Firms year of establishment	Firms year of first international activity	Firms number of employees
CASE A	Founder and managing director	60	Male	New Zealand	Yes	1996	1996	24 [M]
CASE B	Founder and manager	45	Female	Australia	Yes	1991	1991	16 [S]
CASE C	Founder and CEO	25	Female	Australia	No	1999	2003	21 [M]
CASE D	Founder and managing director	61	Male	United Kingdom	Yes	1988	1989	8 [S]
CASE E	Founder and managing director	45	Female	United Kingdom	Yes	2006	2006	6 [S]
CASE F	Founder and manager	33	Female	Japan	Yes	1992	1993	7 [S]
CASE G	Founder and manager	57	Female	Australia	Yes	1986	1986	26 [M]
CASE H	Founder and managing director	67	Male	Australia	Yes	2000	2006	24 [M]

Participant case number	Firms number of international outlets	Firms regional focus	Firms customer orientation	Firms descriptive type	Firms main use of the Internet	Intensity of Internet use within the firm	Proportion of revenue coming from international customers
CASE A	5	AU/NZ/US/UK/CN/TH	<sup>a</sup> B-to-C B-to-B	Custom New Zealand holidays specialist	Website, e-mail, advertising and public relations, customer relationship systems and software development	High	95% highly international
CASE B	3	AU/CN/TW/TH	<sup>a</sup> B-to-B B-to-C	Certified eco tours specialist	Website, e-mail, advertising and blogging	Moderate	70% highly international
CASE C	2	NZ/US/UK/JAP	B-to-C	Sailing and cruise holiday agency	Website and e-mail	Low	45% moderately international
CASE D	2	NZ	B-to-C	Boutique travel agency	Website and e-mail	Low	5% primarily domestic
CASE E	1	AU/CN/TH/TW/NZ	B-to-C	Seller of adventure rides	Website, e-mail, advertising, customer relationship systems, public relations and blogging	High	60% moderately international
CASE F	1	AU/NZ/UK	B-to-C	Water sports business	E-mail	Low	40% moderately international
CASE G	2	AU/UK	B-to-C	Personalised cruises agency	Website, e-mail and advertising	Moderate	5% primarily domestic
CASE H	3	AU/AE/NZ	B-to-C	Professional luxury travel agency	Website and e-mail	Low	15% primarily domestic

*Note:* All firms are private, wholly owned Australian services tourism firms.  
[S], small sized firm – 1–19 employees; [M], medium sized firm – 20–200 employees.  
All participants are owner/founder of the SME.

*Keys:* AE, United Arab Emirates; AU, Australia; CN, People's Republic of China; FJ, Fiji; IN, India; JAP, Japan; NZ, New Zealand; TH, Thailand; TW, Taiwan; UK, United Kingdom; US, United States.  
Small and medium sized enterprises are classified by firms employing between 1 and 200 people. Small firms employ between 1 and 19, and medium sized firms between 20 and 200 employees ([Australian Bureau of Statistics, 2002](#)).

<sup>a</sup> The primary customer type/orientation.

### 5.1.3. Case three: CASE C

5.1.3.1. *Sailing and cruise holiday agency.* CASE C, is a relatively young business providing a variety of cruises to destinations throughout South East Queensland. CASE C has only recently adopted Internet technology and the use of a website for its international customers. With international revenue sitting at around 45%, the firm's proportion of international revenue is increasing steadily. The founder of this SME has had no prior international business experience with living and/or working in a foreign market. The business has low integration of the Internet within the firm's international marketing-oriented activities.

### 5.1.4. Case four: CASE D

5.1.4.1. *Boutique travel agency.* Founded in 1988, CASE D has a focus on reputation for quality service and dedication to its clients, and is regarded as one of Australia's leading boutique travel agencies. With only 5% of revenue coming from international customers, CASE D capitalises mainly on the home domestic market within Australia. With limited prior international business experience, the international entrepreneur of CASE D stated that traditional network-based relationships are an essential component of the business. For example, the international entrepreneur of CASE D highlights that domestic travel trade shows have become increasingly important for gaining international customers from the New Zealand market.

### 5.1.5. Case five: CASE E

5.1.5.1. *Seller of adventure rides.* CASE E capitalises on providing 'adrenalin packed jet boat rides on the Gold Coast'. Established in 2006, CASE E is a traditional bricks-and-mortar firm that existed only in a physical sense, until recently when the firm moved its operations into an Internet environment. In doing so the business has quickly acquired approximately 60% of revenue coming from its international customers. The businesses main export markets include: China, Taiwan and Thailand. The ability for customers to book and pay in a secure online environment has enabled the business to effectively double the number bookings in the last two years.

### 5.1.6. Case six: CASE F

5.1.6.1. *Water sports business.* CASE F is a small parasailing water sports business. CASE F deals predominantly in the domestic market of Australia, however the international component of the firm accounts for around 40% of the businesses total sales, stemming from the near-by New Zealand market, as well as the United Kingdom. The firm currently does not have an operational website. Instead, the Japanese born owner-manager uses pre-established traditional network relationships in the local area to generate business and firm growth. Email is the only primary mechanism used to facilitate international transactions.

### 5.1.7. Case seven: CASE G

5.1.7.1. *Personalised cruise agency.* CASE G is a medium-sized cruise service provider. CASE G predominately has a business-to-consumer service orientation, however the firm also deals with other cruise agencies; therefore operations are also business-to-business focused. The international component of this firm stands at just 5%, with the majority of the firm's customer base located in the home domestic market. The Australian born owner/founder of this firm has extensive knowledge of working in the United States, Canada and Jordan.

### 5.1.8. Case eight: CASE H

5.1.8.1. *Professional luxury travel agency.* CASE H is a SME providing a boutique style luxury travel service designed to cater for the frequent and discerning traveller in search of new luxury travel experiences. The firm offers exclusive packages and escorted special interest global tours. CASE H has approximately 15% of its annual profit generated by international customers, coming from the United Arab Emirates and New Zealand. The firm has invested heavily on financial and human resources for the development of the firm's website in generating growth for international markets, specifically for the United Arab Emirates market.

## 5.2. Cross-case analysis

It has been suggested that a firm's ability to recognise international business opportunities and exploit them is dependent on the internal capabilities of the firm (Frishammar & Andersson, 2010). Four key characteristics – *international innovativeness, international proactiveness, international risk-taking propensity, international business experience and international networks* – will be assessed in relation to the Internet capabilities within international entrepreneurial firms.

**Table 3**  
Key international characteristics elicited.

Characteristics	Case and level characteristics presented in the research							
	A	B	C	D	E	F	G	H
Characteristics influencing Internet application in international business processes								
International innovativeness	<b>High</b> <i>VSI</i>	<b>High</b> <i>VSI</i>	Low <i>MI</i>	Moderate <i>MI</i>	<b>High</b> <i>VSI</i>	Low <i>MI</i>	Low <i>LI</i>	<b>High</b> <i>VSI</i>
International proactiveness	<b>High</b> <i>VSI</i>	<b>High</b> <i>VSI</i>	<b>High</b> <i>VSI</i>	Moderate <i>MI</i>	Moderate <i>MI</i>	Moderate <i>MI</i>	<b>High</b> <i>VSI</i>	Moderate <i>MI</i>
International risk-taking propensity	<b>High</b> <i>MI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>
International business experience	Moderate <i>MI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>	Low <i>LI</i>	<b>High</b> <i>VSI</i>	<b>High</b> <i>VSI</i>
International networking	Moderate <i>LI</i>	<b>High</b> <i>VSI</i>	Moderate <i>LI</i>	High <i>VSI</i>	Low <i>LI</i>	<b>High</b> <i>VSI</i>	Low <i>LI</i>	Moderate <i>LI</i>

Note: These *italicised* indicators represent the entrepreneurs self-reporting.

All other indicators represent the researchers own appraisal of the characteristics present in each firm.

Please note that all analysis findings are from the researcher's appraisal of characteristics and are not drawn from the international entrepreneurs self-reporting. The self-reporting identified here is a mere representation of the firms view of IE characteristics.

Keys: *VSI*, very strong importance; *SI*, strong importance; *MI*, moderate importance; *LI*, limited importance; High, (high) levels of behaviour recorded; Moderate, (moderate) levels of behaviour recorded; Low, (low) levels of behaviour recorded.

### 5.2.1. International innovativeness

The findings of this research, as seen in Table 3 indicate that four out of eight internationally focused firms displayed high levels of international innovativeness behaviour. These four firms indicated that the internationally focused business had done something new or different in the past year to do with the Internet and their international customers. For example, CASE B is unique in that the firm had developed their own online reservation software to cater to foreign markets, and to increase the number of on-line bookings. Developing an online booking and self-reservation system indicates high international innovative behaviour, which is rarely seen in Australian SMEs, specifically due to the increased financial investments required for such an innovation. The international entrepreneur of CASE B, indicated that the business had adopted Internet technologies and thus, expanded the business into international markets, both physically and also in a virtual presence via the Internet. The findings of the case analysis also indicate that CASE A had completely overhauled the businesses website, and invested large sums of money into developing the website to become fully self-operational allowing customers to make travel arrangements, order and pay, all in one transaction. The innovative attitudes of international entrepreneurs in this research have been heavily influenced by the adoption of low cost, convenient Internet technologies. Further, firms indicated innovative attitudes by the development of new Internet technologies, such as customer relationship management systems, and also through the development of software solutions to optimise business processes and to support the international vision of the firm. In particular, 'High' levels of internationally innovative behaviour were recorded as being of 'very strong importance' to international entrepreneurs in CASES A, B, E and H. These four firms were also engaging in and making internationally innovative business decisions within the firm to not only efficiently service the current customer base well, but to also attain new customers in untapped international markets, ultimately streamlining the purchase process between buyer and seller.

### 5.2.2. International proactiveness

Seven out of the eight international entrepreneurs in this research specified that they were looking at growing the business and targeting new customers in the next year. A common statement by international entrepreneurs was "we would not discount any markets... and we are always looking at growing the business and attracting new customers." The international entrepreneur of CASE A further highlighted the importance of the Internet by stating:

*"The Internet is our future. The low cost technology means small businesses like mine can be quick on their feet and adapt to changes instantly... It is vital for small businesses to use such technologies and to grow in order to compete competitively. From now on the Internet will be an essential component in everything we do"*

In this research, the internationally focused entrepreneurs for the most part, invested a great deal in technological innovation, as well as the development and creation of new ideas to increase international market awareness. The international entrepreneurial firms as seen in Table 3 displayed varying levels of international proactiveness behaviour. Through the development and adoption of websites and online reservation systems we found that four out of eight cases, as seen in Table 3 demonstrated 'High' levels of innovativeness; through the encouragement of new ways of forward thinking. Specifically it can be seen that in CASES A–C and G the international entrepreneurs indicated 'High' levels of international proactive behaviour in responding to international market opportunities and anticipating future market needs, specifically when competing in international environments, through the integration of online booking and

reservation systems, and, by the development of tourism relevant software. The international entrepreneurs in this research also highlighted, with varying degrees, the importance of international proactive behaviour for international business decision-making. For example, international entrepreneurs from CASES A–C and G, as seen in [Table 3](#) indicated ‘*very strong importance*’, while international entrepreneurs from CASES D–F and H indicated ‘*moderate importance*’. Seven international entrepreneurs in this research further stated that the Internet would be a vital part of growing the business internationally. International entrepreneurs in this study engaged in internationally proactive behaviour by anticipating the needs of future customers by the development of online reservation and customer relationship management systems. Further, firms engaged in this proactive behaviour in an effort to track current customers and profile potential clients, to optimise business processes and, to respond more efficiently to customers, whilst ultimately decreasing the businesses overall running costs.

### 5.2.3. *International risk-taking propensity*

The findings of the research indicate that only one firm and international entrepreneur (see CASE A) indicated high levels of commitment of resources to Internet projects where the risk of failure was high. The international entrepreneur of CASE A signified that the firm had developed an online booking and reservation programme to cater to foreign markets, to increase the number of on-line bookings ultimately augmenting the number of international customers. The development of a travel website (*separate from the companies own portal*), online booking and reservation systems, integration between global management systems, online booking engines, travel content management systems and online payment gateway integration indicates that CASE A was willing to make significant investments in Internet capabilities for the online, international travel and tourism market. Despite the high levels of international risk-taking propensity by the international entrepreneur of CASE A, the overwhelming majority of international entrepreneurs in this research indicated low levels of international risk-taking propensity in an Internet context. For example, [Table 3](#) indicates that seven international entrepreneurs (see CASES B–H) did not engage in international risk-taking in an Internet environment. All seven firms also indicated ‘*limited importance*’ in relation to the firm’s willingness to take on projects that have a high risk of failure in an international, online environment. Initially, internationalisation was an incremental high risk activity whereby the high levels of uncertainty associated with operating into international markets required a significant investment of resources, such knowledge and capital to overcome the barriers to internationalisation. Internet capabilities have made it easier and less resource demanding for firms to pursue international activities ([Aspelund & Moen, 2004](#)). The findings suggest that the Internet can assist to reduce the perceived risk associated with strategic decisions in the internationalisation of the firm ([Mathews & Healy, 2007](#)), and that whilst the Internet did previously have an impact on reducing risk in internationalisation, the Internet has now created a perception where international entrepreneurs now view internationalisation as a low risk business practice.

### 5.2.4. *International business experience*

The international entrepreneurs of CASES G and H noted that the knowledge and international business experience gained from living in overseas countries had a significant impact on the decision to adopt Internet capabilities for international business processes. [Table 3](#) indicates that the international entrepreneurs of CASES G and H placed a ‘*very strong importance*’ on acquiring prior international business experience and knowledge of the Internet from previous practice. The international entrepreneur of CASE H alluded that prior experiential knowledge, which is the previous experience gained from working in an internationally focused firm allowed the entrepreneur to make business decisions, with less risk, due to the prior knowledge and international business experience already gained from living and working in foreign markets. The international entrepreneur of CASE G, as seen in [Table 3](#), had extensive international business experience living and working in foreign countries including, the United States, Canada and Jordan. This internationally focused business experience according to the international entrepreneur of CASE G, has “*given us not only international experience. . . but more importantly an international business vision*”. [Hutchinson et al. \(2006\)](#) argued that the background and nationality of the international entrepreneur and their previous international business experience in working and living in overseas countries is crucial for a firm’s international business. The impact of prior international business experience of the international entrepreneur has been found to have a strong effect upon SMEs, particularly at the initial decision to expand and also for the continuation of the firm’s strategy into international markets ([Hutchinson et al., 2006](#)). It has also been suggested that SMEs with diverse management knowhow may be able to undertake more promising competitive strategies and opportunities in foreign markets than their larger counterparts ([Hutchinson et al., 2006](#)). The findings of this research contradict the results of a study of entrepreneurial firms by [Hutchinson et al. \(2006\)](#), as the prior international business experience of entrepreneurs in this research was found not to be a critical antecedent for the application of Internet capabilities for the international business processes of the firm. For example, only two out of the eight international entrepreneurs in this research study indicated that prior international business experience was an essential component for the internationalisation of the firm. For example, the international entrepreneurs of CASES A–F, as seen in [Table 3](#), placed a ‘*Moderate to Low importance*’ on international business experience. The findings indicate that those firms with high international business experience also have a greater reliance on the international experiences previously gained. Further, where the levels of previous international business experience in conjunction with high levels of Internet experience are present, as seen in CASE G, firms developing complex Internet capabilities for the international business processes of the firm.

### 5.2.5. International networks

It can be argued that the networks formed by international entrepreneurs is a source of extended knowledge and competitive advantage. Networks can be particularly beneficial for SMEs in building foreign market knowledge and improving global competitiveness. In this research we found that all eight firms were active in their networking behaviours, both in offline and online environments, although interestingly when asked “*do you network from a business perspective*” only five firms (B, C, D, F and H) indicated that they were actively networking online on a regular basis. Networks among international entrepreneurs in this research were generally informal in nature. When the international entrepreneur of CASE A was asked “*do you network from a business perspective*”, the reply was:

*“Half as much less than other tourism businesses. The Internet has only marginally impacted the development and maintenance of my network relationships because I don’t have to leave my office. . . still I prefer to meet with people face-to-face”*

The ability of firms to network on a formal basis, for example, with other businesses or consultants was found to be important for international entrepreneurs of CASES B and D. Once established, entrepreneurs are more inclined to focus their traditional networks on people that could provide resources and knowledge to assist in the firm’s initial development. Given the firms in this research are international entrepreneurial SMEs, all eight firms indicated that time restraints and a lack of human and financial resources are a key limitation of being able to formally network on a regular basis. Surprisingly, although formal business networks have been found to be an important part of SME internationalisation studies (see Andersson & Evangelista, 2006; Andersson, 2000; Coviello & Cox, 2007; Coviello & Munro, 1995; Loane, 2006; Oviatt & McDougall, 1994) the international entrepreneurs in this research signified that the development and maintenance of formal network relationships are also less important in comparison to informal networks. International entrepreneurs in this research were developing new formal network relationships in an online space as opposed to leveraging pre-established relationships (see CASES B, D and F). Although, research (see Coviello & Munro, 1995; Hite & Hesterly, 2001; Mort, 2006) suggests that SMEs should develop formal network relationships to survive and for on-going support in international market environments, the findings of this research indicate that firms can develop and sustain a successful international market presence without relying only on formal network relationships. International entrepreneurs in this research (see CASES A, C, E, G and H) tended to rely on traditional networking capabilities to maintain international business relationships rather than utilisation of the Internet to create and/or maintain new international network relationships. Although international entrepreneurs from CASES B, D and F, as seen in Table 3 placed ‘*very strong importance*’ on international networking behaviour, five international entrepreneurs (see CASES A, C, E, G and H) suggested networking behaviour is of a ‘*limited importance*’. The findings further indicate that a high level of emphasis on traditional networks leads to limited development of Internet capabilities in relation to less traditional networks in an Internet environment. However, this study highlights a different approach that firms are taking to develop and maintain network relationships. It also shows the nature of networks are changing. Certainly firms are utilising formal and informal networks, and at the same time using the Internet to mediate these networks. In this study it can be seen that firms are developing networks is a more complex idiosyncratic, firm-specific way, we also see that the process of utilising networks is evolving. Thus, this evolution of network development means that firms are utilising formal and informal, traditional and Internet mediated networks for international business processes.

The findings from eight international entrepreneurial focused case studies indicate that a number of key IE characteristics can influence the application of Internet capabilities in the international business processes of the firm. These key IE characteristics include; *international innovativeness, international proactiveness, international risk-taking propensity, international business experience and international networks*. The findings of Table 3 suggest that the application of high levels of international innovativeness and proactiveness IE characteristics lead to the increased integration of Internet capabilities within the firm. The findings also indicate that whilst the Internet did previously have an impact on reducing risk in internationalisation, the Internet has now created a perception where international entrepreneurs now view internationalisation as a lower risk business practice. This is because the Internet has negated the traditional barriers faced by firms in the internationalisation process. The findings also indicate that the prior international business experience, international risk-taking propensity and international networking characteristics are not necessarily precursors to successful integration of Internet capabilities for international business processes. On the contrary, international business experience and international networks actually lead to a reliance on traditional mechanisms of internationalisation and can dilute the development of Internet capabilities for international business processes.

International entrepreneurial firms in this research highlighted that the Internet is an important tool in capturing international customers whilst increasing the firm’s knowledge about distant markets to ultimately improve international market reach. Firms in this research, as seen in Table 4, utilised the Internet as a medium for third party websites, official company websites, advertising and marketing both domestically and internationally, for online sales, after sales service and support, online purchasing, email applications, international market management, to recruit personnel, and to engage in blogging activities in an online environment. In terms of the intensity of Internet use in firms, CASES A–C and E indicated high levels of Internet capability integration while the international entrepreneur of CASES D and G indicated high to moderate levels of Internet integration in the firm.

International entrepreneurs from CASES A–C and E indicated greater integration of the Internet in international business practice, extending the firm’s global reach beyond domestic market opportunities. International entrepreneurs from CASES



**Table 4**  
Range of Internet capabilities in relation to international entrepreneurial characteristics.

Internet use	International entrepreneurial characteristics associated with each case															
	A	II, IP, IRP <sup>a</sup>	B	II, IP, IN <sup>a</sup>	C	IP <sup>a</sup>	D	IN <sup>a</sup>	E	II <sup>a</sup>	F	IN <sup>a</sup>	G	IP, IE <sup>a</sup>	H	II, IE <sup>a</sup>
<i>Internet integration within internationally focused business</i>																
Third party websites	×		×		×		×		×				×			
Official business website	×		×		×		×		×				×		×	
Advertising and marketing	×		×						×							
Online sales	×		×		×				×							
After sales service/support	×		×		×		×		×				×			
Online purchasing	×		×		×				×				×			
Email	×		×		×		×		×		×		×		×	
International market management	×		×		×		×		×				×			
Recruit personnel	×		×													
Blogging	×		×													

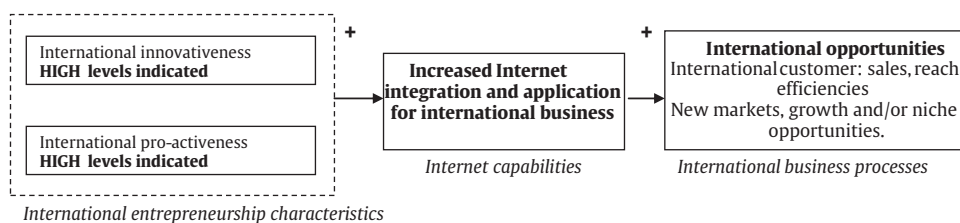
<sup>a</sup> II, high levels of international innovativeness; IP, international proactiveness; IRP, international risk-taking propensity; IE, international business experience; IN, international networks.

A–C and E also indicated high levels of international innovativeness and international proactiveness in terms of integration of Internet capabilities. For example, the international entrepreneurs from CASES B, C and E, as seen in Table 3, had implemented a self-operational booking/reservation system, allowing customers to book products and services via the Internet. CASE A is unique in that the international entrepreneur of the firm had developed the businesses own online reservation programme to cater to foreign markets. The Internet was also utilised as an international market management tool in all firms, except CASES F and H which demonstrated limited use of Internet capabilities within international business activity. Specifically, after the in-depth interviews with international entrepreneurs it can be seen that CASES F and H were highly risk-averse and indicated limited levels international innovativeness in international business processes. All firms in this research used Email while all firms, except CASE F had an official business website. Firms except CASES F and H (see, CASES A–E and G) also had links to third party websites. Business blogs can be an effective way to share business expertise, build potential domestic and international web traffic and connect with potential business customers. Though important, but not critical for a business's web presence, only the international entrepreneurs of CASES A and B in this research indicated their engagement in blogging activities. The international entrepreneurs of CASES A and B also indicated the use of the Internet to identify and recruit new employees. The international entrepreneurs of CASES A and B further indicated high levels of international innovativeness and proactiveness behaviour.

## 6. Discussion of findings

In previous research the Internet has been found to play a pivotal role in the creation of relationships in firms and, in most cases, is a mechanism for the creation of international opportunities in SMEs (Bell & Young, 1998; Loane, 2006; Mathews & Healy, 2008). Moreover, it has also been suggested that the Internet has enhanced the firm's ability to interact with international customers, suppliers and business partners through multiple, inexpensive integrated Internet technologies (Mathews & Healy, 2008). In this study, there is evidence to suggest that firms displaying high levels of international business experience and international networking characteristics for the most part lack the development of Internet capabilities for the international business processes of the firm. Whereas, those firms emphasising international innovation and international proactiveness characteristics tend to have higher levels of Internet capability development for international business processes. As such, this research suggests two critical characteristics required for the deployment of Internet capabilities to leverage international business processes: (1) international innovativeness and, (2) international proactiveness, as illustrated in Fig. 1. Further, the findings of our research highlight the importance of a broader perspective of IE within the Internet capability research, where a combination of cognitive characteristics plays an important role in the development and the deployment of Internet capabilities.

International innovativeness was evident in all firms in this research (see CASES A–H) however with varying degrees, which meant that firms demonstrated their ability to experiment, support new ideas and depart from established practices.



**Fig. 1.** Model of the international entrepreneurial characteristics influencing Internet use in SME.

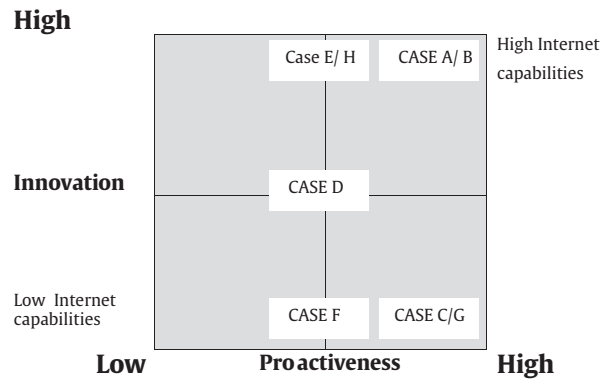


Fig. 2. International characteristics of innovation and proactiveness and the influence of Internet capabilities.

The international innovative nature and attitudes of entrepreneurs has heavily influenced these firms ability to adopt Internet capabilities in an effort to reach customers in international markets. It was anticipated that international innovativeness would be a key IE characteristic required for the development of Internet capabilities for the international business processes of the firm. Therefore, the findings of this study support the view that international innovativeness promotes a sense of open-mindedness; creating an environment for organisational learning to take place (Lumpkin & Dess, 1996; Wang, 2008). International entrepreneurs in this study demonstrating high levels of international innovativeness (see CASES A, B and E, *excluding* CASE H) also showed higher levels of development and adoption of Internet capabilities for the international marketplace, as illustrated in Fig. 2. Firms in this study were involved in making internationally innovative business decisions to effectively service the current customer base and also attract new customers in untapped markets, many of which are international.

The findings of our study also indicate that international entrepreneurs encompassing high levels of international proactiveness exhibit higher levels of Internet capabilities. In this research we found that firms indicated that they were constantly looking for new ways to expand the business, and were continually looking for new ways to increase the number of international customers. International entrepreneurs in this study also pursued proactive action in foreign markets, increasing competitiveness and market share through the application of Internet capabilities for firm internationalisation (see, CASES A–C). This finding was evident in firms with high levels of international proactiveness in conjunction with high levels of Internet capability integration (see, CASES A–C) and, in CASE G where the international entrepreneur indicated high levels of international proactiveness and moderate levels of Internet capability integration. Further, these international entrepreneurs were seeking to identify and exploit new opportunities through the adoption of Internet capabilities such as, the creation of customer relationship management systems. The findings of this study indicate that a high level of international proactiveness is an important international entrepreneurial trait, especially on the inclination of the firm to adopt Internet technologies and, to expand abroad into international markets. Further, as Jantunen et al. (2005) argued the organisational and technological capabilities of a firm may offer sustainable competitive advantages in rapidly changing markets. This research provides evidence of a combination of international innovativeness and proactive behaviour in relation to competition and internationalisation to support the argument posed by Jantunen et al. (2005). Furthermore, the findings indicate that high levels of international innovativeness and international proactiveness, as seen in Fig. 2 are precursors to the development and deployment of Internet capabilities for the international business process of small, international entrepreneurial firms. Conversely, despite the high levels of international risk-taking propensity by the international entrepreneur of CASE A, seven international entrepreneurs (see CASES B–H) did not engage in international risk-taking propensities in an Internet environment. Although research indicates that firms engage in risk-taking behaviour to improve the entrepreneurial orientation and that entrepreneurial orientation and firms international business processes are positively related (see Jantunen et al., 2005; Moreno & Casillas, 2008; Mostafa et al., 2006; Ripollés-Meliá et al., 2007; Wang, 2008; Wiklund & Shepherd, 2005). Therefore, we argue that international risk-taking propensity is not necessarily a precursor to the integration of Internet capabilities for international business processes.

The findings of this study also indicate that international networking of international entrepreneurs plays a non-essential role in the internationalisation of firms for the development of Internet capabilities. That is, the international networking characteristics of international entrepreneurs are not precursors to the development and/or the deployment of Internet capabilities for international business processes. From this study, it is clear that small international entrepreneurial firms whilst active in minor international networking activities viewed the role of formal networks to be less important. This finding contradicts a previous school of thought by researchers (see Coviello & Munro, 1995; Loane et al., 2004; Loane, 2006; Mathews & Healy, 2008) who suggested a link between the development of Internet capabilities and international networks. However, it is important to note that Mathews and Healy (2008) and Loane et al. (2004) examine the positive impact of the Internet on the development of international networks, whereas in this study we examine how the characteristics of the international entrepreneur might impact Internet capabilities for international business processes. In this research, predominantly those

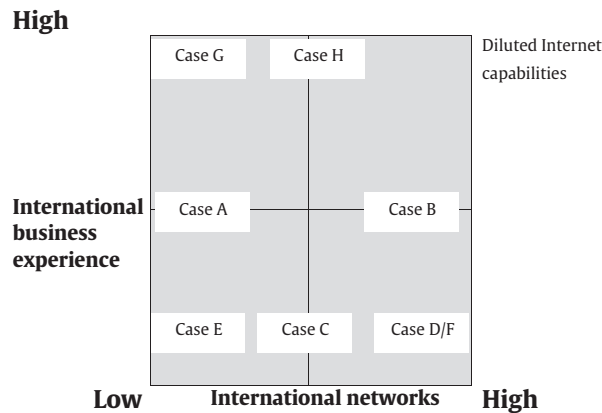


Fig. 3. International characteristics of international business experience and international networks and the influence of Internet capabilities.

firms that rely on international networks for internationalisation are less inclined to develop and deploy Internet capabilities for international business processes. For example, the international entrepreneurs of CASES D and F, as illustrated in Fig. 3 indicate a reliance on traditional international networks at the expense of developing Internet capabilities.

This study also indicates that international business experience of international entrepreneurs whilst important is not an essential component for the application of Internet capabilities for the international business processes of the firm. Our findings indicate that six out of the eight international entrepreneurs in this research had prior international business experience of working and/or living in overseas markets. It has been suggested that the knowledge embedded in the international entrepreneur from previous international business experience (Reuber & Fischer, 1997), plays an important role in the garnering of firm resources for internationalisation. It has also been suggested that the manager's international business experience level in international markets may have a bearing on the mindset of the manager, even in an Internet environment (Aspelund & Moen, 2004). However, Morgan-Thomas and Bridgewater (2004) argued that firms with less export experience succeed better in their virtual export channels or if the decision-maker in an export firm has little international business experience, the firm relies more intensely on Internet capabilities (Morgan-Thomas & Bridgewater, 2004). Conversely, Kula and Tatoglu (2003) show that firms with higher levels of international mindset and international business experience allocate higher levels of resources towards export development and have higher levels of Internet use to support their international activities. Further, our findings support and extend the viewpoint as proposed by Morgan-Thomas and Bridgewater (2004). That is, international entrepreneurs with high levels of international business experience such as CASE G tend to rely on those international business experiences and spend less time, resources and effort developing and deploying Internet capabilities. Furthermore, it is suggested that those firms indicating high international business experience, in conjunction with high levels of international innovation and/or international proactiveness characteristics will override this dependence on these international business experiences, thus, developing Internet capabilities for the international business processes of the firm.

## 7. Conclusions

Overall, the findings of this research provide new insight into a field of research that is continually unfolding as the technology evolves. It is expected that the findings of this paper will force researchers to consider the level IE characteristics influencing the deployment of Internet capabilities for international business processes. It is argued that this research will assist managers in developing an international entrepreneurial business culture, achieved through leveraging the Internet capabilities for international business processes. Given that the Internet is one of the most significant innovations for business in recent years (Mathews & Healy, 2007), it is expected that this research will assist SMEs in leveraging the use of the Internet through IE characteristics to exploit new international market opportunities (Loane, 2006; Mathews & Healy, 2008). If firms aspire to exploit these new Internet opportunities to increase their international business they will need to concentrate on developing international innovativeness and proactiveness behaviours rather than maintaining a focus on international risk-taking propensities, international business experiences and traditional international networks. This is not to say that these traditional perspectives of international risk-taking propensity, international business experience and international networks are not without merit or will not lead to international business successes. However, in this new era of technological change, Internet capabilities will be paramount, as opposed to what we have seen in the past. This study begins to illuminate this dynamic and interesting topic, but much more research is needed. Further, this research will serve as a platform for future research investigation of the level of IE characteristics influencing the integration of the Internet in SMEs. Furthermore, future research should seek to investigate more precisely the levels of IE characteristics identified in this study and to specifically uncover other IE characteristics that may have an influence on the development of Internet capabilities for international business processes.

## References

- Australian Bureau of Statistics – ABS. (2002). *Small business in Australia. Section 1321.0*. Canberra.
- Austrade. (2011). Australian services sector posts higher figures despite global downturn. From <http://www.austrade.gov.au/Invest/Investor-Updates/100319-Australian-services-sector-posts-higher-figures-despite-global-downturn/default.aspx>.
- Andersson, S. (2000). The internationalisation of the firm from an entrepreneurial perspective. *International Studies of Management and Organisation*, 30(1), 63–92.
- Andersson, S., & Evangelista, F. (2006). The entrepreneur in the born global firm in Australia and Sweden. *Journal of Small Business and Enterprise Development*, 13(4), 642–659.
- Aspelund, A., & Moen, O. (2004). Internationalization of small high-tech firms: The role of information technology. *Journal of European Marketing*, 13(1), 85–105.
- Arenius, P., Sasi, V., & Gabrielsson, M. (2006). Rapid internationalisation enabled by the Internet: The case of a knowledge intensive company. *Journal of International Entrepreneurship*, 3, 279–290.
- Bell, J., McNaughton, R., Young, S., & Crick, D. (2003). Towards an integrative model of small firm internationalisation. *Journal of International Entrepreneurship*, 1(4), 339–362.
- Bell, J., & Loane, S. (2010). New-wave global firms: Web 2.0 and SME internationalisation. *Journal of Marketing Management*, 26(3), 213–229.
- Bell, J., & Young, S. (1998). Towards an integrative framework of the internationalization of the firm. In G. Hooley, R. Loveridge, & D. Wilson (Eds.), *Internationalization: Process, context and markets*. London: Macmillan.
- Bhuiyan, S. N., Menguc, B., & Bell, S. J. (2005). Just entrepreneurial enough: The moderating effect of entrepreneurship on the relationship between market orientation and performance. *Journal of Business Research*, 58(1), 9–17.
- Buttriss, G., Wilkinson, I. (2003). *Towards a process model of internationalisation: Becoming an e-Business*. Paper presented at the 19th annual IMP conference, Switzerland, Lugano.
- Cavusgil, S. T. (1984). Differences among exporting firms based on degree of internationalisation. *Journal of Business Research*, 12(2), 195–208.
- Chetty, S., & Campbell-Hunt, C. (2004). Internationalisation strategy and its impact on learning during the process. *Journal of Asia Pacific Marketing*, 3(2), 38–52.
- Chetty, S., & Hamilton, R. T. (1993). Firm-level determinants of export performance: A meta-analysis. *International Marketing Review*, 10(3), 26–34.
- Covin, J. G., & Slevin, D. P. (1991). A conceptual model of entrepreneurship as a firm behaviour. *Entrepreneurship: Theory and Practice*, 16, 7–25.
- Coviello, N. E., & Munro, H. J. (1995). Growing the entrepreneurial firm: Networking for international market development. *European Journal of Marketing*, 29(7), 49–62.
- Coviello, N., & McAuley, E. A. (1999). Internationalisation and the smaller firm: A review of contemporary empirical research. *Management International Review*, 39(3), 223–256.
- Coviello, N. E., & Cox, M. P. (2007). The resource dynamics of international new venture networks. *Journal of International Entrepreneurship*, 4(2–3), 113–132.
- Davis, P. S., Harveston, P. D., & Nicovich, S. G. (2000). Internationalization and organizational growth: The impact of Internet usage and technology involvement among entrepreneur-led family businesses. Paper presented at the American Marketing Association. Conference Proceedings.
- Dimitratos, P., & Plakoyiannaki, E. (2003). Theoretical foundations of an international entrepreneurial culture. *Journal of International Entrepreneurship*, 1(2), 187–215.
- Dyer, J. W., & Handler, G. W. (1994). Entrepreneurship and family business: Exploring the connections. *Entrepreneurship: Theory and Practice*, 19(1), 71–83.
- Etemad, H. (2001). The knowledge and network of international entrepreneurship: Theory and evidence. *Small Business Economics*, 20(1), 5–23.
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532–550.
- Etemad, H. I., Wilkinson, I., & Dana, L.-P. (2010). Internetization as the necessary condition for internationalization in the newly emerging economy. *Journal of International Entrepreneurship*, 8(4), 319–342.
- Fischer, E., & Reuber, A. R. (2003). Targeting export support to SMEs: Owners' international experience as a segmentation basis. *Small Business Economics*, 20(1), 69–82.
- Frishammar, J., & Andersson, S. (2010). The overestimated role of strategic orientations for international performance in smaller firms. *Journal of International Entrepreneurship*, 7, 57–77.
- Gabrielsson, M., & Manek Kirpalania, V. H. (2004). Born globals: How to reach new business space rapidly. *International Business Review*, 13(5), 555–571.
- Gummesson, E. (2000). *Qualitative methods in management research* (2nd ed.). London: Sage Publications.
- Hamill, J., & Gregory, K. (1997). Internet marketing in the internationalisation of UK SMEs. *Journal of Marketing Management*, 13, 9–28.
- Hite, J. M., & Hesterly, W. S. (2001). The evolution of firm networks: From emergence to early growth of the firm. *Strategic Management Journal*, 22(3), 275–286.
- Hutchinson, K., Quinn, B., & Alexander, N. (2006). The role of management characteristics in the internationalisation of SMEs: Evidence from the UK retail sector. *Journal of Small Business and Enterprise Development*, 13(4), 513–534.
- Jantunen, A., Puumalainen, K., Saarenketo, S., & Kyläheiko, K. (2005). Entrepreneurial orientation, dynamic capabilities and international performance. *Journal of International Entrepreneurship*, 3, 232–243.
- Johnson, J. E. (2004). Factors influencing the early internationalization of high technology start-ups: US and UK evidence. *Journal of International Entrepreneurship*, 2(1), 139–154.
- Johanson, J., & Vahlne, J.-E. (1977). The internationalization process of the firm. A model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1), 23–32.
- Johanson, J., & Vahlne, J.-E. (2003). Business relationship learning and commitment in the internationalization process. *Journal of International Entrepreneurship*, 1(1), 83–101.
- Knight, G. A. (2001). Entrepreneurship and strategy in the international SME. *Journal of International Management*, 7(3), 155–171.
- Knight, G. A., & Cavusgil, S. T. (2004). Innovation, organizational capabilities, and the born-global firm. *Journal of International Business Studies*, 35, 124–141.
- Kotha, S., Rindova, V. P., & Rothaermel, F. T. (2001). Assets and actions: Firm-specific factors in the internationalization of US Internet firms. *Journal of International Business Studies*, 32(4), 769–791.
- Kula, V., & Tatoglu, E. (2003). An exploratory study of Internet adoption by SMEs in an emerging market economy. *European Business Review*, 15(5), 324–333.
- Lee, S. M., Kyungmook, L., & Pennings, J. M. (2001). Internal capabilities, external networks, and performance: A study on technology-based ventures. *Strategic Management Journal*, 22(6/7), 615–640.
- Li, M., & Ye, L. R. (1999). Information technology and firm performance: Linking with environmental, strategic and managerial contexts. *Information and Management*, 35(1), 43–51.
- Liao, J., Kickul, J. R., & Ma, H. (2009). Organizational dynamic capability and innovation: An empirical examination of Internet firms. *Journal of Small Business Management*, 47(3), 263–286.
- Loane, S., & Bell, J. (2002). A cross-national comparison of the internationalisation trajectories of Internet start-ups. *Irish Journal of Management*, 23(2), 53–74.
- Loane, S., McNaughton, R. B., & Bell, J. (2004). The internationalization of Internet-enabled entrepreneurial firms: Evidence from Europe and North America. *Canadian Journal of Administrative Sciences*, 21(1), 79–96.
- Loane, S., & Bell, J. (2006). Rapid internationalisation among entrepreneurial firms in Australia, Canada, Ireland and New Zealand. *International Marketing Review*, 23(5), 467–485.
- Loane, S. (2006). The role of the Internet in the internationalisation of small and medium sized companies. *Journal of International Entrepreneurship*, 10(1), 263–277.
- Lu, J. W., & Beamish, P. W. (2001). The internationalization and performance of SMEs. *Strategic Management Journal*, 22(6/7), 565–586.
- Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance. *Journal of Business Venturing*, 16(5), 429–451.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135–172.
- Lynch, P. D., & Beck, J. C. (2001). Profiles of Internet buyers in 20 countries: Evidence for region-specific strategies. *Journal of International Business Strategies*, 32(4), 725–748.



- Mason, J. (2006). *Qualitative researching* (2nd ed.). London: SAGE Publications Ltd.
- Mathews, S. W., & Healy, M. J. (2007). The Internet and information capability reduces perceived risk of internationalisation: An Australian SME perspective. *International Journal of Organisational Behaviour*, 12(1), 71–87.
- Mathews, S. W., & Healy, M. J. (2008). From garage to global: The Internet and international market growth, an SME perspective. *International Journal of Internet and Marketing Advertising*, 4(2/3), 179–196.
- Mathews, S., Healy, M., & Wickramasekera, R. (2012). The internationalisation of information, knowledge, and interaction components of the firm's internationalisation process. *Journal of Marketing Management*, 28, 733–754.
- Melawar, T. C., & Stead, C. (2002). The impact of information technology on global marketing strategies. *Journal of General Management*, 27(4), 15–26.
- Miles, M. B., & Huberman, M. A. (1984). *Qualitative data analysis: A sourcebook of new methods*. Beverly Hills: Sage Publications.
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29(7), 770–791.
- Moen, Ø., & Servais, P. (2002). Born global or gradual global? Examining the export behavior of small and medium-sized enterprises. *Journal of International Marketing*, 10(3), 49–72.
- Mort, G. S. (2006). Networking capability and international entrepreneurship: How networks function in Australian born global firms. *International Marketing Review*, 23(5), 549–572.
- Moreno, A. M., & Casillas, J. C. (2008). Entrepreneurial orientation and growth of SMEs: A causal model. *Entrepreneurship: Theory and Practice*, 32(3), 507–528.
- Morgan-Thomas, A., & Bridgewater, S. (2004). Internet and exporting: Determinants of success in virtual export channels. *International Marketing Review*, 21(4/5), 393–408.
- Mostafa, R. H. A., Wheeler, C., & Jones, M. V. (2006). Entrepreneurial orientation, commitment to the Internet and export performance in small and medium sized exporting firms. *Journal of International Entrepreneurship*, 3(1), 291–302.
- Nieto, M. J., & Fernandez, Z. (2006). The role of information technology in corporate strategy of small and medium enterprises. *Journal of International Entrepreneurship*, 3, 251–262.
- Onetti, A., Zucchella, A., Jones, M., & McDougall-Covin, V. P. (2012). Internationalization, innovation and entrepreneurship: Business models for new technology-based firms. *Journal of Management and Governance*, 16(3), 337–368.
- Oviatt, B. M., & McDougall, P. (1994). Toward a theory of international new ventures. *Journal of International Business Studies*, 25(1), 45–64.
- Oviatt, B. M., & McDougall, P. (1995). Global start-ups: Entrepreneurs on a worldwide stage. *Academy of Management Executive*, 9(2), 30–43.
- Oviatt, B. M., & McDougall, P. (2005). Defining international entrepreneurship and modeling the speed of internationalization. *Entrepreneurship: Theory and Practice*, 29(5), 537–553.
- Patton, M. Q. (1990). *Qualitative evaluation and research methods*. Newbury Park: California Sage.
- Parkhe, (1993). "Messy" research, methodological predispositions, and theory development in international joint ventures. *The Academy of Management Review*, 18(2), 227–268.
- Petersen, B., Welch, L. S., & Liesch, P. W. (2002). The Internet and foreign market expansion by firms. *Management International Review*, 42(2), 207–221.
- Prasad, V. K., Ramamurthy, K., & Naidu, G. M. (2001). The influence of Internet-marketing integration on marketing competencies and export performance. *Journal of International Marketing*, 9(4), 82–110.
- Poon, S., & Swatman, P. M. C. (1997). Small business use of the Internet findings from Australian case studies. *International Marketing Review*, 14(5), 385–402.
- Quelch, J. B., & Klein, L. (1996). The Internet and international marketing. *Sloan Management Review*, 37(3), 60–76.
- Qureshil, S., Kamal, M., & Wolcott, P. (2009). Information technology interventions for growth and competitiveness in micro-enterprises. *International Journal of E-Business Research*, 5(1), 117–140.
- Ramsey, E., & Ibbotson, P. (2006). 'E' entrepreneurial SMEs: An Irish study of micro and macro influences. *Journal of International Entrepreneurship*, 3, 317–322.
- Reid, S. D. (1981). The decision-maker and export entry and expansion. *Journal of International Business Studies*, 12(2), 101–121.
- Reuber, R. A., & Fischer, E. (1997). The influence of the management team's international experience on the internationalization behaviors of SMEs. *Journal of International Business Studies*, 28, 807–825.
- Reuber, R., & Fischer, E. (2011). International entrepreneurship in Internet-enabled markets. *Journal of Business Venturing*, 26, 660–679.
- Ripollés-Meliá, M., Menguzzato-Boulard, M., & Sánchez-Peinado, L. (2007). Entrepreneurial orientation and international commitment. *Journal of International Entrepreneurship*, 5(3/4), 65–83.
- Rothaermel, F. T. (2007). Building dynamic capabilities: Innovation driven by individual-, firm-, and network-level effects. *Organization Science*, 18(6), 898–921.
- Ruzzier, M., Hisrich, R. D., & Antoncic, B. (2006). SME internationalization research: Past, present, and future. *Journal of Small Business and Enterprise Development*, 13(4), 476–497.
- Samiee, S. (1998). Exporting and the Internet: A conceptual perspective. *International Marketing Review*, 15(5), 413–426.
- Sinkovics, R., & Bell, J. (2006). Current perspectives on international entrepreneurship and the Internet. *Journal of International Entrepreneurship*, 3(1), 247–249.
- Sinkovics, R., & Penz, E. (2006). Empowerment of SME websites: Development of a web empowerment scale and preliminary evidence. *Journal of International Entrepreneurship*, 3, 305–315.
- Slevin, D., & Terjesen, P. S. A. (2011). Entrepreneurial orientation: Reviewing three papers and implications for further theoretical and methodological development. *Entrepreneurship: Theory and Practice*, 35(5), 973–987.
- Standing, C., & Vasudavan, T. (2000). The marketing of regional tourism via the Internet: Lessons from Australian and South African sites. *Marketing Intelligence and Planning*, 18(1), 45–49.
- Tourism Research Australia. Australian Government. (2012). *State of the industry: Full report*. [http://www.ret.gov.au/tourism/Documents/tra/Economic%20Analysis/State\\_of\\_the\\_Indus try\\_2012.pdf](http://www.ret.gov.au/tourism/Documents/tra/Economic%20Analysis/State_of_the_Indus%20try_2012.pdf).
- Wang, C. L. (2008). Entrepreneurial orientation, learning orientation, and firm performance. *Entrepreneurship: Theory and Practice*, 32(4), 635–657.
- Welch, C. (2004). Broadening the concept of international entrepreneurship: Internationalisation, networks and politics. *Journal of International Entrepreneurship*, 2(3), 271–237.
- Westhead, P., Wright, M., & Ucbasaran, D. (2001). The internationalization of new and small firms: A resource-based view. *Journal of Business Venturing*, 16, 333–358.
- Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal of Business Venturing*, 20(1), 71–91.
- Yin, R. K. (1981). The case study crisis: Some answers. *Administrative Science Quarterly*, 26(1), 58–65.
- Yin, R. K. (2009). *Case study research. Design and methods* (4th ed.). United States of America: Sage.
- Zahra, S. A., & Covin, J. G. (1995). Contextual influences on the corporate entrepreneurship performance relationship: A longitudinal analysis. *Journal of Business Venturing*, 10(1), 43–58.
- Zahra, S. A., & Dess, G. G. (2001). Entrepreneurship as a field of research: Encouraging dialogue and debate. *Academy of Management Review*, 26(1), 8–10.
- Zahra, S. A., Korri, J. S., & Yu, J. F. (2005). Cognition and international entrepreneurship: Implications for research on international opportunity recognition and exploitation. *International Business Review*, 14(2), 12–146.
- Zhu, K., & Kraemer, K. (2002). e-Commerce metrics for net-enhanced organizations: Assessing the value of e-commerce to firm performance in the manufacturing sector. *Information Systems Research*, 13(3), 275–295.