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## ENTREPRENEURS' DECISIONS MODELS TO INTERNATIONALIZE EARLY WHERE, WHEN AND HOW: EVIDENCE FROM VERBAL PROTOCOLS (SUMMARY)

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≈ SUMMARY ≈

**ENTREPRENEURS' DECISIONS MODELS TO  
INTERNATIONALIZE EARLY WHERE, WHEN AND  
HOW: EVIDENCE FROM VERBAL PROTOCOLS**

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**Principal Topic**

Because many past studies used post hoc interviews, surveys and firm-level data to identify relevant criteria for new venture's early internationalization, extent research still has a limited understanding of how entrepreneurs use relevant criteria to decide where, when and how they ought to enter international markets. To explore this question, we use verbal protocols techniques to examine entrepreneurs' thinking vis-à-vis internationalization opportunities.

**Methods**

Building on prior observations that entrepreneurs generally consider more than one alternative when thinking about internationalization opportunities, we presented 21 entrepreneurs and 12 MBA students with a series of choices between internationalization opportunities with different combinations of four strategic considerations:

- 1) The market size of these international opportunities;
- 2) The cultural distance between their domestic and international markets;
- 3) The competitive superiority of their firm's products/services in the foreign markets;
- 4) The fungibility of their firm's resources for pursuing these international opportunities.

**Results and Implications**

Using content analysis, we observed important differences between the decision heuristics used by different groups of entrepreneurs and students. More specifically, we found that less experienced students and entrepreneurs tend to form their decisions on the basis of a single overarching criterion, or through a simple additive heuristic where they add up and compare the positives and negatives of different options. Interestingly, however, our analyses reveal that experienced entrepreneurs (and a few students) use more articulate heuristics. For instance, some anchor their decision where to enter on a single criteria, and then adjust their investment and speed-of-entry decisions on other criteria. Other entrepreneurs use even more complex interaction heuristics, whereby they consider the joint influences of multiple criteria.

By conducting this verbal protocol study, we are among the first to empirically investigate the meaning that entrepreneurs attach to different characteristics of internationalization opportunities, and how they use these characteristics to make choices about where, when and how to expand their firm abroad. Doing so, we provide a better understanding of the motivations that animate entrepreneurs' internationalization decisions and actions. Given that early internationalization may have positive and negative outcomes, our study has the potential to help entrepreneurs make better decisions and improve their ventures' performance.

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