

6-13-2015

DYNAMITE OR FISHHOOK FISHING: STRATEGIC APPROACHES TO VENTURE INTERNATIONALIZATION (SUMMARY)

Anne Domurath

Wilfrid Laurier University, Waterloo, Canada, adomurath@wlu.ca

Tobias Immanuel van der Linden

Technische Universität München, Germany

Holger Patzelt

Technische Universität München, Germany

Nina Rosenbusch

Wilfrid Laurier University, Waterloo, Canada

Recommended Citation

Domurath, Anne; Immanuel van der Linden, Tobias; Patzelt, Holger; and Rosenbusch, Nina (2015) "DYNAMITE OR FISHHOOK FISHING: STRATEGIC APPROACHES TO VENTURE INTERNATIONALIZATION (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 35 : Iss. 12 , Article 4.

Available at: <https://digitalknowledge.babson.edu/fer/vol35/iss12/4>

This Summary is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized editor of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.

≈ SUMMARY ≈

**DYNAMITE OR FISHHOOK FISHING:
STRATEGIC APPROACHES TO VENTURE
INTERNATIONALIZATION**

Anne Domurath, Wilfrid Laurier University, Waterloo, Canada

Tobias Immanuel van der Linden, Technische Universität München, Germany

Holger Patzelt, Technische Universität München, Germany

Nina Rosenbusch, Wilfrid Laurier University, Waterloo, Canada

Principal Topic

While existing research on international new ventures (INV) has significantly advanced the understanding of the drivers of early venture internationalization (Oviatt & McDougall, 2005; Zucchella, 2007), venture strategies and behavior after early international entry have received less attention. The survival and success of INVs seems to depend on entering many foreign markets to create competitive advantages and a sufficiently large customer base (cf. Oviatt & McDougall, 1994). However, resource scarcity associated with young ventures (Zahra, 2005) poses a serious constraint to large-scale internationalization. Hence, young ventures have to balance the need to enter foreign markets with their limited resource base. *How* this challenge translates into international strategy selection by young ventures, *why* ventures select a particular approach, and *how* the approaches drive internationalization success are the main research questions of this paper.

Data and Methods

A multiple case study approach was used to ground the theory development in data. The sample consists of nine young ventures. The primary source of data is semi-structured interviews with founders and key employees who were directly involved in the internationalization process. Additional primary and secondary information was collected through questionnaires, filed notes, and public sources.

Results and Implications

The analysis revealed two distinct approaches to INV internationalization – the Options Portfolio Approach (OPA) and the Focused Market Approach (FMA). The OPA is characterized by multiple, parallel foreign market entries. The INVs see their foreign activities as a portfolio of options in which resources are constantly shifted to where they generate most return and fastest growth. Contrary, the FMA involves sequential market entries where each market receives particular attention and resources. For example, case ventures using the FMA explicitly seek and invest in local partnerships to acquire local market knowledge and adapt their product portfolio to local needs.

Results indicate that for each strategic approach distinct factors are responsible for success and that ventures change their internationalization approach based on market failures.

CONTACT: Anne Domurath; adomurath@wlu.ca; (T): + 519.884.0710 ext.4816; (F): 519.884.0201; Policy Area, School of Business and Economics, Wilfrid Laurier University, 75 University Avenue West, Waterloo, Ontario, Canada.