

6-11-2016

A LANGUAGE-BASED APPROACH TO THE EARLY AND RAPID INTERNATIONALIZATION OF EINVS (SUMMARY)

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Recommended Citation

Reuber, Rebecca (2016) "A LANGUAGE-BASED APPROACH TO THE EARLY AND RAPID INTERNATIONALIZATION OF EINVS (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 36 : Iss. 12 , Article 6.
Available at: <https://digitalknowledge.babson.edu/fer/vol36/iss12/6>

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≈ SUMMARY ≈

**A LANGUAGE-BASED APPROACH TO THE EARLY AND
RAPID INTERNATIONALIZATION OF EINVS**

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Principal Topic

Research on international new ventures (INVs) has emphasized the factors which enable young firms to overcome resource limitations and internationalize at an early age. Recently, Internet-based companies have accumulated resources and overcome liabilities of newness (Stinchcombe, 1965), foreignness (Zaheer, 1995) and outsidership (Johanson & Vahlne, 2009) to internationalize at unprecedented speed, despite a lack of previously-studied facilitating factors. I label such firms eINVs and define them by modifying the widely-spread definition of INVs (Oviatt & McDougall, 2005) to reflect the internet context: an eINV is a venture whose business model is based on a digital platform and that, from inception, seeks to derive significant competitive advantage from international growth (Reuber, Fischer & Morgan-Thomas, 2015).

Method

A premise of this study is that successful eINVs develop a global brand that supports their becoming the overwhelming market leader in a “winner-take-all” market. However, it is unclear whether and when an effective global brand in this context is characterized by global standardization or by local adaptation. I shed light on this issue by addressing the following research question: What factors explain variation in the extent to which an eINV’s approach to global branding is standardized or adapted to local markets?

I used a case-based approach to build theory, analyzing data on eight cases. All are successful INVs, founded within a three year period, with considerable early financing. I collected data, per firm, on the languages and countries associated with the firms’ digital presence and compared the content, across country and language variants in order to determine the extent of adaptation.

Results & Implications

The findings illustrate that the internet is more than a facilitator of international entrepreneurship; it is a changing context in which new types of firms need to grow internationally in new ways. Specifically, online international growth requires new types of multilingual and multicultural capabilities.

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