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INTERNATIONALIZATION OF INDIGENOUS BUSINESSES: A COMPARISON BETWEEN NEW VENTURES AND OLDER FIRMS (INTERACTIVE PAPER)

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≈ INTERACTIVE PAPER ≈

**INTERNATIONALIZATION OF INDIGENOUS BUSINESSES: A
COMPARISON BETWEEN NEW VENTURES AND OLDER FIRMS**

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Principal Topic

This research studies the impact of entrepreneur's characteristics, entrepreneur's network, firm capabilities, and firm competitive advantages on the internationalization of new and older firms. The context to study this phenomenon is indigenous entrepreneurship. Indigenous peoples are commonly among the most vulnerable segments of society. From this perspective, indigenous people might perceive the context as a liability. However, the indigenous context provides entrepreneurs with culture-specific values and skills that can be leveraged in the marketplace. The current study adds the notion of entrepreneur's identity rooted in culture-specific values as a source of competitive advantage that can aid in internationalization.

This study uses a unique dataset of Aboriginal businesses in Canada developed by the Canadian Council for Aboriginal Business. The dataset includes data collected in the 2011 Aboriginal Business Survey, which is based on a telephone survey conducted with a representative sample of 1,095 self-identified First Nations, Métis and Inuit small business owners.

Results & Implications

Results indicate that business training, network advice from economic business development associations, and competitive advantages based on flexibility, high quality products and uniqueness are critical only for new ventures. Network advice from personal contacts, other small businesses and government organizations, and competitive advantage based on "being identified as aboriginal business" are significant only for older firms. Innovation capabilities are critical for both new and older firms. Businesses in the information and cultural industries; arts, entertainment and recreation; and accommodation and food services are more likely to internationalize.

The study advances contemporary debates on international entrepreneurship. In particular, this research proposes the notion of cultural identity as a source of competitive advantage that can aid in internationalization. This study may be the first to systematically and empirically investigate the internationalization of indigenous businesses. Results can aid policy-makers in helping aboriginal ventures build the necessary capabilities to compete successfully in the marketplace. An important implication for entrepreneurs is that they can build competitive advantage based on their identity and cultural roots, as findings indicate this type of advantage can facilitate international market entry.

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