

6-10-2017

## MICROENTERPRISES AND INTERNATIONAL ENTREPRENEURSHIP: AN EXPLORATORY STUDY (SUMMARY)

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### Recommended Citation

Moss, Todd W. and Niederhoff, Julie (2017) "MICROENTERPRISES AND INTERNATIONAL ENTREPRENEURSHIP: AN EXPLORATORY STUDY (SUMMARY)," *Frontiers of Entrepreneurship Research*: Vol. 37 : Iss. 12 , Article 5.  
Available at: <https://digitalknowledge.babson.edu/fer/vol37/iss12/5>

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 SUMMARY **MICROENTERPRISES AND INTERNATIONAL  
ENTREPRENEURSHIP: AN EXPLORATORY STUDY**

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**Principal Topic**

The intersection of entrepreneurship and international business is a fruitful area of academic inquiry. We know little about how pursuing international opportunities varies across categories of individuals, organizations, and countries. Indeed, our understanding of international entrepreneurship in less-developed countries, and how technology affects such entrepreneurship, are particularly relevant given the rapid growth and digitization taking place in emerging markets. Coupled with institutional heterogeneity—all emerging markets are not the same—less-developed countries provide a compelling context in which to test theories of international entrepreneurship.

We examine microenterprises which do business internationally in light of those that do not. Digitization has recently allowed for individuals worldwide to lend to microenterprises through prosocial crowdfunding. We capitalize on this digital development to make three contributions to our understanding of international entrepreneurship. First, we provide a novel study that explores heterogeneity within microenterprises operating internationally. Second, we examine microenterprises as members of the global supply chain, and explore their differences with domestic microenterprises. Finally, we utilize prosocial crowdfunding data to explore performance outcomes of international vs. domestic microenterprises.

**Method**

Our sample consists of over 3,000 microenterprises in over 60 countries, which used the prosocial crowdfunding website Kiva to access capital for their loans. The dependent variables are international status and loan funding time. We utilized a matched sample based on country, industry, microcredit bank, town, gender, and group loan status. We tested a two-stage model in which international status is the dependent variable in the first stage of analyses, and loan funding time is the dependent variable in the second stage of analyses. Independent variables for the first stage include psychometric properties of microentrepreneurs manifest in loan descriptions. For the second stage, we use multi-level modeling to account for nesting.

**Results and Implications**

We find that, proportionally, microenterprises are international more often in the arts, clothing, manufacturing, and wholesale industries. International microenterprises are also more common in Africa and less common in Southeast Asia. They are more likely to use affective language, and importers use more language indicating perceptual processes while exporters use less than their domestic counterparts. Exporting microenterprises are funded more quickly on Kiva.

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