SME Internationalisation through Digitalisation: UK Specialist and Niche Retailers

A Thesis in fulfilment of the requirements of Anglia Ruskin University for the degree of Doctor of Philosophy

SEPTEMBER, 2019
BRENDA TEJASWINI MAYUR PATIL
Dedicated in the memories of:
My Father, Mr. M C Bhushan

Happy are those who find wisdom, and those who get understanding

Proverbs 3:13
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Brenda Tejaswini Mayur Patil

September 2019
The focus of the research is to investigate, how the Internet has changed internationalisation for micro and small specialist and niche retail firms within the United Kingdom (UK). Internationalisation within this research is based on the export practices of the firms. This further focuses on how small and medium-sized enterprises (SMEs) within the sector internationalise through different digital modes of entry and barriers experience. The study examines different internationalisation theories/models, the Internet and digital entry modes.

The study undertaken followed interpretative phenomenological analysis (IPA) paradigm with an exploratory research approach. The nine case studies are developed through an in-depth semi structured interview with owner/founders of the firms. The qualitative analysis allows us to gain a better understanding of the internationalisation process experienced in these firms and the role of Internet. The empirical finding discuss the firm’s business journey (through traditional Brick and Mortar), where do they stand today with the use of Internet (inclusion of Brick and Click), internationalisation through digital modes of entry adopted by the firms (Click only), and how they plan to move forward (Virtual Store).

This theory-building research demonstrates partial relevance of Born Global model of internationalisation. However, the findings from this study dominated around six different theories/models such as the Resource Based View, Dynamic Capabilities, Stage / Uppsala model, Born-again Global, Technology Acceptance Model and Diffusion of innovation theory. The introduction of new technologies like Social Media and E-commerce platforms have provided the greatest opportunities for expansion into the international markets for the micro and small firms. These technological tools have empowered the firms to export using multiple digital entry mode procedures towards globalisation. Which has resulted in a high impact on reaching multiple international markets over a short period of time. Also, considering the niche specialist sector the firms operate, this study has identified new internationalisation barriers: Brexit and General Data Protection Regulation (GDPR). These barriers relate to the changes in the external environment identified within the sector. A foundation is set for further research on the digital internationalisation process of other micro and small sector firms.

**Keywords:** Micro and Small firms, small and medium-sized enterprises (SME) Internationalisation, Digital Export Entry Mode, UK Specialist and Niche Retailers.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>B2B</td>
<td>Business-to-Business</td>
</tr>
<tr>
<td>B2C</td>
<td>Business-to-Consumer</td>
</tr>
<tr>
<td>B&amp;C</td>
<td>Brick and Click</td>
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<td>B&amp;M</td>
<td>Brick and Mortar</td>
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<td>C&amp;M</td>
<td>Click and Mortar</td>
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<td>BAG</td>
<td>Born-again Global</td>
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<td>BG</td>
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<tr>
<td>BEIS</td>
<td>Department of Business, Energy and Industry Strategy</td>
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<td>BIS</td>
<td>Department of Business Innovation and Skills</td>
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<tr>
<td>C only</td>
<td>Click only</td>
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<tr>
<td>DOI</td>
<td>Diffusion of Innovation</td>
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<tr>
<td>DTI</td>
<td>Department of Trade and Investment</td>
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<tr>
<td>EC</td>
<td>European Commission</td>
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<tr>
<td>EG</td>
<td>Edinburgh Group</td>
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<tr>
<td>GDPR</td>
<td>General Data Protection Regulation</td>
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<tr>
<td>GEM</td>
<td>The Global Entrepreneurship Monitor</td>
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<tr>
<td>GIR</td>
<td>Gartner Industry Research</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>ILO</td>
<td>International Labor Office</td>
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<td>INV</td>
<td>International New Venture</td>
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<td>IPA</td>
<td>Interpretative Phenomenological Analysis</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>LSBS</td>
<td>Longitudinal Small Business Survey</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>ONS</td>
<td>Office of National Statistics</td>
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<tr>
<td>RBV</td>
<td>Resource-Based View</td>
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<tr>
<td>SME</td>
<td>Small and Medium Sized Enterprise</td>
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<tr>
<td>TAM</td>
<td>Technology Acceptance Model</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<td>--------------</td>
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</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>UKTI</td>
<td>United Kingdom Trade and Investment</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>VRIN</td>
<td>Value, Rarity, Imitability, and Non-substitutable</td>
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<tr>
<td>VRIO</td>
<td>Value, Rarity, Imitability, and Organisation</td>
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<tr>
<td>WBG</td>
<td>World Bank Group</td>
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<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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<td>WWW</td>
<td>World Wide Web</td>
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CHAPTER 1 INTRODUCTION

The diagram 1.1 below shows a structural representation of this chapter’s flow of information through its subsections. Following this will focus on introducing this study and defining some of the terminologies used constantly within this study.

Diagram 1.1: Structural Representation of Chapter 1

The purpose of this study is to investigate how UK’s high-end micro and small-specialist and niche retailer’s internationalisation has evolved over the last decade with the use of internet. The objective is to understand the internationalisation process, theories and models and identify how this relates to the chosen firms. This would additional build on how digitalisation has enhanced SMEs business activities. The focus primarily is on micro and small firms, the most numerous forms of UK SMEs (EC, 2017). This would further assess how digitalisation is used within businesses today as an export entry mode tool for internationalisation. The research would look finally into the challenges micro and small business retailers face with internationalisation and digital internationalisation.

Employing fewer than 250 persons within enterprises are termed as SMEs (EC, 2003). Micro and small sized firms are defined using the European Law as having 1–9 and 10-49 employees respectively (Stumbit, Lewis and Rouse, 2017). When a company expands its customer base to foreign markets, this is called internationalisation (Bartlett, Ghoshal and Beamish, 2008). While there are different forms of internationalisation, this study focuses on online internationalisation, i.e., exporting through business transactions.
conducted across national boundaries using a virtual platform rather than a physical store (Yamin and Sinkovics, 2006). A retailer that targets a specifically defined customer market segment can be described as a specialist retailer (Varley and Rafiq, 2014). Whereas, focusing niche involves concentrating on a narrow product or service segment (Maravilhas, Oliveira and Melo, 2018). This research is explored with businesses exporting high-end retail goods and services which are based in the UK.

The transformation of operations through digital communications (which are 0’s and 1’s) and applications is termed as digitalisation (Leibniz, 1703). Additionally, with the introduction of World Wide Web (www) or internet which is defined as a global information system connecting different forms of communication such as email (Tseng and Johnsen, 2011). Since then, the digitalisation process has accelerated (Collin, et al., 2015; Bounfour, 2016). Hence, forms of commercial transaction such as sales or purchases of products and services conducted using this digital or electronic means is termed as E-commerce (Manzoor, 2010). However, the extent at which businesses are exporting over the internet through a wide range of online transactions are now common in many countries (OECD, 2009). Thus, captures the social transformation triggered by the mass adoption of digital technologies (Ashok, 2018).

1.1 BACKGROUND TO RESEARCH

Internationalisation has been an important focus for international trade and has hence been proven to be a cornerstone of economic development (WBG and WTO, 2015). Globally, SMEs represent 95 per cent of all businesses and they create two thirds of private sector employment (ILO, 2015). With that in mind, SMEs within the British economy also play an important role towards the economy (EG, 2013). The traditional belief was that retailing was a domestic activity, nevertheless, the last ten years, major retailers have started operating abroad and this practice has spread to smaller retailers (Gardó, García and Descals, 2015). When considering time with business processes, internationalisation is probably the key most important factor (Prashantham and Young, 2011) and in the literature, time has been the key point (Zahra and George, 2002; Kuivalainen, et al., 2012).
A business statistics report from House of Commons states that maximum number of businesses fall under the category of SME and that they are critical for a country’s economy due to their efforts on economic output (BEIS, 2016). The figure 1.1 below shows the share of businesses within the UK in 2018 which illustrates the highest contributions from micro firms.

**Figure 1.1: Business Population Estimates in the UK by size**

![Bar chart showing business population estimates in the UK by size](image)

Source: Department of Business, Energy and Industry Strategy, 2018

Additionally, there has been a sharp increase in the SMEs aiming to grow their sales in the next three years, from 62 per cent in 2017 to 71 per cent in 2018, this has been driven by the increased ambition of the micro and small businesses (LSBS, 2019). Hence, to narrow down the numbers to UK SMEs retail the figure 1.2 below shows this sector accounting for 19 per cent of employment and 33 per cent of all turnover (BIS, 2018). Further, additional 10 per cent of all these businesses in the UK for the year 2017 account from micro and small sized retail sector (BEIS, 2018).
Equally, small firms are a context given their prevalence worldwide (Minniti, 2008; Eggers, Kraus and Hughes, 2013). The advancement in technology has further enabled the retail industry to be an industry that is fast-changing with new products and services are introduced constantly. According to Varley and Rafiq (2014) internationalisation among these smaller retailers are facilitated by the internet which has made reaching global markets easy and the control of international operations relatively straightforward. Nevertheless, Kalinic and Forza (2012) argue that despite limited market knowledge, network and international experience, SMEs are not prevented to invest in distant countries. Additionally, authors suggested export entry mode is significantly ideal for SMEs with their low resource commitments (Lin and Ho, 2019). Hence, reducing the high risk of traditional operation in the foreign markets through market entry opportunity (Obadia and Bello, 2019).

Now, data suggest that SMEs contribute between fifteen per cent and fifty per cent of a country’s exports, and that between twenty per cent and eighty per cent of SMEs are active exporters (OECD, n.d.). However, considering the inclined negative trend with economic, financial, and credit crisis which has led retailers expanding overseas (Gardó,
García and Descals, 2015). Authors such as Chetty, Johanson and Martin (2014) have previously researched on relevant resource limitations for SME to internationalisation and contradicted that efficiently using the internet resource has enabled SMEs to internationalise. However, inadequate infrastructure is one of the main disadvantages in international trade (Lanz, Roberts and Taal, 2016).

Businesses are rapidly expanding to global markets and around the world this pattern exists since the twentieth century (Olejnik and Swoboda, 2012). However, since competition is stimulated by the growth in the global markets, the interdependence of national economies has also increased (Knight, 2000). This was the beginning of a borderless world which is referred to as globalisation (Ohmae, 1990). Additionally, the pace of globalisation is different across markets (Buckley and Ghauri, 2004; Jormanainen and Koveshnikov, 2012). The figure 1.3 below clearly depict the beginning of a borderless world where internationalisation is accessible to businesses of all sizes.

![Figure 1.3: Export Figures for UK SMEs in 2017](image)

Source: Longitudinal Small Business Survey, 2018

Digitalisation is about reaching customers around the world, facilitating contactless payment, unrestricted opening hours, bigger and broader range of product line and placing order on the move. Over the years micro and small businesses were required to get more competitive considering the high pace at which the expansion of the internet and many SMEs began adopting the internet within their businesses (Parker and Castleman, 2007). However, a common concern in online context for smaller businesses was the issue of
personal trust, trust in how secure information will be over the internet (Harrigan, Ramsey and Ibbotson, 2008). Additionally, the globalisation process has led to the strong internationalisation of the world economy during recent decades (Kubičková, et al., 2016). Hence, there is a definite need to study the impact of international exposure as the knowledge gathered before beginning a venture becomes obsolete over time, as the environment within internationalisation is continuously changing (Fernhaber and Li, 2013).

Now, considering that consumers in the UK are among the most digitally adept in the world (Fisher, Jhun and Kim, 2016). The use of technology has enabled to bridge the geographical distance for small specialist and niche retailers as an influential internationalisation facilitator (Deprey, Lloyd-Reason and Ibeh, 2012). Additionally, UK has seen a rise in export sales within the micro and small firms from 2017 to 2018 (LSBS, 2019). Vahter, Love and Roper (2013) evidenced that the openness of smaller firm’s portfolio diversity with external alliances has been more beneficial compared to larger firms. Specialist retail research has been surprisingly sparse especially that explores the internationalisation given the existence of a number of international operations (Hutchinson and Quinn, 2012). According to Wąsowska (2016), the internationalisation process involves an existence of both internal and external barriers which plays a major role on the firms. Additionally, new challenges specifically linked to the latest wave of digital technologies need to be considered within the micro and small firms (Bianchini and Michalkova, 2019).

The next page provides with the study’s research questions.
1.2 RESEARCH QUESTIONS

The research questions are:

1. How has the Internet changed internationalisation for UK’s high-end micro and small - specialist and niche retail sectors? (RQ1)
2. How do existing SME internationalisation theories / models fit within the UK’s high-end micro and small - specialist and niche retailer’s internationalisation processes? (RQ2);
3. How have SMEs used digital modes for internationalisation? (RQ3); and
4. Do these SMEs face new barriers to internationalise through digitalisation? (RQ4).

Hence, the key research themes relating to the exporting SME include the investigation of the process itself (Fillis, 2001; Cadogan, Diamantopoulos and Siguaw, 2002), market entry and the role of the decision maker (Ojala and Tyrvainen, 2008), SMEs and globalisation (Winch and Bianchi, 2006), export problems and barriers (Fillis, 2002; Leonidou, 2004) and the link between firm characteristics and exporting competencies (Grimes, Doole and Kitchen, 2007). There is a growing interest in smaller internationalising firms (McDougall and Oviatt, 2000; Cubillo and Cerviño, 2004). Additionally, according to authors due to the evolution of online retail industry the differences between the physical and online will eventually vanish leading to showrooms without walls (Brynjolfsson, Hu and Rahman, 2013).

1.3 JUSTIFICATION FOR RESEARCH FOCUS

This section provides explanation why this area of focus was selected for the research. International business literature has sought to explain the phenomena involved in the digital internationalisation of micro and small firm processes. However, authors such as Harrigan, Ramsey and Ibbotson (2012a) suggest that an empirically future research may test greater depth the challenges faced by SMEs particularly focus on newer Social Media technologies such as Facebook, Twitter and web analytics. More recently, researchers have been facing difficulties in explaining Retail Internationalisation (RI) from certain categories in which the brand itself is a determining factor in expansion strategies, such
as fashion and high-end brands. Hence, technological changes have affected micro and small businesses in the UK in a wide variety of ways, and how they do so in the present and future is a question that needs to be answered. Despite the relevance of UK SMEs internationalisation, research within micro and small specialist and niche retail firm is considered as an under-researched area. This is due to the narrow specific focus of two aspects: micro and small firms; specialist and niche retailers’ in the England.

1.3.1 Why focus on SME Retail Internationalisation?

Retail internationalisation research has provided discussions for entry mode choice (Swoboda, Elsner and Olejnik, 2015) and psychic distance (Evans and Mavondo, 2002; Mohr and Batsakis, 2017) through descriptive studies. Additionally, research has also focused on barriers, impacts and knowledge of information and communication technology (ICT) (Deprey, Lloyd-Reason and Ibeh, 2012). However, Bridgewater and Egan (2002) have confirmed findings from a number of studies, that firms do not enter countries in order of their psychic distance. Considering the fact that owner/founder led firms are most likely to be micro and small firms who have little experience in managing risk and lack the resources or even to respond and find solutions to the risk at hand (Caldwell, et al., 2013).

However, some authors argue that the internationalisation is a developmental process for a retailing firm (Burt, et al., 2005), which constantly changes to adapt to the demands at every stage (Dawson, 2007). Due to which, over the past five to ten years many authors have focused on a high degree of research attention towards the performance rate of SMEs that are expanding into the international market (McDougall, Oviatt and Shrader, 2003; Acedo and Jones, 2007; Casillas and Acedo, 2013; Casillas and Moreno-Menendez, 2014; Hilmersson and Johanson, 2016). Whereas, some SMEs have had a completely new make-over approach for a barrier through innovative techniques (Narayanan, 2015) and by developing new learning possibilities that enable them to identify and exploit future international opportunities (Weerawardena, et al., 2007). Nevertheless, retailers are increasingly beginning to operate and expand across borders and cultures (Deloitte, 2012; 2014a). As a result of which an increasing number of firms expand into global markets referencing back to Figure 1.3 (page 5).
Hence, the impact of internationalisation has generated quite an interest among researchers constantly (Li and Li, 2007; Kirca, et al., 2012). According to Buttle (2016) access to markets are less localised and with trade barriers removed, geographical boundaries are redefined by emergent businesses. Hence, the rate of international expansion by SMEs has been on debating whether the traditional internationalisation models remain valid or they need to be reviewed in an alternative manner (Hilmersson and Johanson, 2016). Additionally, small innovative enterprises are still poorly recognised in the management literature (Adamik, 2011; Sipa, Gorzeń-Mitka and Skibiński, 2015). Hence, this situation seems particularly important for enterprises that are increasingly more active in international markets (Stoian, et al., 2016; Bianchi, Glavas and Mathews, 2017) and have a positive impact on the business (Delanoë, 2013; Grabowski and Stawasz, 2017; Mole, North and Baldock, 2017).

1.3.2 Why focus on UK Specialist and Niche Retailers?

Over the past decade and more, research on UK specialist retailers’, European specialist retailers’ and their contributions may be the only studies concentrating on this retail category (Tordjman, 1994; Wigley, Moore and Birtwistle, 2005; Hutchinson and Quinn, 2012). While, not much has been researched in this area it gives more reasons to fill the gap in the literature through this study. Additionally, megatrends such as the rise of globalisation and digitalisation along with how retailing has evolved is an ongoing discussion in business and management history research (Shaw and Hardy, 1998; Quinn and Murray, 2005; Alexander and Phillips, 2006; Blondé and Van Damme, 2013; Aluko and Knight, 2017). However, both the government and the private industry experts have drawn special attention to the significance of niche opportunities for smaller retailers expanding into the international markets (Hutchinson and Quinn, 2012).

The main concerns for retail SMEs, either experienced or those still in the phase of understanding the market trends has been insufficient or no market knowledge and vision over their business operations causing major internal barriers for retail SMEs (Hutchinson, Quinn and Alexander, 2006; Hutchinson, Fleck and Lloyd-Reason, 2009). Banerjee and Mishra (2017) suggests that some strategies that business may create competitive advantage are through outperforming competitors embracing focus on a specific market niche. Interestingly, despite the growing number of international brands
that are opening small mono-brand stores in various high-end products and services (Deloitte, 2014a), studies on retail internationalisation are still heavily concentrated on large-scale retailers such as supermarkets and department stores (Hutchinson and Quinn, 2012; Ahokangas, et al., 2016). Additionally, before the rise of E-commerce, cities with significant population bases and niche-differentiation had begun to support niche stores (Kask and Prenkert, 2018).

1.3.3 Why focus on Digital Internationalisation?

The research conducted by Gartner Industry Research (2012) confirm that in the last decade there has been a rapid increase and rise of online shopping which has changed how retail industry operates, hence confirming retail internationalisation as an ongoing trend (Schu and Morschett, 2017). Additionally, Chaffey and Ellis-Chadwick (2019) proved that without a point of access to the internet it is almost impossible for a business to operate online. Ghandour (2015) confirm that SMEs are increasingly investing in online trading and have invested in E-commerce, in the present business world, different sectors of businesses are advised to trade online and to make it a prime practice in their business due to the rapid increase in number of E-commerce website by the day. According to Harringan, Ramsey and Ibbotson (2008) an important means of competitive advantage for businesses within the SME category is the internet. Hence, opportunities are there to be seized, but with boundless possibility comes uncertainty and having an online presence is not an option and the belief that the webstore is doing well.

The advancement in technology has changed the way customers shop, firms distribute and there is a creation of information along this process (Arif, Aslam and Ali, 2016; Aslam, Batool and Haq, 2016). More specifically, the Social Media has led to several studies (Wamba, et al., 2015; Phua, Jin and Kim, 2017) and over the past few years have been analysed and used to create relevant information for businesses (Bouwman, et al., 2018). To sum this up, the figure 1.4 below is the value of internet sales for UK retail industry which has risen from 2.7 per cent in January 2007 to 17.1 per cent in January 2018 (BIS, 2018). The rationale behind the increase is associated with new digital channels such as Social Media platforms.
With the development of E-commerce, asking new questions within SME research has often been reluctant in the face of transformations and new developments (Rittenhofer, 2015). The development of online service platforms has resulted in debate about the digitalisation of various industries, including up and coming E-commerce, improved and faster logistics, and liberalised trade patterns; all of which have permanently nurtured new business opportunities for micro and smaller firms with limited conventional resources (Glowik, 2016). To support this, Partanen, Chetty and Rajala (2014) conducted an interesting study which had a positive impact on the types of relationship for commercialisation. The focus mainly was on the firm’s adoption on traditional web communications (Otero, Gallego and Pratt, 2014) and the emerging social media applications (Jones, et al., 2010; Durking, McGowan and McKeown, 2013; Fischer and Reuber, 2014).

Further research has been conducted in combining the two features, both web and social media tools in SMEs (Jones, Borgman and Ulusoy, 2015; Taiminen and Karjaluoto, 2015). However, evidence suggested that for firms posting on social media can ironically reduce the value of the brand (Grewal, Stephan and Coleman, 2019). Hence, it would be a key finding to know the impact adopting social media tools has within the specialist and niche micro and small retailers. With that said, combining UK specialist and niche retail sector with the different digital tools for internationalisation is an area of research which aims at filling the gap in knowledge.
1.4 RESEARCH METHOD

To gain a deeper and wider standpoint for an investigation, the philosophy of research consideration provides the study to achieve a clearer purpose within the wider context (Carson, et al., 2001). Hence, the process of creating new knowledge involves describing steps and relations which contains a number of concepts, this, methodology is a mode of thinking and acting (Arnbor and Bjerke, 2009). Additionally, to begin with the basics, there are systematic tools used to find, collect, analyse and interpret information as shown in figure 1.5 below. This diagram provides an overview of the methodical stages within the framework which are created to provide answers to the research questions.

**Figure 1.5: Basic Early Stages of the Research Design**

![Figure 1.5: Basic Early Stages of the Research Design](image)

Source: Author’s own

Here, techniques and procedures referred to as methods are used to obtain and analyse data (Saunders and Rojon, 2011). A further breakdown of the research method are data collection and analysis process for the study which is provided in the form of figure 1.6 below.
Traditionally, the quantitative methodology was the main route used within international business field to deal predominantly with an empirical and analytical research agenda (Spence, 2007; Birkinshaw, Brannen and Tung, 2011). Additionally, Peterson and Seligman (2004) also advocated that for the past thirty years SME internationalisation research has been over-dominated by quantitative research. However, evidences suggest that only 8.5 per cent contribution towards the use of qualitative methods within the international business publications (Piekkari and Welch, 2006). Hence, many researchers recommend the use of qualitative research (Andersen and Skaates, 2004) especially when there is a small number of potential respondents (Hesse-Biber and Leavy, 2006).

Considering the rareness of research on the micro and small specialist and niche retail internationalisation, this study takes an exploratory nature adopting an interpretive research paradigm, employing qualitative techniques and a case study design (Hutchinson and Quinn, 2012). Additionally, authors have argued within several recent studies for a more nuanced retail based and stronger concept based explanatory frameworks to understand the internationalisation activity of retailers (Dawson, Findlay and Sparks, 2008; Swoboda, Zentes and Elsner, 2009). While this research is predominantly built on qualitative approach using in-depth semi structured interviews using a multiple case study background (Yin, 2011). Since, Waters (2011) infers that analysis using surveys and
questionnaires on larger data can be subject to errors in measurement, by not being answered truthfully and they can also be costly and unreliable.

This study adopts a qualitative interpretivist research approach to enable the researcher to stress the importance of “words rather than quantification in the collection and analysis of data” there by facilitating the theory building requirement for this study (Langseth, O'Dwyer and Arpa, 2016, p.127). The literature chapter will be the base from where, the data collected was for some purpose other than the problem at hand (Malhotra and Birks, 2007) and will identify variables for further investigation. For the development of propositions, a multiple-case approach was adopted (Measson and Campbell-Hunt, 2015). The aim of the study is to create new insight and knowledge to build the foundation for new theories due to which a case study research method in business is particularly viable (Eriksson and Kovalainen, 2015). Additionally, a powerful way to gain insight into unexplored phenomena, adopting a multiple detailed case studies approach are believed develop new theory as intended (Eisenhardt, 1989; Yin, 1989; Strauss and Corbin, 1990).

The study would consider a case study methodology comprising of micro and small sized specialist and niche retailers that have distinctive characteristics; thus, applying the principle of purposeful rather than random sampling (Patton, 2002). A vertical integration was applied for the selection of firms and the store located in three main sites of the UK: Cambridge, Hertfordshire and London, with firms adopted to a wide international presence using multiple online channels.

A combination of primary and secondary research will form the base for the research approach. With the aim this would assist in how primary research would be configured and how interviews would be conducted. The overall configuration of the piece of research in order to provide good answers to the initial research question/s involves questioning: what kind of evidence is gathered and from where; and how evidence is interpreted (Saunders, Lewis and Thornhill, 2007). The research questions stated verbalises the gaps of knowledge about the lag in academic literature on SME internationalisation through digitalisation within the specialist and niche UK retail. Therefore, owner/founder of SME’s are target to this empirical research and the focus of investigation. The primary research will have complementary approaches within an in-
depth semi-structured interview, which is the most widely used method for firm-level international business research (Sinkovics and Salzberger, 2006).

The interviews will be carried out face-to-face with owner/founder of the micro and small businesses and contains predetermined, qualitative and open-ended questions. The interview will not contain any sort of predetermined catalogue which means information provided is valuable and would benefit from the personal knowledge of an insider. The main aim of deploying a qualitative in-depth interview with open end questions is to create more value for the study which cannot be obtained if using a quantitative method. According to Rittenhofer (2015), in order to understand complex developments, to transfer consideration of perceived knowledge of the cause and effects of organisation, and provide new ways to of understanding, the interview is designed to meet these requirements. Hence, the intension is to provide a combination of results from separate primary research approaches which would otherwise not essentially be found.

The development of a case history for the firms has allowed triangulation of the information provided by the interviewees. Triangulation of information from the interviews has been cross verified with the data collected from other sources of the firm’s datasets (Social Media sites using NCapture tool) such as: reviews by customers, interviews conducted by others, websites and firm reports. The collection of data from different sources has allowed the researcher to check for any form of inconsistencies, hence enriching the case study discussions (Yin, 1994). The results from the interview which form part of the primary research, will be analysed and presented using NVivo11. The over-arching themes that played out in the interviews were obtained from the analysis of the in-depth interviews and formed the main approach. These were then compared with the results of the findings from the secondary research. Thereby, giving the researcher an opportunity for investigating whether the owner/founders participating in the interview were in line with what the literature says or whether they show variations. This approach would provide validity and rigor to the conducted research.
1.5 OUTLINE OF THE THESIS

This section provides an outline of all the chapters within the thesis. The thesis consists of seven chapters as shown in Diagram 1.2 below. The diagram also shows the flow of information from one chapter and leading to the other.

Diagram 1.2: Outline of Thesis

Chapter 1 Introduction → Chapter 2 Internationalisation: History; Theories and Models

Chapter 3 SME Internationalisation: Specialist And Niche Retailers; Barriers; Digitalisation → Chapter 4 Research Design and Methodology

Chapter 5 Case Study Analysis → Chapter 6 Discussion of Findings → Chapter 7 Conclusion and Recommendations

Source: Author’s own

The first chapter consists the summarised thesis, formed from the research: background, question/s, objectives and rationale. Chapter two reviews the literature within Internationalisation focusing on its History (origination of internationalisation) and the different theories and models within internationalisation context. Within the discussion of the international theories and model’s relevant frameworks are also identified. Which would lead to generate a conceptual framework for the themes originated from the literature. Continuing with the review of literature, chapter three provides a detailed discussion of research conducted within SME internationalisation with much focus on: Specialist and Niche Retailers, barriers to internationalisation and Digitalisation. The review of literature from chapters two and three will also generate the theme/s which provides a pathway for primary research. However, after review of chapter three a revised conceptual framework has been provided.

Chapter four forms the discussion on the choice of methodology and the methods suitable for the study. The chapter also includes the justification for the choices for the research
philosophy and the methodology. There is also a brief discussion comparing the first and the revised conceptual framework. Chapter five consists of the nine case studies analysed beginning with discussion on characteristics of case firms, owner/founders background, in-depth case study analysis and a cross-case analysis of the firms. The cross-case analysis of the firms would focus on discussion on the themes originated within the literature. Chapter six provides a detailed discussion of the findings in line with the research themes. Chapter seven which is the final chapter focuses on provided a conclusion for the study and recommendation for further research. This chapter would also discuss the limitations observed within the study.

1.6 CONTRIBUTION OF RESEARCH

The research has analysed how the internet has evolved over time for the micro and small business retailers in the UK, how does digitalisation impact the internationalisation process for the micro and small business retailers in the UK, what internationalisation modes of entry, opportunities and barriers does digitalisation have to offer to businesses within the specialist and niche retail sector in the 21st century.

The researcher’s contributions to knowledge has helped close the gap in the SME specialist and niche retail internationalisation literature on how firms successfully provide products and services internationally, specifically for micro and small sized firms through the internet. One of the first contribution of this research is the assessment of SME internationalisation theories’ significance to SMEs. The findings indicate all nine firms to taking route the Resource-Based View (RBV) of the Network Theory and Dynamic Capabilities of internationalisation. Six of the firms through the Stage / Uppsala model, TAM and DOI theory of internationalisation, four firms followed the International New Venture (INV) and Speed-Rapid Internationalisation. The least with three firms adopted the Born Global approach.

This empirical research confirms that micro and small specialist and niche retail sector tangible resources: The Internet, Social Media and E-commerce, which are integral to the firm’s successful internationalisation. In the context of this research, the high relevance of tangible resources is found for micro and small firms, not because it is believed that tangible resources are of relevance only to these firms, but because there are only
specialist and niche retailers in the sample. The findings may also apply to other micro and small retail firms. In adopting digital technology and considering the current political situation, new barriers for internationalisation were identified such as: Brexit and General Data Protection Regulation (GDPR).

The literature streams on the internationalisation process for SME specialist and niche retail firms has been fragmented. Drawing together patchwork of SME retail internationalisation, SME internationalisation through digitalisation and digital entry mode literature has enabled creating this theory-building research. Which has showed the utility of a combination of the digital entry modes for internationalisation processes for the micro and small specialist and niche firms is profitable.
CHAPTER 2 INTERNATIONALISATION: HISTORY; THEORIES AND MODELS

A clear understanding of the research topic can only be gained by a thorough review of the literature (Hart, 2018) and to identify unexplored issues (Perry, 1994). Hence, this chapter begins reviews on the history of internationalisation and previously researched work on internationalisation theories and models. The discussions lead to the next subsections reviewing literature on SME internationalisation and different digitalisation options used specifically by micro and small businesses within the UK specialist and niche retailers. SMEs are considered to be one of the fastest growing segments in most markets and an important and integral part of every country’s economy (Harrigan, et al., 2010).

The main drivers for the change have increased the small enterprises to know the importance of knowledge, technological innovation, competitive forces, globalisation and availability of information technologies (Halinen and Törnroos, 2005). Additionally, academia has devoted immense level of attention to understand the innovative activities among SMEs (Birch, 1989; Cosh, Hughes and Weeks, 2000; Oliver, Dewberry and Dostaler, 2000; Henderson, 2002). Also, according to Rundh (2007) who confirmed that there is a combination of factors that trigger the initiation of an internationalisation process. The diagram 2.1 below provides a diagrammatic representation for this chapters flow of information.

Diagram 2.1: Structural Representation of Chapter 2

Source: Author’s own
2.1 INTERNATIONALISATION HISTORY

Internationalisation has been studied over the past decades for different aspects such as theory development, the process of increasing involvement in international markets (Welch and Luostarinen, 1988), international management (Philp, 1998) and small business management (Ruzzier, Antončič and Konečnik, 2006). Hence, the inward and outward movement of firm’s operations with their products or services is termed as internationalisation (Welch and Luostarinen, 1988; Korhonen, Luostarinen and Welch, 1996). Nevertheless, within this study the term internationalisation is restricted to outward exporting operations, which traditionally have been perceived as the main pattern of interest in internationalisation and as such have a more extensive research history (Korhonen, Luostarinen and Welch, 1996).

Additionally, Luostarinen (1980) described a firm’s internationalisation process as a stepwise and orderly utilization of outward-going international business operations. There is a constant debate over what constitutes a satisfactory operational definition of the term international (Sullivan, 1994; Ramaswamy, Kroeck and Renforth, 1996). Hence, the foundation for a series of events entering a foreign market for the first time is studied in international business, as it enters an unknown market, but also engaging in internationalisation – a process which was yet unknown to the firm (Schumpeter, 1934; Zahra, 2005; Chandra, Styles and Wilkinson, 2009).

Scholars began to study the international business through a historical perspective by the late 1960s (Puig and Pérez, 2009). Which lead historians to establish an explanation as to why American and British firms developed international businesses through a fruitful dialogue through applied and development economists, also convincing why and how they influenced their home and host economies (Jones, 1986; 2016). The inspiration and starting point for further research activity within internationalisation context were in the early books which were actually not all observational but much of the interpretation as contained within Hollander's (1970) book. This referred back to authors works from Hollander (1970), Waldman, (1978) and Kacker (1985) and their consideration of international activity. Some authors later suggested that the theoretical foundations of international business have not yet provided suitable models to understand retail internationalisation — such as geographic coverage, entry modes, and patterns of
adaption to target countries (Salmon and Tordjman, 1989; Alexander, 1990; Treadgold, 1991) — and therefore have based their studies, empirical findings and theoretical framework from studies on retail in general. With that said, the occurrence of an accelerating internationalisation underlies the process as dramatic expansion of the substantial world-wide excess capacity in many industries and intensified competition in foreign markets is the consequence (Nordkvelle, 1999).

The end of the 1980s evidenced that the number of publications about international retailing were few, however, during this time a new wave of international retail activity had begun to build (Alexander and Doherty, 2010). During this time the consumer society that had emerged generated retailers increasingly capable of addressing the challenges due to either because of the increase in market orientation for international activity (Piercy and Alexander, 1988), their operational size or their brand strength (Treadgold, 1988). But, the beginning of a creative knowledge development stage emerged during the 1990’s within retail internationalisation (RI) which in today’s world of research has associations of its own body of theory (Alexander and Doherty, 2010).

Following this, evolutionary and institutional scholars (Guillén, 1994; Granovetter, 1995; Castells, 2000; Galambos, 2005) used an interdisciplinary approach of examining these topics was introduced, which called attention to the role played by business groups and other institutions who overlooked neoclassical economy1 (Puig and Pérez, 2009). However, several authors during the highly attractive emerging global-regional market in the 1990s, retail internationalisation activity in the Far East generated a body of research within international retailing (Davies, 1993a; Davies and Jones, 1993; Sternquist and Runyan, 1993; Cheung, 1994; 1996; Hise, et al., 1995; Sanghavi, 1995; Sparks, 1995; Treadgold, 1995; Chen and Sternquist, 1996; Davies and Fergusson, 1996; Forsythe, et al., 1996; Treadgold and Phillips-Rees, 1996; Yang and Keung, 1996).

Now, results from research activities has become a usual routine for retailing which has reflected internationalisation processes at the beginning of the twenty-first century with a considerable effort (Alexander and Myers, 2000). Additionally, retailers are beginning

---

1 The term neoclassic economy become prominent in the literature of economic in the 1950s debating on topics of capital and growth (Dobb, 1973).
to adopt new media, comprising online, mobile and social media for growth in advertising areas (Ailawadi, et al., 2009). An entry mode is the term used to relate the rate at which domestic firms begin to invest within the foreign markets (Nadkarni and Perez, 2007). Firms tend to adopt different entry modes to enter foreign markets using resources and at high risk, however, changing or adopting different entry modes involves time and capital (Ekeledo and Sivakumar, 2004). During this time, entry mode internationalisation had captured different pathways firms entered foreign markets, some through Brick and Mortar and many through Click only (Kontinen and Ojala, 2012). Among these different pathways, authors recommended that firms used IT to pursue rapid internationalisation entry modes (Etemad, Wilkinson and Dana, 2010; Pezderka and Sinkovics, 2011).

Additionally, Aspelund and Moen (2004), suggested that ICT had offered the possibility of new entry mode through virtual offices. This method of exporting illustrated low risk entry mode for domestic firms who could disengage from foreign market entry without much difficulty and financial loss if need may be (Plakoyiannaki, et al., 2014). According to Kontinen and Ojala (2010), though different pathways existed, however, still limited research has provided empirical insights into how these entry modes. On the contrary peripheral countries were paid little attention to, or even to operate in foreign markets firms had to bridge the social, institutional and the technological gaps, what firms did was to acquire the required knowledge (Puig and Pérez, 2009). However, the traditional theory of incremental expansion into international markets are still dominant, some author disagrees by saying that not all firms show this behaviour (McDougall, Shane and Oviatt, 1994). According to Newbould, Buckley and Thurwell (1978) some firms leapfrog consecutive modes within the internationalisation process. Gradually, smaller, niche retailers have also gathered some attention (Foscht, Swoboda and Morschett, 2006; Picoy-Coupey, 2006; Hutchinson, et al., 2007).

Research has suggested that, for SMEs to build a meaningful and lasting relationship with their customers, the adoption of electronic commerce (E-commerce) would help them achieve competitive advantage on the grounds of strategy (Boyd and Spekman, 2004). Within the context of a similar argument, Gengatharen and Standing (2005) and Johnson and Tellis (2008) suggested, by accessing global markets with the help of breakthrough research in IT would enable SMEs to compete at the same level as of larger organisations and overcoming the ordeals of distance and size. However, the benefit of adopting E-
commerce for different sized firms has provided a levelled playing field knowing that IT has turned the world flat and that only a few SMEs are exploiting this approach significantly (Zwass, 2003) due to their resource shortage (Raley and Moxey, 2000; Philipson, 2004), absence of experience (Chuang, Nakatani and Zhou, 2009; Shiau, Hsu and Wang, 2009) and most of the time owner/founders ineffectiveness (Millman and El-Gohary, 2011). However, recent research suggested that the SMEs owner/mangers initial decision to export are influence by the substantial input from their marketing activities (Anwar, et al., 2018). The figure 2.1 below provides a historic representation of the evolution of retail internationalisation literature with the year of publications and the author/s to summarise this section.

**Figure 2.1: Evolution of Internationalisation Literature**

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>Abdel-Malek</td>
</tr>
<tr>
<td>1987</td>
<td>Yngve Ramstad</td>
</tr>
<tr>
<td>1988</td>
<td>Elaine Scolinos</td>
</tr>
<tr>
<td>1989</td>
<td>Nils-Erik Aaby and Stanley F. Slater</td>
</tr>
<tr>
<td>1994</td>
<td>Pierre-Andre Julien, Andre Joyal and Laurent Deshaies</td>
</tr>
<tr>
<td>1999</td>
<td>Barry Quinn</td>
</tr>
<tr>
<td>2000</td>
<td>Alexandr and Myers</td>
</tr>
<tr>
<td>2005</td>
<td>Karise Hutchinson</td>
</tr>
</tbody>
</table>

Source: Author’s Own

The table 2.1 below would provide details of the author/s mentioned in the above figure 2.1 and their area of work within the internationalisation context.
### Table 2.1: Summary of the Author/s work on Internationalisation

<table>
<thead>
<tr>
<th>Author</th>
<th>Date</th>
<th>Research focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdel-Malek</td>
<td>1978</td>
<td>The article focuses on small Canadian manufacturing firm internationalisation.</td>
</tr>
<tr>
<td>Yngve Ramstad</td>
<td>1987</td>
<td>This article discusses the early rise of the internationalisation process, with particular focus on the cause and barriers. The author also talks about the economic impact internationalisation has on the country (US).</td>
</tr>
<tr>
<td>Elaine Scolinos</td>
<td>1988</td>
<td>This article focuses on how the internationalisation activity in Japan underway. The author discusses on the restrictions, implications and they managed to cope with foreign competition.</td>
</tr>
<tr>
<td>Nils-Erik Aaby and Stanley F. Slater</td>
<td>1989</td>
<td>This article reviewed on 9000 of research articles published during 1978 to 1988 in the area of export and internationalisation.</td>
</tr>
<tr>
<td>Pierre-Andre Julien, Andre Joyal and Laurent Deshaies</td>
<td>1994</td>
<td>The article focuses on the SMEs in Quebec within the manufacturing firms and to exam the impact of globalisation on SMEs. With particular focus on how small firms viewed the opening up of the borders, did they either face increase in competition or take advantage of reduced customs duties.</td>
</tr>
<tr>
<td>Barry Quinn</td>
<td>1999</td>
<td>The retail international operations have been re-examined within this article looking into the motives for UK retailer internationalisation through a survey.</td>
</tr>
<tr>
<td>Alexander and Myers</td>
<td>2000</td>
<td>The article develops international retail thought looking at the international retail activity.</td>
</tr>
<tr>
<td>Karise Hutchinson</td>
<td>2005</td>
<td>Research focuses on the internationalisation of small and medium sized retail enterprises.</td>
</tr>
<tr>
<td>Karise Hutchinson, Nicholas Alexander, Barry Quinn and Anne Marie Doherty</td>
<td>2006, 2007</td>
<td>The research focused on British Specialist retailer internationalisation, focusing on barriers, drivers, facilitators, process, and market entry strategy.</td>
</tr>
<tr>
<td>Karise Hutchinson, Emma Fleck and Lester Lloyd-Reason</td>
<td>2009</td>
<td>The research focused on small UK retailers in the investigation of their initial barriers to internationalisation.</td>
</tr>
</tbody>
</table>

Source: Author's Own

Additionally, there are author/s who have consistently contributed to the UK internationalisation literature over the recent decade in different contexts. The table 2.2 below provides a summary of the research conducted on internationalisation by author/s focusing geographically on UK.
From the tables 2.1 and 2.2 above, research conducted on internationalisation literature formed four major research themes which have dominated SMEs internationalisation literature. The themes are barriers or obstacles to internationalisation faced by SMEs; critical success factors in SME internationalisation; starting to export and the internationalisation process; export planning importance and the international market entry mode and development adopted as a strategic approach (Hamill, 1997). However, researchers have noted that this aspect provides only a part view of the transformations within small businesses, since a complete analysis of the business life need to be researched (Alvesson and Sköldberg, 2009).

The research activities since then has evolved and a large area focused on analysing the internationalisation stages and the conceptual framework seeks credibility (Alexander and Myers, 2000). However, there has been a continuous gap in knowledge on how the expansion of micro and small firms are, regardless of the increase in small business publications over the last decade (Hill, Nancarrow and Wright, 2002).
2.2 INTERNATIONALISATION THEORIES AND MODELS

2.2.1 Introduction

Industrial organisations have been the root for most of the internationalisation theories (Coase, 1930s through Bain, 1950s to Williamson, 1970s) and mainly when the American multinationals began to invest in Europe and European SMEs began exporting to their neighbouring countries, these theories were developed in the early 1970s and 1980s (Weisfelder, 2001). According to Deprey, Lloyd-Reason and Ibeh (2012), within the SME internationalisation literature, an internationalisation theory that would best suit there is yet unclear. With that said, there have been rapid changes in the way the business world has been operating subsequently, the internationalisation practices of firms today require critical assessment on whether the established theories are still being embraced (Axinn and Matthyssens, 2002).

Hence, authors have suggested for an essential for new international marketing paradigm which may have to be developed for explaining the internationalisation processes through the digital age also to reassessment of the results of past research may be necessary (Hoffman and Novak, 1996; Quelch and Klein, 1996; Hamill and Gregory, 1997). Based on the potential foreign market entry and internationalisation (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977; 1990) the theories have obtained both academic and factual understanding (Anderson and Gatignon, 1986; Buckley and Casson, 1998a; 1998b; Dunning, 1998).

The table 2.3 below gives us an overview of the evolution of the internationalisation theories/models.
Table 2.3: Evolution of Internationalisation Theories/Models

<table>
<thead>
<tr>
<th>Author</th>
<th>Internationalisation Theories / Models</th>
<th>Reason for selection and non-selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ricardo (1817); Smith (1776)</td>
<td>Classic Trade Theory</td>
<td>Non-selected: Considering the dramatic advancements within the technology, this theory would not be relevant for consideration within this study.</td>
</tr>
<tr>
<td>Hecksher and Ohlin (1933)</td>
<td>Factor proportion theory</td>
<td>Non-selected: Since the research would need to focus on the course of the country’s development.</td>
</tr>
<tr>
<td>Vernon (1966; 1971); Wells (1968; 1969)</td>
<td>International Product Life-cycle Theory</td>
<td>Non-selected: Since this research would not be looking into the phases of the product lifecycle.</td>
</tr>
<tr>
<td>16th to 18th Century</td>
<td>Location Concepts</td>
<td>Non-selected: Since this research does not focus on expanding to particular locations due to the digital advancement in technology.</td>
</tr>
<tr>
<td>16th to 18th Century</td>
<td>Location Factors; The Diamond Model</td>
<td></td>
</tr>
<tr>
<td>Dunning (1979)</td>
<td>The Eclectic Paradigm (ownership-specific, internalisation, and location advantages). Initially addressed as a static model.</td>
<td>Non-selected: Since the theory focuses on the decision to locate manufacturing facilities in a country.</td>
</tr>
<tr>
<td>Zuchella and Scabini (2007)</td>
<td>Network Theory of Internationalisation • Inter-organisational relationships • Interpersonal relationships approach</td>
<td>Selected: Since this research focuses on the internationalisation of the firms through advancement in the digital world.</td>
</tr>
</tbody>
</table>

Inter-organisational relationships
- The impact of the Resource-Based View (Penrose, 1959; Rumelt, 1984; Teece, 1984;)
- International new venture (Oviatt and McDougall, 1994), Born Global (Michael and Rennie, 1993), Born-again Global (Bell, McNaughton and...
<table>
<thead>
<tr>
<th>Source</th>
<th>Theory/Model</th>
<th>Selected: Since this research focuses on the resources adopted which enable dynamic capability for micro and small firm internationalisation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis (1986), Davis, et al. (1989)</td>
<td>Technology Acceptance Model (TAM) Revised TAM</td>
<td>Selected: Since this research focuses on the adoption of technology for firm internationalisation.</td>
</tr>
<tr>
<td>Everett (1962)</td>
<td>Diffusion of Innovation (DOI) theory</td>
<td>Selected: Since this research focuses on the adoption of technology for firm internationalisation.</td>
</tr>
</tbody>
</table>

Source: Author’s Own
However, for this study as mentioned within the table above the reason for selection of the Uppsala model and the Network theory. For the justification and selection of the two main theory/model, the sample criteria selected for the digital internationalisation of micro and small retail businesses are also considered.

2.2.2 Stage / Uppsala Model

The Swedish Uppsala model, also known as the Stage approach (Johanson and Wiedersheim-Paul, 1975) was initiated in 1970s and the model has been further developed since then (Johanson and Vahlne, 1977; 1990). The main criteria for this model are learning through knowledge acquisition (Forsgren, 2002) and the key issues for this model is how organisations learn and how their learning affects the overall business performance (Johanson and Vahlne, 1977; 1990). The learning process for the organisations who begin selling to their psychically close markets and gradually expanding to new neighbouring countries are either through acquisition or hiring specific skilled knowledge people as a learning concept for organisations (Huber, 1991; Barkema and Vermeulen, 1998).

Traditional internationalisation theories, such as Stage / Uppsala model (Johanson and Vahlne, 1977) has focused on the factors influencing internationalisation, especially in larger firms (Wright, Westhead and Ucbasaran, 2007). However, the two main features the Stage / Uppsala model focuses on are: the firms develop activities abroad through an incremental fashion over a period of time; firms would consider expanding abroad considering the psychic distance starting with neighbouring countries and once knowledge is gained move to distant countries (Johanson and Vahlne, 1977). According to Musteen, Datta and Zahra (2007) understanding foreign business market practices and opportunities provide valuable resources for firms to internationalise to other markets.

However, an interesting point raised by Zahra (2005) suggested that a firm’s strategy for innovativeness is prevented due to the experience in managerial practices which induce rigidity. Over the years, many authors have heavily criticised the Stage / Uppsala approach to internationalisation (McAuley, 1999; Fillis, 2000; 2001; 2002a; 2002b) due to lack of empirical evidence and the evidence that the smaller firms behave in a non-
linear, non-stage-like pattern (Fillis, Johansson and Wagner, 2004). The figure 2.2 below provides a diagrammatic representation of the initial concept for the Stage / Uppsala model.

**Figure 2.2: Stage / Uppsala Model**

![Stage / Uppsala Model Diagram]

Source: Johanson and Vahlne (1977)

The incongruence between the theory and practice (Andersen, 1993) is mainly caused by firm which tend to skip some of the suggested stages in the aim of accelerate the process (Hedlund and Kverneland, 1983; Turnbull, 1987; Gankema, Snuif and Zwart, 2000). The need for the original model to be improved further came to light when additional evidence on the importance of networks within the internationalisation of firms (Johanson and Vahlne, 2009). The introduction of new and different concepts, the Stage / Uppsala model had a new version completely assuming that a firm that is internationalising has access to one or more particular edge (Johanson and Vahlne, 2009). According to Coviello and McAuley (1999) firm internationalisation through networking multidimension and evident that firms are controlled by others due to the firm resource dependencies. The reason for the proposal of this particular model was the belief that the connection between the stages in which an enterprise enters foreign markets and psychic distance had weakened (Johanson and Vahlne, 2009). Hence, the figure 2.3 below provides the updated Stage / Uppsala model embedded with the new elements considered.
Having one trail and generalising the Stage / Uppsala multi-stage model to all firms was considered too deterministic (Reid, 1983). It has been found that the attitudes of owner managers regarding risks and incentives to internationalise remain the same based on the many number of foreign markets the firms operated in (Sullivan and Bauerschmidt, 1990). Additionally, the multi-stage model has been critiqued that it does not sufficiently reflect the internationalisation of SMEs (Bell, 1995). Moreover, due to the communicational boom, barriers on culture have become less limited, that even the exporters with no prior or any knowledge about internationalisation have entered psychologically distant markets (Czinkota and Ursic, 1987). Hence, the firms that take time to internationalise gradually are termed as latecomers who delay their global market entry (Mathews, Hu and Wu, 2011).

Eventually, it has been proposed of a sequential and incremental effect that international knowledge came from the evolution of overseas ties (Johanson and Vahlne, 2011). Interesting observation was that the experiential knowledge acquired required time and that the number of years firms operated abroad has often been the intensity of knowledge acquired for expansion overseas (Luo and Peng, 1999). The firm’s implementation of an international strategy followed the existence of a deterministic and mechanistic path was a key criticism for the stage model (Buckley and Pearce, 1979; Reid, 1986; Bell, 1995). However, evidence from work of Jones (2001) suggested that many of the small firms within the service industry, where manufacture and delivery are inseparable, do not fit into the export-based Stage / Uppsala model for the process of internationalisation.
Additionally, when theoretically analysing the Stage / Uppsala model, have identified an increased global competition, export sales growth (Buckley and Casson, 1985) and accumulation of financial and management resources (Porter, 1980) as alternative explanations for why firms gradually expand internationally, particularly in terms of the mode of operations.

However, over the years it has been noticed that many of the firms do not follow the approach of the incremental stage model and are often found starting their activities internationally from their birth (Anderson and Van Wincoop, 2004). Additionally, approaching these new markets for either exporting or sourcing or both happen in different countries at the same time (Baronchelli and Cassia, 2008). For those who have engaged in a foreign market, each of the firms behave differently on which the internationalisation process is based on but struggle to surmount (Whitelock, 2002). Then on, there has been a huge rapid change in the way businesses work presently (Axinn and MatthysSENS, 2002). Businesses are more technologically driven and increasingly complex with high competition every day (Porter, 1990).

The criticism for this model was based on the fact that not every business nowadays passes through all the stages of the established chain, but rather leapfrogging or omitting some stages have been taking place (Cannon and Willis, 1981). Additionally, rapid internationalisation has been applied by some firms where they have gone global from the very beginning (Born Global) (Oviatt and McDougall, 1994). Another important point made by some of the authors implied that either the strategic approach or the entrepreneurial processes have been considered which in modern-day seem critical for the international growth for the firms (Reid, 1981; Andersson, 2000). With more specific findings author such as Grönroos (1999) suggested that when a specific character of services is considered the Stage / Uppsala model does not apply to the analysis of internationalisation for such service firms.

Hence, the restructuring need of the internationalisation process for the Stage / Uppsala model is due to the increased global players (Johanson and Vahlne, 1977; Johanson and Vahlne, 2009) which is resulting in the businesses globalisation processes (Vahlne, Ivarsson and Johanson, 2011; Vahlne and Ivarsson, 2014, pp. 227-247). Due to which the
international entrepreneurship concept was included within the traditional Stage / Uppsala model (Schweizer, Vahlne and Johanson, 2010).

However, one of the main criticisms made in the model’s disappointment is the consideration of time to explain the realities of internationalisation considered with cross border and the need for companies to globalise much quickly than in the past due to the rapid improvements within global telecommunication and information technology (Hamill, 1997). Additionally, Bridgewater and Egan (2002) point out that small retail firms opt to enter first those markets where there are lower levels of uncertainty. Hence, slow incremental internationalisation through Stage / Uppsala model does not seem to imply among the firms taking advantage of technology which provides the firms with low cost gateway to global markets (Fletcher, Bell and McNaughton, 2004). However, according to Hamill (1997) who strongly argued, that the internationalisation research activities would need to consider the export strategy complemented using the Internet and the Internet-enabled firm processes.

2.2.3 Network Theory

The internationalisation process also involves a complex pattern of building networks of relationships which are inter linked to the firms (Glowik, 2016). In general, when a number of entities are connected together then they are termed as a network (Easton, et al., 1992). Hence, the basic assumption for a firm to change its internationalisation status is based on the firm positioning itself internationally among other firm connections (Zuchella and Scabini, 2007). Additionally, a basic requirement for effectively communicating within the network of buyers and sellers need to be established by firms, thus providing firms with the opportunity and motivation to internationalise (Glowik, 2016). However, modern internationalisation processes are particularly characterised as a course of learning through network relationships (Sharma and Blomstermo, 2003). The Network Theory of Internationalisation is subcategorised into two sections:

1. Inter-organisational relationships – within this section the firms have specific assets which are used for their competitive advantage and the internationalisation theory within this is the Resource-Based View (RBV) Theory (Penrose, 1959);
2. Interpersonal relationships approach – within this section the firms form two types of relationship stimuli among individual-to-firm and firm / group-to-firm / group dyads (Iacobucci and Ostrom, 1996). For example, business firm and employee; sales department and marketing respectively. The internationalisation theories within this section are International New Venture (INV), Born Global and entrepreneurial concept.

2.2.3.1 Resource-Based View (RBV) Theory

The Resource-Based View theory suggest that the firm’s business strategies are based on firm-specific resources such as: assets and capabilities which are available to the firms (Ekeledo and Sivakumar, 2004). The ability for the firms to use their assets efficiently are termed as firm-specific capabilities (Grant, 1991). According to Day (1994), the firm-specific capabilities have proven to be advantageous for the firm to perform activities within business processes which set employees of a firm apart from those of other firms. Hence, Penrose (1959) introduced the theory which began as an idea of looking at firms as a broader set of resources. Gradually, Caves (1980) added within this concept of tangible and intangible assets of a firm's resources which began to take form, and these can be tied semi permanently to the firm.

These firm-specific capabilities help firms to understand and translate the tangible valuable assets into action through a cognitive process (Fiol, 1991). These cognitive processes are basically the managerial skills and knowledge which are often embodied in and cooperatively provided by employees of the firm (Hofer and Schendel, 1978; Day and Wensley, 1988; Hall, 1992). Additionally, these firm-specific capabilities include technology, tacit know-how and business experience which are used as operational variables for the firm-specific capabilities (Anderson and Gatignon, 1986; Hill, Hwang and Kim, 1990; Erramilli and Rao, 1993; Madhok, 1997). The firm’s product, process or management technology which all use some form of technology and resides within the firms can act advantageously for the firms as a trademark (Bharadwaj, Varadarajan and Fahy, 1993).

Correspondingly, as a source of competitive advantage the Resource-Based View theory assesses the firm and not the industry (Capron and Hulland, 1999). These competitive advantages reside in the resources available to the firms (Barney, 1991; Peteraf, 1993;
However, despite scholars agreeing that the Resource-Based View is one of the richest strategic theory when considering the concept of international market entry modes adopted by firms, a detailed description would be a much-needed contemplation (Aaker, 1989; Barney, 1991; Conner, 1991; Grant, 1991; Amit and Schoemaker, 1993; Bharadwaj, Varadarajan and Fahy, 1993; Ekeledo and Sivakumar, 2004). Ironically however, Rubin (1973) received relatively little formal attention for this idea during the time. Some of the assets identified within this theory are capital, technology, in-house knowledge of technology, employment of skilled personnel, brand name, efficient procedures and machinery. According to Wernerfelt (1989), the assets form characteristic blueprints for the firms to significantly perform in strategic formulation.

This theory has been developed by different authors over the years focusing on different aspects of the figure below. With Wernerfelt (1984) contributing towards the Resource-Based View of the Firm; Prahalad and Hamel (1990) towards the core competence of the corporation and Barney (1991) towards the firm resources and sustained competitive advantage. Additionally, during this time when Prahalad and Hamel (1990) developed the concept of core competencies, Stalk, Evans and Shulman (1992) strongly argued competencies and capabilities are two different terms, hence leading to the addition of the term capabilities to the terminological fray. Further along the way, authors such as Hill and Jones (1992) and Hitt, Hoskisson and Kim (1997) summarised the terminological issues by suggesting that resources are a firms fundamental requirement which can take form of either financial, physical, individual and organisational capital while capabilities are attributes of the firms which enable a firm to use these fundamental resources to implement strategies.

The figure 2.4 below represents the Resource-Based View internationalisation theory with aspect that need consideration and emphasises on the key points of it.
The recognition of firm’s resources as both heterogeneous and immobile suggested to be embedded within the theory (Barney, 1991; Hunt and Morgan, 1995). According to Rothaermel (2013), who evidenced that the model has had improvements from VRIN to VRIO with the addition of the questioning firms if they are efficiently using their resources to the highest achievable level. Since this model has evolved over the years adopting the fact of technological advancements within firms’ resources, the VRIN framework was identified by Barney (1991). According to Penrose (1959), through this theory confirmed that the Resource-Based View does not enable firms to gain competitive advantage from market location but other enablers such as value chain as well. Holding the Resource-Based View as a foundation, a fundamental requirement for firms to enter markets and overcome market entry barriers depend of the presence of the firm’s resources, which enables brand reputation (Grant, 2000).

Mathews (2002) analysed international activities, examining the cases of incumbents (firms that are already established in the worldwide market) and international latecomers (those with delayed global market entry) as examples based on the Resource-Based View. Hence, firms are forced to react to dynamic markets in order to constantly renew competencies to respond to innovating market, depending on the changes within business situations within the shortest possible time period (Eisenhardt and Martin, 2000, p. 1107;
Zuchella and Scabini, 2007, pp. 87-88). Though a firm-specific resources drive firms successfully through their businesses, according to Ekeledo and Sivakumar (2004) research conducted through an empirical systematic approach is lacking within the context of entry mode choice using the resource-based perspective.

2.2.3.2 Dynamic Capabilities Theory

During the 1990’s when new sources of competitive advantage began to emphasise on firm resources. These firm resources are identified to be special or unique if not impossible to imitate are referred as firm-specific assets (Teece, 1980; 1982). Antecedents of firm-competitiveness has predominantly focused on the topic of innovation by researchers (Wolfe, 1994; Damanpour and Aravind, 2012). However, scholars such as Teece, Pisano and Shuen (1997) began development on an emerging and potentially integrative approach as dynamic capabilities to understanding the changing environment. In viewpoint of resource-based, firms have a heterogeneous adhesive bundle of resources such as capabilities and endowments for their entry decision process. However, to understand these decision process requires practical wisdom, knowledge and creativity (Nonaka and Toyama, 2007). Hence, Teece (2007) offered a general framework for dynamic capabilities which comprised of capabilities to identify and structure opportunities and threats, to seize opportunities and to sustain competitiveness. Additionally, the increasingly demanding environment involves firm’s competitiveness which can be achieved through enhancing and / or reconfiguring businesses tangible and intangible resources / assets (Leonard-Barton, 1992).

According to Cepeda and Vera (2007), integration of new knowledge within firms occurs through development/reconfiguration of operational capabilities incorporated by dynamic capability view. This new knowledge creation emphasised by firms are predominantly based on knowledge-based view lens which can be exploited by existing knowledge (Denford, 2013, p.177). However, rapid technological changes creating opportunities and threats indicate better business performance environment through dynamic capabilities (Teece, 2014). These opportunities depend on firm capabilities; hence, the emphasis is mainly on matching firm necessities to the changing environment and this could be through adopting suitable strategic management role, internal and external organisational skills integration and reconfiguration, resources and functional competences. However,
the term dynamic refers to the capability of renew competences so as to achieve congruence with the changing business environment; innovative responses, the rate of technological change is rapid, and the nature of future competition. An extensive literature on dynamic capabilities now exists (Helfat et al., 2007). The figure 2.5 below represents the foundations laid for the dynamic capability view.

**Figure 2.5: Foundations of Dynamic Capabilities and business performance**

![Diagram of foundations of dynamic capabilities](source: Teece, 2007)

With the recent efforts by researchers to empirically investigate the dynamic capability view (Drnevich and Kriauciunas, 2011; Li and Liu, 2014; Schilke, 2014; Fainshmidt, et al., 2016) which proved to be still promising and emerging (Helfat and Peteraf, 2009; Di Stefano, et al., 2010; Danneels, 2016). According to various scholars there are several issues surrounding dynamic capabilities conceptualisation within conceptual vagueness and tautology (Williamson, 1999; Priem and Butler, 2001; Wang and Ahmed, 2007, p. 31; Arend and Bromiley, 2009; Zheng, et al., 2011; Wang, et al., 2015; Sharma and Martin, 2018). However, recent studies have shown validity and explicit operationalisation of dynamic capability view (Noblet, et al., 2011; Flatten, et al., 2011; Grant and Verona, 2015; Danneels, 2016; Laaksonen and Peltoniemi, 2016; Sharma and Martin, 2018). Moreover, expansion of the dynamic capability theory can be facilitated by the efficiency dimension to enable further research (Eisenhardt and Martin, 2000; Wang and Ahmed, 2007; Drnevich and Kriauciunas, 2011; Wang, et al., 2015; Sharma and Martin, 2018).
2.2.3.3 International New Venture Theory (INV)

Firms seeking competitive advantage for using resources and selling to several countries from birth are termed as International New Venture (Oviatt and McDougall, 1994; 1995; 1997). The only difference International New Venture firms are that they target market in international and start-ups range from more than one nation (Oviatt and McDougall, 1994). The International New Venture roots depend on networks and partnership’s which are their fundamental resources (Oviatt and McDougall, 1995; Madsen and Servais, 1997; Chetty and Campbell-Hunt, 2004; Freeman, Edwards and Schroder, 2006; Laanti, Gabrielsson and Gabrielsson, 2007). The business relation the firms create is an important effect for prior international business experience (Oviatt and McDougall, 1995). Supportive network of business associates provides important resources which new start-up companies lack and extending support either through local or international borders (Baronchelli and Cassia, 2008). The proposal that future research has it adopted the concept of International New Venture’s (Oviatt and McDougall, 1994), including their subcategories, namely Export/Import Start-Ups, Geographically Focused Start-Ups, Multinational Traders, and Global Start-Ups and this conceptualisation seems to be the broadest and comprehensive one used in the literature (Melén and Nordman, 2009).

The economic and social role that the International New Venture’s play must be understood in order to have better informed theories of internationalisation (Oviatt and McDougall, 1997). Another finding suggests that smaller firms rather than large firms are taking steps to internationalise at a shorter period of time which contradicts findings of Johanson and Vahlne’s panel of Swedish enterprises, these findings form a new phenomenon of new venture firms indicate that firms show a more rapid pace of internationalisation (Hashai and Almor, 2004). The concept of learning form network partners allows firms to a rapid substitution and allow firms to enter international markets at shorter period of time which act as leverage advantage for SMEs (Glowik, 2016). Hence, network relationships are termed beneficial for firms and act as valuable resources to enable firms overcome market entry barriers such as limited knowledge about international markets, suppliers and customers (Mathews, Hu and Wu, 2011, p. 186). The figure 2.6 below provides two opposite theoretical perspectives for time and internationalisation for International New Ventures.
Figure 2. 6: Two opposite theoretical perspectives for time and internationalisation

Source: Melén and Nordman, 2009

The figure 2.7 below is the conceptual framework by Gartner (1985), this relates to the International New Ventures has been identified, which describes four dimensions involving the creations of new ventures. The four dimensions are: individual(s) which represents the person starting the firm (owner/founder); organisation represented by the kind of firm; environment which suggests the situation and influences on the organisation; and the new venture process are the actions taken by the individual(s) to start the venture (Gartner, 1985).

Figure 2. 7: Variables in a new creation

Source: Gartner, 1985
2.2.3.4 Born Global (BG)

The first use of the concept Born Global was in an Australian report back in 1990s (McKinsey and Co., 1993), and has been discussed in conjunction with another concept such as the International New Venture (McDougall, Shane and Oviatt, 1994; Oviatt and McDougall, 1997; Zahra, Ireland and Hitt, 2000; Shrader, Oviatt and McDougall, 2000). Research has demonstrated that firms do not follow incremental stages with respect to international activities anymore, they start internationalising right from birth either to neighbouring countries or even countries further away and to multiple countries at the same time (Rasmussen and Madsen, 2002). Whereas other authors, have argued that firms that internationalise in this pattern behave completely differently and not necessarily with respect to the more fundamental processes of internationalisation (Madsen and Servais, 1997; Knudsen, et al., 2002).

There are two main criteria to differentiate a firm to be identified as a Born Global firm, first they need to be operating in multiple continents or second, they need to be generating more than fifty per cent sales from outside of their home country (Luostarinen and Gabrielsson, 2006). However, according to GEM (2018) report, which evidenced that the main leverage for firms to achieve this is due to the digital technology that has enabled aggressive exporting and Born Global firms are flourishing with this advantage. The figure 2.8 below provides a diagrammatic representation of the Born Global Model introduced by Oviatt and McDougall (1994).

**Figure 2.8: Born Global Model**

![Born Global Model Diagram](image-url)
Firms termed as born-international or Born Global are the newly launched firms with internet access (Kundu and Katz, 2003). Firms that are operating within high-technology industries fall under a significantly high number and they are Born Global firms and owner/founders of these firms have high technological knowledge (Knight and Cavusgil, 1996; 2005; Madsen and Servais, 1997; Sharma and Blomstermo, 2003; Rialp, Rialp and Knight, 2005). There is no particular pattern that the born global follow since they start international activities from birth (Rasmussen and Madsen, 2002). However, the biggest challenge for born global would be the lack of sufficient experiential knowledge and resources within the firm (Laanti, Gabrielson and Gabrielsson, 2007), but a particular implicit knowledge sharing can also be acquired through interaction with local and international networks (Freeman and Cavusgil, 2007).

Nevertheless, it is evident that large amount of knowledge is accessible to Born Global through different external environment such as Government help (Baronchelli and Cassia, 2008). Additionally, in line with the Resource-Based View perspective and being a part of the Network Theory obtaining external tangible and intangible resources has contributed to internationalisation (Dana, 2001). The figure 2.9 below illustrates the conceptual framework with the different criteria which lead to the formation for a Born Global firm.

**Figure 2. 9: Research Conceptual Framework for Born Global**

![Conceptual Framework](image)

**Source:** Madsen and Servais, 1997
According to Madsen and Servais (1997) a conceptual framework for the Born Global Model addresses the importance of past experience of the firm founders’ as being a relevant issue when deciding to internationalise, even before the birth of the firms. According to Davidsson, Achtenhagen and Naldi (2010) who suggested that smaller firm size has enabled internationalisation due to decision powers within the hands of the founder. However, the model does not address firm performance but emphasises on the founder’s role, the firm and the impact environment have on the firms (Cavusgil and Knight, 2015). In relation to the above discussion a conceptual framework that would fit for the criteria mentioned was adopted from Madsen and Servais (1997). Hence, the figure 2.10 below provides a conceptual framework for the network capable firms for internationalisation, this is applicable only to Born Global firms.

**Figure 2. 10: Conceptual Model of Networking Capability and Internationalisation in Born Global Firms**

Considering the criteria that comprises the above model introduced by Mort and Weerawardena’s (2006), high importance is provided on the firm’s characteristics, organisations competence, international market performance, rapid internationalisation and product specialisation. Additionally, according to the findings from Cavusgil and Knight (2015) have highlighted the critical role owner/founder play in the network building capacity which has impacted on rapid internationalisation of Born Global firms. According to Gabrielson and Gabrielson (2011), firms that adopt internet-based sales channels rapidly achieve increased international sales. However, embedding the network
capabilities within the conceptual framework has enabled for a completely different conceptual framework since they have a major role within the organisations, hence this conceptual framework is applicable only to Born Global firms (Mort and Weerawardena, 2006).

2.2.3.5 Speed – Rapid Internationalisation

Internationalisation may occur in a variety of different modes (Dunford, Palmer and Benveniste, 2010). Gradual internationalisation is dead (Cavusgil, 1994). However, research shows that even the smallest firms have access to a range of information relating to export markets which enhances them to begin exporting from birth (Rasmussen and Madsen, 2002). There has been a recent increase in research attention with regards to the speed at which SMEs are expanding internationally (McDougall, Oviatt and Shrader, 2003; Acedo and Jones, 2007; Casillas and Acedo, 2013; Casillas and Moreno-Menendez, 2014). The phenomenon of speed-rapid internationalisation has been facilitated by many factors, one of which is technological where internet has reduced cost of telecommunication and facilitated greater speed (Oviatt and McDougall, 1994, p. 49; Shrader, Oviatt and McDougall, 2000, p. 1235; Dunford, Palmer and Benveniste, 2010; Glowik, 2016).

Research confirms that firms have demonstrated rapid internationalisation and high-market commitment soon after inception rather than following or adopting the gradual and incremental approach (Crick, 2009). According to McDougall, Shane and Oviatt (1994), firms that possess a most noticeable management competencies through previous experience which are at combining resources such as knowledge, network and background of different national markets. According to Glowik (2016), firms that are able to internationalise rapidly often have established personal relationships with firms abroad. Across the UK, during the period 2011-2014, sixteen per cent of businesses were classed as fast-growing (CMI, 2015). This could be that the firm may contribute abroad regardless of whether the apparent hazard is high because of absence of market information in light of the fact that the firm considers the danger of not contributing considerably higher (Forsgren, 2002). Owning an exceptional innovation provides an advantage which is emphatically connected with fast internationalisation of SMEs (Freeman, Edwards and Schroder, 2006).
A portion of the firms which internationalise did so by setting up auxiliaries in a few remote markets, with no evident learning of the economic situations in the nations concerned (Tersmeden and Thornell, 2000). The ‘global start-up’ from the typology (Oviatt and McDougall, 1994) is categorised as having hands-on experience working with a large scale of global markets in an attitude consisting work flexibility (Ramussen and Madsen, 2002). It has been distinguished that more youthful firms will probably be exporters and they announced higher internationalisation forces (Westhead, Wright and Ucbasaran, 2004). Further, contextual investigation recommends that while 'conventional' firms for the most part took after an incremental approach both locally and globally, 'learning concentrated' firms will probably have detailed a worldwide introduction from commencement, and they internationalised quickly (Bell, Crick and Young, 2004). The speed at which relationships are formed in the international market are an underlying assumption in the face of new economic reality which is one of the important drawbacks for traditional theories (Axinn and Matthyssens, 2002).

Innovation is distributed through members of the social system by certain channels over a period of time and this process of innovation distribution in firms is termed as rapid internationalisation (Rogers, 1983). According to authors, firms that adopt innovation as an export-oriented strategy is considered as an innovative step on its own for the firms, which is as similar to adopting innovation for new production process (Lee and Brasch, 1978; Thomas and Araujo, 1985).

### 2.2.3.6 Born-again Global

With the rapid internationalisation of firm’s authors began to focus on well-established firm’s internationalisation and identified that firms that previously focused on domestic markets began to embrace internationalisation rapidly (Bell, McNaughton and Young, 2001). Additionally, with the developing research areas on globalisation (Knight, 1997) the incremental ‘stage’ model seems challenged due to the pace, pattern and strategies for internationalisation (O’Farrell, et al., 1988; Erramilli and Rao, 1991; 1994; Chadee and Mattsson, 1998; Schueffel, Baldegger and Amann, 2014). These are mature domestic focused firms that have adopted the online route through dot.com and rapidly deciding on strategic shift, hence evidencing emerging new global phenomenon (Bell,
McNaughton and Young, 2001). According to European Commission (2003) these firms are termed as reborn global. Specific criteria for born-again global are: firms initially from inception did not sought to gain competitive advantage through the use of their resources for international markets, and have not gained overseas sales within three years of inception; however, due to strategic changes have begun to gain sales internationally within three years of the implemented change (Kuivalainen, Saarenketo and Puumalainen, 2012).

Further researchers Olejnik and Swoboda (2012, pp. 488-89) identified unique patterns within internationalisation and termed it reborn global which originated from the born global, born-again global and the “traditional”. Nonetheless, authors suggested limited research conducted within born-again global (Schueffel, Baldegger and Amann, 2014). Hence, suggesting further research to be conducted with stronger focus on born-again global (Jantunen, et al., 2005; Vissak and Zhang, 2013). However, some firm investigation on the effectiveness of knowledge has been introduced within born-again global also considering the adaptability and networks on internationalisation strategies (Tuppura, et al., 2008). Which would benefit from further research on defining the significant perceptions (Schueffel, Baldegger and Amann, 2014). It has been observed debating on measuring the degree of internationalisation benefitted from critical reviews and debates (Sullivan, 1994; 1996). Further conceptualisations or typologies are therefore needed for the under-researched phenomenon of born-again global, as such organisations will continue to emerge (Schueffel, Baldegger and Amann, 2014).

2.2.4 Technology Acceptance Model (TAM)

TAM provides a cognitive framework used to explain the elements of technology acceptance or rejection of within a firm (Davis, 1989). Once there is an interaction of the system, the model was also designed to predict the measures taken using the acceptance of information systems (Szajna, 1996). Additionally, while conducting a deeper study to better understand the related constructs, having a law-like model like the TAM allows part assumptions to be true (Venkatesh, Davis and Morris, 2007). Notwithstanding, the current online context of new technology introductions by firms has defined trust as credible and reliable elements (McKnight and Chervany, 2002). Hence, allowing the interaction within the online shopping platforms confidently which form a source of both
an information technology and a channel for e-retailers (Ashraf, Thongpapanl and Auh, 2014). The figure 2.11 below provides the initial TAM model which represents both the perceived usefulness and ease of use as beliefs about a technology.

**Figure 2.11: Original Technology Acceptance Model**

![Image of Original Technology Acceptance Model](source)

Source: Davis, 1989

However, when the model was tested only partial results were obtained due to which a revised model was then proposed (Davis, 1989). This revised model empirically considered pre and post implementation criteria for information system acceptance within firms. Nonetheless, the critical factor of TAM is that there is no managerial direction as to how the technology acceptance can be enhance by individuals though they have the ability to predict (Venkatesh, et al., 2007; Autry, et al., 2010). Venkatesh and Bala (2008, p. 276) embedded four generic antecedents to the TAM such as: “individual differences, system characteristics, social influence, and facilitating conditions”. The figure 2.12 below represents the theoretical framework the four antecedents within the TAM model.

**Figure 2.12: Theoretical Framework**

![Image of Theoretical Framework](source)

Source: Venkatesh and Bala, 2008
Additionally, other authors have also accepted and validated the TAM to explain the technological usage within firms be it in a variety of technology contexts (Marchand and Raymond, 2008). Hence, using the firm as a key unit for analysing and examining their e-business has been adopted by many scholars (Chan, et al., 2012; Venkatesh, 2013). The figure 2.13 below provides the revised TAM with the post and pre implementation version.

**Figure 2.13: Revised Technology Acceptance Model**

![Revised Technology Acceptance Model Diagram](image)

Over the years, the robustness of the TAM framework has been validated by various scholars to understand the acceptance of technology by users in a diverse context including e-commerce (Ha and Stoel, 2009; Hernández, Jiménez and Martín, 2009; 2010), mobile-commerce (Bruner and Kumar, 2005), and email (Huang, Lu and Wong, 2003). However, according to some authors the TAM’s key constraint limits the expanded understanding within the literature notes (Venkatesh, 2000; Vijayasarathy, 2004) where users’ voluntary choices situations has not been addressed or considered (virtual reality) (Vijayasarathy, 2004). This is also in consideration that the adoption of internet, the number of online shoppers growing rapidly, and penetration levels has increased (Ha and
Stoel, 2009; Colton, Roth and Bearden, 2010). Hence, an urgent need to understand the rapid globalisation of markets and retailing channels and learn the application of the TAM in cultures (Ashraf, Thongpapanl and Auh, 2014).

2.2.5 Diffusion of Innovation (DOI) Theory

When innovation is communicated through a particular channel over time amongst the member of the social system this process is termed as diffusion (Everett, 2003). Within this there are different adopter categories: innovators, early adopter, early majority, late majority and laggards. The figure 2.14 below provides the diffusion process suggested by Everett as early as in the 1960’s.

![Figure 2.14: The Diffusion Process](image)

Additionally, an idea, practice or object that is perceived as new by an individual or other unit of adoption is defined as innovation (Everett, 2003). Hence, Rogers (1962, p. 39) suggested that the diffusion of innovation theory “seeks to explain how, why and what rate new ideas and technology spread”. However, over the years the diffusion process consists of four key elements: innovation, communication channels, time and social system (Everett, 2003, pp. 37-38). Additionally, other authors have adopted this theory
to embed another component such as: characteristics of innovation which then represents the DOI as shown in the figure 2.6 below (Chen, Kirkley and Raible, 2008). Currently, consumers are empowered with more information and ever more choices than before and only due to technology developing at a rapid pace coupled with new channels emerging frequently (some examples such as: kiosks, websites, mobile-phone apps, and social media) (Cao and Li, 2018). The figure 2.15 below provides the adoption of the four components within the diffusion of innovation theory.

**Figure 2. 15: The adoption of four components within the diffusion of innovation theory**

![Diagram of the adoption of four components within the diffusion of innovation theory](image)

Source: Chen, Kirkley, and Raible, 2008

Due to this advancement in technology, retailers are bound to accelerate their strategical developments (Arora, Fosfuri and Gambardella, 2004) leading to studies which evidenced adoption of cross-channel integration (Bendoly, et al., 2005) and improve firm performance (Lih-Bin, Hock-Hai, and Sambamurthy, 2012; Cao and Li, 2015). However, the innovation of diffusion theory considers the element of time which suggested the diffusion of a technology occurs through stages and over time (Everett, 1995). Considering smaller firms’ internal financial resources which reduces firm’s dependence on external capital markets and hence enables firms to make long-term
investments in innovation (Satta, et al., 2016). Additionally, the innovation-diffusion perspective is especially relevant to firm-level studies (Giotopoulos, et al., 2017) that influence firms’ adoption and implementation of internet-related technologies such as e-business and e-collaboration (Zhu, Kraemer and Xu, 2006; Chan, Yee-Loong and Zhou 2012). Hence, the need for this study to consider the element of DOI within the niche retailer in the UK.

2.3 RESEARCH CONCEPTUAL FRAMEWORK

The purpose of this section is to compare previous conceptual framework with the themes originated within chapter 2 of the literature and propose a framework that identifies the factors. From the literature it is likely that the external and internal influences such as: firm characteristics, entry mode and export barriers to internationalisation are the three main themes identified. The first conceptual framework adopted is taken from Styles and Ambler (1994), the original model provided the basic foundations from Aaby and Slater’s (1989) which comprehends the whole internationalisation process. The process consists of “firm characteristics, aspects of internal competencies, the external environment, the internationalisation strategy used and the firm’s performance” (Dean, Mengüç and Myers, 2000, p. 472). The model lends a robust framework which has been adopted, critiqued and modified by Chetty and Hamilton (1993), Bijmolt and Zwart (1994), Styles and Ambler (1994), Zou and Stan (1998) and Wheeler, et al. (2008). The figure 2.16 below provides the modified conceptual framework by Styles and Ambler (1994).
Figure 2.16: Aaby and Slater’s Strategic Export Model

Source: Aaby and Slater, 1989 taken from Styles and Ambler, 1994

The second conceptual framework considered for the theme identified within this literature is for the internationalisation theories and model. For this, Bell, et al. (2003)’s interactive conceptual model is considered, showing the importance of the knowledge intensity of firms to gain competitive advantage internationally. The model also demonstrates the internal and external environments which impact on the owner/founder’s decision-making process. It also looks at the market entry mode and international marketing approach. The model demonstrates how high-intensity knowledge facilitates rapid internationalisation, combining most of the theories and models discussed within this chapter. Similarly, the lower level shows gradual internationalisation like the Stage / Uppsala model of internationalisation. The framework is built around an understanding of the mediating factors that shape the nature of SME internationalisation through digitalisation. Hence, the link to the concepts with the conceptual framework are based on “firm characteristics, internal competencies and international strategy” (Dean, Mengüç and Myers, 2000, p. 472). The figure 2.17 below provides a conceptual framework by Bell, et al. (2003).
Figure 2.17: An Integrative Model of Small Firm Internationalisation

![Integrative Model Diagram]

Source: Bell, et al., 2003

Hence, from the discussion and the identification of the themes from chapter 2 of the literature. A conceptual framework has been developed with the reminder that the next chapter would have the further discussions considered with a revised conceptual framework for this study. The figure 2.18 below provides a conceptual framework for the
themes originated within chapter 2, considering internationalisation theories / models, internal and external environment, export entry mode and barriers to internationalisation.

**Figure 2. 18: Research Conceptual Framework**

![Research Conceptual Framework](image)

Source: Author’s own

### 2.4 CONCLUSION

This section provides a summary of the different internationalisation theories discussed above with their key features and if they are relevant to micro, small or both size of niche retail enterprises. From the discussion of the theories and models within this section indicate different features or factors considered for the firm’s internationalisation process within SMEs. The Stage / Uppsala model of internationalisation follows a process of slow internationalisation where owner/founders of SMEs are required to build knowledge of foreign market or have market connections overseas. These factors are considered as a risk or uncertainties for SMEs to invest, considering limited finance as a commonly faced barrier (Johanson and Vahlne, 1977; Naidu, et al., 1997; Persinger, Civi, and Vostina, 2007; Jones, 2012). Hence, according to authors of the Stage / Uppsala model small firms seem more likely to follow the sequential pattern of market entry of the Stage / Uppsala model due to their resource constraints (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977).

The table 2.4 below is created to provide the dominant internationalisation theories / models which were highlighted within the niche retail literature. The table also considers

```markdown
<table>
<thead>
<tr>
<th>Internationalisation Theory / Model</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Specialist and Niche Retailers</td>
<td></td>
</tr>
<tr>
<td>Internalisation Entry Mode Processes</td>
<td></td>
</tr>
<tr>
<td>Internal: Websites and Social Media</td>
<td></td>
</tr>
<tr>
<td>External: E-commerce (Third-party marketplace)</td>
<td></td>
</tr>
<tr>
<td>Redefine Definition for Internationalisation</td>
<td></td>
</tr>
<tr>
<td>New Opportunities developed</td>
<td></td>
</tr>
<tr>
<td>New Barriers formed</td>
<td></td>
</tr>
</tbody>
</table>
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54
and summarises the three main dimensions of Time, Scale and Scope which is a relevant feature within the internationalisation theory / models.

While the Resource-Based View requires firms to possess strong assets, majority of the SMEs were unsuccessful in using these assets for internationalisation purposes. However, with the introduction of Information Technology – the Internet as one of the firm’s asset, which impacted on reducing firm internationalisation barrier rather than increasing (Mahmood and Soon, 1991). However, for the Born Global firms the theory is unable to explain the abilities of the firms which alleviates barriers towards Rapid Internationalisation. With that, further review of literature within internationalisation of SMEs adopting the route of technology is discussed within the next chapter.
<table>
<thead>
<tr>
<th>Theory / Model</th>
<th>Feature (Similarity/difference)</th>
<th>Implications for niche retail internationalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uppsala Model</td>
<td>Internationalisation through Experiential Knowledge</td>
<td>Time: Long-time operation within the local market</td>
</tr>
<tr>
<td>Revised Uppsala Model</td>
<td>Internationalisation through Business Networks</td>
<td>Time: Gradual internationalisation based on assets and capabilities</td>
</tr>
<tr>
<td>Resource-Based View (RBV)</td>
<td>Business Internationalisation through firm specific capabilities such as firm assets</td>
<td>Time: Gradual internationalisation based on assets and capabilities</td>
</tr>
<tr>
<td>Born Global (BG)</td>
<td>Business Globalisation</td>
<td>Time: Internationalisation from inception</td>
</tr>
<tr>
<td>International New Ventures (INV)</td>
<td>Process with firms internationalising from inception.</td>
<td>Time: Aim for international markets at inception</td>
</tr>
<tr>
<td>Speed – Rapid Internationalisation</td>
<td>Internationalisation through different entry modes at a rapid speed</td>
<td>Time: Internationalisation from inception</td>
</tr>
<tr>
<td>Born-again Global (BAG)</td>
<td>Well established local firms begin rapidly internationalising</td>
<td>Time: Operate for a long a time at their home market</td>
</tr>
<tr>
<td>Model (TAM)</td>
<td>Description</td>
<td>Implementation</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Revised TAM</td>
<td>Focused on perceived usefulness of technology within firms and the perceived ease of use of technology by firms. Within this, the revised version considers the pre and post implementation criteria.</td>
<td>Once technology acceptance happens internationalisation implemented.</td>
</tr>
<tr>
<td>DOI Theory</td>
<td>Seeks to explain how, why and what rate new ideas and technology spread.</td>
<td>Overtime through stages.</td>
</tr>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Source: Author’s own
CHAPTER 3 SME INTERNATIONALISATION: SPECIALIST AND NICHE RETAILERS; BARRIERS; DIGITALISATION

This section would focus on the SME Internationalisation, the section would begin with the introduction of the SME internationalisation. Within the SME Internationalisation, the discussion will lead on to a much narrow focus on SME Retail internationalisation and Specialist and Niche Retailers. Following this section, the focus on the digitalisation of SMEs and the different entry modes adopted within the retail industry are reviewed. The diagram 3.1 below provides a diagrammatic representation of the chapters flow of information.

Diagram 3.1: Structural Representation of Chapter 3

3.1 SME Internationalisation → 3.2 SME Retail Internationalisation → 3.3 Barriers to Internationalisation

3.4 SME Digital Internationalisation → 3.5 Revised Research Conceptual Framework → 3.6 Conclusion

Source: Author’s own

3.1 SME INTERNATIONALISATION

During the early 1970s within the Nordic regions, research began to take shape within the SME internationalisation and related models produced (Johanson and Vahlne, 1977; Cavusgil, 1980). According to Perlmutter (1969), internationalisation among SMEs required further explanations on the various concepts and terminologies such as: ethnocentricity (global integration), polycentricity (national responsiveness), regionacentricity. (regional integration and national responsiveness), and egocentricity. (global integration and national responsiveness). Since then, internationalisation has rapidly become a requirement for all companies, even the smallest and newest ones (Burrill and Almassey, 1993). The changes in communication and new digital
technologies has contributed to the expansion into foreign markets by firms, regardless of their experience in the international market (Ohmae, 1990; UNCTAD, 1993). To remain competitive the only practical way would be to actively participate with continuous learning through internationalisation (O’Grady and Lane, 1996).

According to some authors, the process of internationalisation is straightforward for larger firms whereas smaller firms find this method complicated due to their characteristics (Carson and Gilmore, 2000; Bridge, et al., 2003). Due to which SMEs tend to take the short-term route of a more informal entry mode focusing mainly on profit (Harrigan, Ramsey and Ibbotson, 2008). Additionally, these decision-makers approach opportunities within foreign market first which have similarities to their home market (Benito, 2015). However, these are firms with limited financial and personal resources and adopt overseas market entry using resources available to the firms (Lin and Ho, 2019). Hence there is a need for the retail internationalisation literature to consider SMEs, reassuring that small businesses are completely different from big businesses (Shuman and Seeger, 1986).

Due to the rapid internationalisation of SMEs and the integration of different countries through firms exchanging goods, services and capital over the growing freedom of movement across national boundaries, Organisation for Economic Cooperation and Development (OECD, 2007) defined this process as globalisation. The OECD argues that globalisation has occurred more rapidly in recent decades: The ratio of global trade to world gross domestic product (GDP) doubled between 1990 and 2015, from thirty percent to around sixty percent (House of Lords, 2017). The purpose of venture managers to reach out to international opportunities are the reason for the nature of globalisation and for firms to stay competitive by internationalising (Fernhaber and Li, 2013). Although there is an elaborate body of recognition on the internationalisation of retailers (Williams, 1992a; Sternquist, 1997; Vida, 2000; Goldman, 2001), it is fascinating to see how the majority of the research has been focused on larger retailers either implicitly or explicitly (Burt, 1986; Alexander, 1990; Williams, 1992b; Sparks, 1995; Arnold and Fernie, 2000).

According to Wright, Westhead and Ucbasaran (2007), research within the area of new and smaller private firm internationalisation has been limited. These smaller retailers have greater prospects in the international market when weighed down by organisational
presumptions (Alexander and Quinn, 2001). Research has also shown that big exporters are not the only players in the international market (Namiki, 1988; Bonaccorsi, 1992; Reuber and Fischer, 1997; Coviello and McAuley, 1999), but SMEs can possibly centre assets and endeavours barely enough as their face viable bigger counterparts (Ali and Swiercz, 1991; Wolff and Pett, 2000).

To achieve global challenges requires SMEs to obtain strong resource base, which many lacked (Bagchi-Sen, 1999; OECD, 2002). For firms which have resource-constraints, internationalisation is more feasible for reducing the cost for their high quality and speed of communications and transactions (Oviatt and McDougall, 2005a; Gassmann and Keupp, 2007; Mathews and Zander, 2007). Internationalisation has been enabled due to the advancement in information and communication technologies (Reuber and Fischer, 2011). According to Ko-Min Johnsen (2011), who suggested depending on network as a counterpart and external actors support can initiate internationalisation among SMEs. Additionally, internationalisation through network would need further evidence if they have either enabled firms in a positive or has had a negative impact on the firm performance (Harris and Wheeler, 2005; Luo and Hassan, 2009; Ellis, 2011; Kontinen and Ojala, 2011). Hence, research conducted by some authors suggest that smaller firms have taken advantage of overcoming barriers and entering global markets further away from their home which is leading to globalisation (Audertsch and Sanders, 2008). However, this pattern among SMEs take place in the form of exporting through partnerships across national borders (Wilson, 2007).

During this time, authors investigated on different geographical context of dissemination and performances of challenges faced by SMEs (Neupert, et al., 2006; Wengel and Rodriguez, 2006; Robson and Freel, 2008; Wheeler, et al., 2008). Within these researches, few authors focused on the path of internationalisation that SMEs adopt and the impact that has on the export and international sales (Holmlund, et al., 2007; Westhead, 2008; Morgan-Thomas and Jones, 2009). Further, once the SMEs have adopted internationalisation within their business activities, what factors influenced exportation and internationalisation: variables that were selected for the research focused on marketing relationship channel (Ural, 2009; Lee, et al., 2012), owner/founders characteristics (Stoian and Rialp-Criado, 2010) and offshoring (Bertrand, 2011). Research focusing on small businesses are usually emphasised on the firm type, the
specific geographical location either global or local context and majority on the economic and industrial system components (Simon, 2009; Coltorti, et al., 2013). However, the effective management of these involved the use of internet-based tools with external sources and stakeholders (Harrigan, et al., 2010; Jones, et al., 2015).

At present, 23 per cent of UK SMEs export (BIS, 2015), this refers to SMEs with at least one employee. The proportion of exporters is also higher in the capital, with 30 per cent of SMEs in London exporting and as a result reported higher growth in turnover (BIS, 2010). Nevertheless, what some of the SMEs have adopted is a cleverer and a smarter way of doing business, by finding links with local partners (Ibeh and Wheeler, 2005). According to Katz (2008), research within the focus of the small firm’s intellectual structure is still to be established and some authors specifically suggest firms need to seek individual identity to gain unique recognition in international markets (Torrès and Julien, 2005; Curran, 2006). However, evidence also suggest that some small firms have successfully established businesses away from their home country which has contributed towards firm’s overall growth (Gjellerup, 2000). How has this enabled smaller firms to achieve has increased emphasis on research within the role of internet technologies (Lituchy and Rail, 2000; McCole and Ramsey, 2004) and as a consequence focused on electronic-business (E-business) within the SME context (Poon and Swatman, 1999; Ramsey, et al., 2003; MacGregor and Vrazalic, 2005).

3.2 SME RETAIL INTERNATIONALISATION

The environment and the market retailers compete on a day-to-day aspect with regards to meeting their customer needs on products and services keep changing rapidly, due to which the retail industry is termed as a not stable or static (Lewis and Hawksley, 1990; Akehurst and Alexander, 1995). This has caused academics to a continuous and an extensive academic literature on the retail internationalisation (RI) of SMEs (Bilkey and Tesar, 1977; Johanson and Vahlne, 1977; 1990; 1992; Abdel-Malek, 1978; Bilkey, 1978; Baker, 1979; Rabino, 1980; Roy and Simpson, 1981; Bradley, 1984; Cavusgil, 1984; Kaynak, 1985; Yaprak, 1985; Joynt and Welch, 1985; Barker and Kaynak, 1985; 1992; Cannon and Willis, 1986; British Overseas Trade Board, 1987; Axinn, 1988; Miesenbock, 1988; Aaby and Slater, 1989; Kau and Tan, 1989; Madsen, 1989; Young, et

A key theme in the retail internationalisation literature has been the motives behind international retail activity (Hutchinson, et al., 2007). Additionally, retailing has been traditionally regarded as a localised commercial sector composed of small-scale operations however major retail operations are increasing internationally (Akehurst and Alexander, 1995).

Additionally, the firm’s phenomenon of internationalisation has been described a definition that the internationalisation happens during the early stages after the firm’s founding and are rather heterogeneous than combined in the literature (Lopez, Kundu and Ciravegna, 2009, p. 1230). However, in the 1990s, studies pointed to more proactive internationalisation strategies by retailers (Alexander, 1990; Williams, 1992). Hence, globalisation of retailers was set to create significant changes within the retail sector (Bridgewater and Egan, 2002). Studies of the globalisation phenomena were reviewed by Burt (1995), who identifies two approaches – geographic and strategic – to studying the phenomena. The largest strand of literature is that taking a geographic approach (Kacker, 1985; Hamill and Crosbie, 1990; Fernie, 1992; Sternquist, 1997). Geographic studies tend to focus on the flows of international activity by retailers from or to a particular geographic region, or the specific challenges of retail operation within a particular region or market (Piercy and Alexander, 1988; Qiang and Harris, 1990; McGoldrick and Ho, 1992; Clarke and Rimmer, 1997; Wrigley, 1997).

According to Treadgold (1990) who suggested that firms usually were pushed into internationalisation. Smaller retail firms were assisted by government agencies such as the Department of Trade and Investment (DTI), Trade Partners UK (TPUK) and Business Link as support for their internationalisation processes, although many retailers were unaware of the assistance available Hutchinson, Quinn and Alexander, 2006). However, some authors argued that despite the government bodies support and market information, due to the limited knowledge of many SMEs were unable to seize such opportunities to expand internationally (Westhead, et al., 2001). This has led researcher to suggest that their internationalisation process be studied separately (Bridgewater and Egan, 2002). Additionally, research suggested that different SMEs worked differently by adopting
pathways which suite the characteristics of firms better (Oviatt and McDougall, 1994; 1997; Knight and Cavusgil, 1996; Madsen and Servais, 1997; Shrader, et al., 2000; Chetty and Cambell-Hunt, 2003; 2004; Rialp, et al., 2005).

The degree of environmental dynamism experience provide efficacy of acquiring knowledge in the industry is related to international activities in small firms. The international experience of a firm can also be viewed as an antecedent to, and driver of, SME internationalisation (Miesenbock, 1988; Reuber and Fischer, 1997; Burpitt and Rondinelli, 2000). Additionally, successful SMEs had certain innovative activities, which included exports, hence they are probably more likely to take up new technologies such as the Internet (Devins, 1994). This process of internationalisation has centred on the question of how the extent of internationalisation of retailers should be measured, however, Treadgold (1988; 1990) uses geographic dispersion as a measure. This relates to the number of countries in which the firm operates. Tordjman (1995) also suggest adding measure the number of segments per market in which they operate, since some retailers operate through more than one format. Previous retail internationalisation literature has focused mainly on two areas: the factors enabling retailers to expand internationally (BICE, 2007; Evans, et al., 2008; Burt, 2010; Mollá, et al., 2011) and the significances of a strategy for internationalisation (Burt, Dawson and Sparks, 2003; Gandolfi and Strach, 2009; Etgar and Rachman-Moore, 2010; Assaf, et al., 2012).

The company’s networks relationships are built on the international orientation of the owner/founder which intern has a direct approach to international expansion of the firms (Hutchinson, Quinn and Alexander, 2006). These expansions depend on the size of the SME which include the number of employees, number of retail outlets and a combination of turnover and employees (Kaynak, et al., 1987; Smith and Sparks, 19997; Masurel, 2001). Additionally, when smaller firms build their networks relationships with foreign partners or joining alliances with larger organisations there is an impulsive advantage for smaller firms for interntional expansion as well as an international activity at a big pace (Hutchinson, Quinn and Alexander, 2006).

These inter-firm relationships impact on both market selection (which implies filter markets based on individual SME requirement) and the internationalisation mode such as E-commerce utilized by SMEs (Wright, Westhead and Ucbasaran, 2007). Although,
according to Andersson, et al. (2004, p. 30) who point to disagree on the findings that when firms gain experience on the basis of the number of years and the size of operation, smaller firms tend to expand internationally logically. Hence, it is suggested that the internet provides a gateway to improve the understanding of these opportunities before SMEs enter global markets.

3.2.1 SME Specialist and Niche Retail Internationalisation

Studies on retail internationalisation (RI) began to emerge in the 1990s, marking the beginning of a prolific stage of development of knowledge and consolidation of research that today has its own body of theory (Alexander and Doherty, 2010). The common belief within the retail sector and the fact the environment has been issuing disruptive variations which hinder effectiveness for smaller firms has strengthened with firms adopting the specialist and narrow niche profile for firms (Hannan and Freeman, 1977). Firms who provide to a small group of customers a specialised set of products and services are term niche by many authors (Gaffney, 1975; Weinstein, 1987; Kilter, 1989; Hapoienu, 1990; Linneman and Stanton, 1991; Linneman and Stanton, 1992; Raynor, 1992; Allen and Leeuw, 1994; Dalgic and Leeuw, 1994; Drea and Hanna, 2000). According to Merrilees and Tiessen (1999, p. 331) who further describes niche as a segment which has a tight focus of the products and services provided by firms. However, Stachowski (2012) argues that this narrow focus of both niche and segments are small and specialised.

According to Feigenbaum (1993) and Simpson and Thorpe (1996) specialist retailers who focus on a narrow group of products and services find it easier to succeed locally and fill gaps within international retailing. However, in terms of guaranteeing success within global retailing Vida, et al. (2000) argue that the unique product distinction is not sufficient. Customers currently are looking for optimal shopping experience and those retailers who have an upper hand on closing this gap use virtual shopping experience. International business has a strong ground within the manufacturing sector through which part of the retail internationalisation knowledge comes from and another specific research on specific demand on retail activity which has developed a body of theory (Dawson, 1994; 2000; Alexander and Myers, 2000).
Hence, due to the constant change in market demands within the retail sector, these specialist firms adopt a classic trend of in-season changes to update their collection of products and services (Bruce and Daly, 2006). Additionally, by positioning their specialist and niche merchandises allows them to target a high-end market, which allows them to clearly differentiate from the larger retailers (Spannagel, 1993). The advantage and the reason for high-end prices is clearly due to the creative products and services that has originality and different from other products and services, which makes the firms base themselves on an artistic-creative ability (Saviolo and Testa, 2002).

Having said this, Adams (1945) within the study discussed how owner/founders of small firms struggle to marketing their businesses. Many authors also suggested that SMEs are unique in their practices and their ways of doing business and this cannot be generalised in comparison to larger firms and hence requires to develop a body of research work in the theoretical development aspects (MacMillan, 1975; Carson, 1985a; Hogarth-Scott, et al., 1996; Chaston, 1997; Wai-sum and Kirby, 1998; Jocumsen, 2002; Stokes and Lomax, 2002; McCartan-Quinn and Carson, 2003; Atherton and Sear, 2004; Coviella, et al., 2006; Bell, et al., 2007; Elliot and Boshoff, 2007; Grunhagen and Mishra, 2008). Experts within the industry such as the government and the private sector have shown the movement of smaller retailers into the international markets have high importance of niche opportunities (Hutchinson and Quinn, 2012). Which has developed a body of knowledge within the retail internationalisation processes (Williams, 1992a; Sternquist, 1997; Vida, 2000; Goldman, 2001). However, SME internationalisation is considered one of the most popular topics for research since the beginning of 2000 and has a growing interest focusing among niche and SME internationalisation (Stachowski, 2012).

There is a higher possibility that the specialist and niche retailers can successfully operate within international market due to the differentiation and uniqueness of their products and services (Bloodgood, et al., 1997; Kohn, 1997; Merrilees and Tiessen, 1999). Additionally, Porter (1985) confirms that the adoption of niche-based differentiation strategy, provide SMEs with the opportunity to internationalise (Ibeh, Ibrahim, and Panayides, 2006). Considering this as a strength among the sector, SMEs can capitalise in international markets (Papadopoulos, 1987; Merrilees and Tiessen, 1999). Research on the existence/survival of independent/niche sector within international markets is ignored by existing research (Pioch and Schmidt, 2000). Hence a core theme considered in the
review of literature is the decisions to internationalisation taken by SMEs within the specialist and niche retail sector.

Additionally, evidence suggests support from government and local associations play an important role for the specialised cluster of firms, particularly in gaining knowledge regarding international markets (Galès, et al., 2001). This has proved to achieve global appeal since there are not many retail firms who operate within the niche market segmentation focusing on high-end products and services (Salmon and Tordjman, 1989; Simpson and Thorpe, 1995). According to research conducted by a group of scholars which indicated a positive role of networks among SMEs gaining additional knowledge within the internationalisation process for foreign markets, there has been a significant number of studies that emphasized this concept (Tolstoy, 2009; 2010; Daskalopoulou and Petrou, 2010; Musteen, et al., 2014).

Research has mainly focused on investigating different geographical contexts in relation to topics such as challenges exporting, dissemination and performance (Neupert, et al., 2006; Wengel and Rodriguez 2006; Robson and Freel, 2008; Wheeler, et al., 2008). However, there is less focus on the internationalisation pathway that SMEs choose and how that has impacted on the export and international sales aspect (Holmlund, et al., 2007; Morgan-Thomas and Jones, 2009; Westhead, 2008). However, authors managed to research areas mentioned previously and highlighted studies that focused majorly on the variable that affected the export behaviour and relationship marketing channels used by SMEs for their internationalisation performances (Ural, 2009; Lee, et al., 2012). Additionally, other areas of focus where in the characteristics of manager (Stoian and Rialp-Criado, 2010), innovation although to a lower extent that other topics (Higón and Driffield, 2011) and offshoring (Bertrand, 2011). According to a Business Ration (2002) report, larger firms are imposing a threat to smaller firms who lag behind to embark on internationalisation activities.

With that said, SME barriers have evidenced that firms have limited financial, people power, networks and take poor decisions which tends to restrict them internationalising (Gruber, 2003). However, according to a study conducted by the BIS (2008) on the barriers, it was highlighted that some owner/founders without prior training, experience or meta-language criteria are successfully internationalising. Which brings to say, these
are the kind of owner/founders who are able to assess market conditions, development in the economy, consider industry-specific factor and manage their finances efficiently to expand internationally (Gumede and Rasmussen, 2002; Brouthers et al., 2009). According to a study conducted by Simoni et al. (2010), findings showed SMEs owned by migrants and taking the advantage of the products from their home country as niche products has been successful. Resulting in an innovative way for taking into account cultural backgrounds and their home specialist products to form opportunities, though narrow focused, as an advantage for their businesses (Stachowski, 2012).

Another advantage that owner/founder of smaller firms are adopting is the use of Internet which has created further opportunities within internationalisation (Lituchy and Rail, 2000; Daniel et al., 2002; Bengtsson et al., 2003; Hudson and Gilbert, 2006; Elliot and Boshoff, 2007). With the combination of specialised niche products offered by smaller firms and the worldwide reach through Internet will enable smaller firms to reach international markets much easily compared to other firms in the industry (Kitchen, 1999). Which leads us to the next section of discussion, SMEs who have adopted digital export mode of entry for internationalisation.

3.3 BARRIERS TO INTERNATIONALISATION

Any form of restrictions or hinderance that a firm may face to export internationally is termed as a barrier to internationalisation, these could be in any form, initiation ability of the firm or tolerate business operations overseas (Leonidou, 2004). According to Morgan (1997), internationalisation process involves existence of these export barriers at every stage and the nature of barriers tend to vary depending on the different stage of internationalisation. Due to this, Wąsowska (2016) stated that to understand the changes along the internationalisation process many studies on export barriers have been conducted. Many authors also suggested that a research has focused majorly around analysing the subjective attributes of SMEs based on owner/founders activities (Leppard and McDonald, 1991; Morris and Lewis, 1995; Carson and Gilmore, 2000; Becherer, Halstead and Haynes, 2003; Hills, Hultman and Miles, 2008; Jones and Rowley, 2011) or on their experience in marketing (McCartan-Quinn and Carson, 2003, p. 206).
Similarly, many authors focused on the aspect of SME limitations or barriers for internationalisation which has proven to disable their potentials to exploit new markets (Carson and Cromie, 1989; Gilmore, Carson and Grant, 2001; Verhees and Meulenberg, 2004; Reijonen, 2010; Merriilees, Rundle-Thiele and Lye, 2011). Evidence also suggest that smaller firms typically suffer from a range of limitations in resources which has severely impacted on the development of the firm as well as the firm’s growth (O’Gorman, 2000; Stokes, 2000). Research previously focused on external elements that caused problems for firms to do business internationally (Doole and Lowe, 1999; Cateora, Graham and Ghauri, 2000), rather than in terms of modelling the process (Katsikeas and Morgan, 1994).

Considering the fact that SMEs expanding into the international market is beneficial both for the firm and for the wider economy, this expansion does put firms with both internal and external barriers to internationalisation which becomes challenging for the firms (ACCA, 2010). This aspect has been evidenced within literature on how SMEs fail to internationalise due to the existing barriers during their early stages (Madsen, et al., 2000; Moen and Servais, 2002; Andersson and Victore, 2003; Freeman, et al., 2006).

Many authors over two decades suggested that internal and external obstacles to export are traditionally faced by small businesses (Leoniidou, 1995a; Bennett, 1997; 1998; Hamill and Gregory, 1997; Julien, et al., 1997; Hamill, 1998). However, according to Fillis, Johansson and Wagner (2003), internal barrier factors are considered equally important with considering smaller firms. These are related to the high cost involved with internationalisation and the pricing for products (OECD-APEC, 2007). Hence, risks and opportunities presented by foreign markets for many SMEs are considered common for global competition (Ruzzier, Antončič and Konečnik, 2006). These international developments constrain have been well documented for barrier among SMEs which include limited finance, operational, logistical and learning resources (Leondiou, 1995; Morgan and Katsikeas, 1997). Additionally, other common barriers faced by small businesses owners with their business information are business skills and international expansion information interpretation (Westhead, Wright and Ucbasaran, 2001).

Among external barriers, some of the common barriers identified are lack of financial capital to invest in international activity, a shortage of adequate and reliable information,
lack of public support and the costs and difficulties associated with transport paperwork (OECD-APEC, 2007). Repeatedly, authors have identified financial resource barrier which restricts firm growth (Xu, Rohatgi, and Duan, 2007; Doern, 2009; O’Dwyer, et al., 2009). This problem arises when firms are incapable of securing additional sources of funding for international operation (Wang and Yao, 2002). Furthermore, other barriers such as lack in management operation and marketing expertise were also identified (Carson, et al., 1995; O'dwyer, Gilmore and Carson, 2009; Harrigan, Ramsey and Ibbotson, 2012). Additionally, Hutchinson, Lai and Wang (2009), in the work on retail SMEs, found finding skilled staff as a lack of resource, as one of the top six internal barriers hindering their internationalisation.

To avoid such large financial barriers some of the smaller firms began connections with local larger firms as suppliers only to circumvented barriers to internationalisation and made connections from local to global routes (Le Galès, et al., 2004). However, the SMEs are let at the compassion of both suppliers and distributor since they lack the influence (Bridge, O’Neill, and Cromie, 2003). Additionally, firms have used this to overcome any financial obstacles to expand internationally and are also able to sell products directly to foreign markets (Hutchinson, Quinn and Alexander, 2006). However, study suggested adoption of e-commerce was a way to get over financial barriers for SMES (Gardó, García and Descals, 2015). According to Bridge, et al. (2003), SMEs are termed as firefighter, since they are occupied to deal with many issues in the short-term that they hardly find time for any long-term plans. The table 3.1 below represents the list of top ten barriers to internationalisation ranked by SMEs.
Table 3.1: Barriers faced by SMEs to Internationalise

<table>
<thead>
<tr>
<th>Rank-weighted Factor</th>
<th>Description of Barriers</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Shortage of working capital to finance exports</td>
</tr>
<tr>
<td>2</td>
<td>Identifying foreign business opportunities</td>
</tr>
<tr>
<td>3</td>
<td>Limited information for locating/analysing markets</td>
</tr>
<tr>
<td>4</td>
<td>Inability to contact potential overseas customers</td>
</tr>
<tr>
<td>5</td>
<td>Obtaining reliable foreign representation</td>
</tr>
<tr>
<td>6</td>
<td>Lack of managerial time to deal with internationalisation</td>
</tr>
<tr>
<td>7</td>
<td>Inadequate quantity of and/or untrained personnel for internationalisation</td>
</tr>
<tr>
<td>8</td>
<td>Difficulty in matching competitors’ prices</td>
</tr>
<tr>
<td>9</td>
<td>Lack of home government assistance/incentives</td>
</tr>
<tr>
<td>10</td>
<td>Excessive transportation costs</td>
</tr>
</tbody>
</table>

Source: OECD-APEC, 2007

Over the years there has been a change in pattern within barriers, the increased globalisation has decreased barriers to firm’s internationalisation due to the advances in ICT (Cavusgil and Knight, 2009; Kocak and Abimbola, 2009). Which has developed dynamic competitions in both home and global markets by firms (Leonidou, 2004; Barnes, Chakrabarti and Paliwadana, 2006; Da Rocha, et al., 2008). Furthermore, evidences suggest, to enter global markets, these firms do not necessarily follow a progressive accumulation of resources and capabilities (Agnihotri, 2003). Hence, smaller firms are utilising E-business as a strategy to kindle international market development resulting in higher competition than before (Fillis, Johansson and Wagner, 2003). According to Arnott and Bridgewater (2002) who in their study identified language as one of the barriers to internationalise using the Internet. However, internationalisation through the Internet has created other barriers for these firms, one lack of knowledge required to develop a transaction-based website and two a low awareness of suitable information sources available.

With the creation of new barriers, authors suggest that when the decision of embracing technology takes place for firms eventually, technology would have created new type of restrictions and challenges for firm (Fillis, Johansson and Wagner, 2003). From this perspective, SMEs should be incentivised to embrace the internet as a means of accessing
and acquiring international markets (Harrigan, Ramsey and Ibbotson, 2008). Hence, finding the right balance between a face-to-face and virtual contact can considered as a vital aspect for SMEs Gillen, et al. (2000). The use of internet among smaller firms for their business activities has developed a new challenge (Durkan, et al., 2003). Due to which this context of trust has received a wide research interest and many authors concluded doing business over the internet is more difficult (McGowan and Durkin, 2002; Durkan, et al., 2003; Ragins and Greco, 2003).

Hence, trust factor among smaller firms can be an important barrier (Harringan, 2008). However, according to Bauer, et al. (2002) when a pre face-to-face relationship exists between the firm and its customers then the internet technology issues of trust and security becomes void. These pre face-to-face relationship can act as advantage for smaller firms (Carson, et al., 1995; Siu and Kirby, 1998) through flexible opportunity-focused towards customers, employee loyalty, response speed and access market information easily (Pinho, 2007; Hills, et al., 2008; Kocak and Abimbola, 2009; O’Dwyer, et al., 2009).

Later, the increased risk of data manipulation and loss has partly obscured the power of internet technologies to proactively manage information (Harrigan, Ramsey and Ibbotson, 2008). Research suggested that due to the differentiation strategies adopted by SMEs and by driving entrepreneurial vision and network, international operations have overcome such barriers to expansion (Hutchinson and Quinn, 2006). However, due to the small size of the economy the potential for growth in the domestic market remains limited and the ability to access international markets further remains hindered by the region remoteness geographically (EC, 2019). Hence, SMEs are suggested to take into consideration the customers perspective, for whom the absence of face-to-face contact is a concern (McGowan, et al., 2001). Additionally, SMEs use the Internet as a tactical approach rather than a strategy which as a result were unable to exploit this facility fully (McCole and Ramsey, 2004; Harrigan, Ramsey and Ibbotson, 2009).
3.4 SME DIGITAL INTERNATIONALISATION

3.4.1 Introduction

Research conducted decades ago suggested that firms who embrace technology within their businesses achieve a competitive advantage over other firms and have the benefit of reaching global markets (Levitt, 1983). However, the information technology was not accepted by the wider population of the businesses for internationalisation, even at a later stage (Hamill, 1997). Additionally, barriers suggested that SMEs lack in adopting resources that would initiate international activities for their businesses (Holmund and Kock, 1998). However, the gap in market knowledge among SMEs to internationalise are suggested by hiring new skilled staff with international business experience or receive expert consultancy services (Mughan, et al., 2004). By this, SMEs are able to utilise the knowledge and create value-based decisions independently for their businesses (Yli-Renko, et al., 2002). Today’s technologically advanced customers are due to the rapid development in technology and the internet termed as global village (Friedrich, et al., 2009; Aslam, Ham and Arif, 2017) which connects everyone (Hudson, 2013).

In addition, governments from around the world are suggesting SMEs to embed e-business (Electronic Business) within their process as survival measures (DTI, 2001; Liikanen, 2001; Cronin, 2002). E-business has a range of definitions provided by various authors, but, any business carried out with the use of electronic network such as the internet for the exchange of data, firm website, other firm websites (E-commerce) for the purpose of buying or selling products and services is termed as e-business (Watson, et al., 2000; Reedy, et al., 2000; Fillis, Johansson and Wagner, 2004). This has changed the pattern of internationalisation for smaller firms (Kuivalainen, et al., 2012) and enabled information movement through social interaction (Ellis, 2000, p. 447). According to Fillis, Johansson and Wagner (2004), research into e-business has been growing with focused research conducted by (Gattiker, et al., 2000) on e-business and business activities. The issues raise due to the adoption of e-business have also been investigated (Kingsley and Anderson, 1998; Liebermann and Stashevsky, 2002). Hence, technology today has become a vast opportunity for SMEs which is advancing at a much faster rate than was previously imagined, this has offered a vast opportunity for international market access for SMEs (Keogh, et al., 1998; Covirillo and McAuley, 1999).
Various other authors have focused on different aspects covering a range of areas: with Arnott and Bridgewater, 2002; Hughes, 2002) focusing on the implications for marketing, marketing research (Maclaran and Caterall, 2002), impact on SMEs (Haynes, et al., 1998; McDonagh and Prothero, 2000; Daniel, et al., 2002; Quayle, 2002; Peet, et al., 2002), entrepreneurship and new ventures (Tovstiga and Fantner, 2000; Mullane, et al., 2001), international and export marketing (Bennett, 1997; Hamill, 1997); e-business to consumer activities (Kardaras and Papathanassiou, 2000) and relationships, trust and security (Ratnasingham, 1998; 2000; Furnell and Karweni, 1999; Baker, 1999). Firms that are driven by the internet have shown successful deployment of strategic choices made by firms on the adoption of e-business (Harrigan, Ramsey and Ibbotson, 2008).

According to Quelch and Klein (1996) who suggested that the Internet as a resource can be embedded within the processes due to its low cost for adoption it incurs for smaller firms limited capital and assist reaching global markets at an early stage. However, this rapid internationalisation lead to researcher to investigate on the internationalisation of SMEs through the use of internet and advanced technologies, which also needs to be an ongoing process (Bell and Loane, 2010). Since advancements in technology is continuous and the need to understand how this is impacting on the firms becomes mandatory (Bitner, et al., 2000). Additionally, further investigation considering the structure and marketing considerations choices of smaller firms needs examination (Watson, et al., 2000; Reedy, 2000; Whiteley, 2000; Gummerson, 2002; Fillis, 2002a;b;c; Fillis, Johansson and Wagner, 2003).

In support of these previous research Glowik (2016) stated that, worldwide integration of markets and industries have increased, and the emergence of digitalised industries has supported the business opportunities for SMEs to internationalise rapidly after inception. Small businesses’ use of the internet has attracted research attention and knowing that they seldom have less or no prior knowledge, strategic skills and networking abilities which has been exploding globally (Harris, Rae and Misner, 2012). Hence, understanding the “complexities of emergent and evolving phenomena” (Birkinshaw, Brannen, and Tung, 2011, p. 42) becomes necessary, which will result in the forfeiture of opportunity to grasp new phenomena and key circumstances of time (Scholte, 2000; 2005).
According to Ashworth, et al. (2005) confirmed within their studies that forty per cent of the smaller sized firms’ transactions are from cyber stores and that research remained negligible in the area. However, it is considered that this specialist and niche e-retailing sector a threat that can be caused for national and international shoppers which was at an increase (DTI, 2000). Additionally, combination of technology and network can be a combined process for internationalisation and form a logical aspect for SMEs (Jones, 2005). Nevertheless, the internationalisation process also requires examining issues such as segmentation and targeting (Yamakawa, et al., 2008; Papadopoulos and Martín, 2011). Hence, international market expansion is a critical success factor for businesses (Brouthers, et al., 2009) and despite this recognised importance international business literature, little is identified as to how foreign market selection decisions are made (Andersen and Buvik, 2002; Buckley, 2009; Brouthers, et al., 2009; Musso and Francioni, 2014).

Almost a decade ago research began to investigate within the routes of profitability and sustainability in e-retailing especially for smaller firms, where day-to-day operations typically involve a critical fight for survival takes on greater importance (Ashworth, et al., 2005). Authors who have taken more focused view in exploring the impact of a firm’s size and capabilities on its ability to export (Samiee, 1990; Bonaccorsi, 1992; Mohan-Neill, 1995; Grimes, et al., 2007), what has enabled smaller firms to successfully export using the Internet has been investigated and can be used as a tool to empower the less resourceful (Poon and Jevons, 1997; Lituchy and Rail, 2000; Houghton and Winklhofer, 2004; Hudson and Gilbert, 2006; Elliot and Bosoff, 2007). This has been the beginning for SMEs to compete on an international level with the increasing use of new technologies which has enabled them to present crisis that challenge their ability of successful survival in the international markets (Bumgardner, et al., 2007; 2011). Additionally, Tanev and Bailetti (2008) complement by stating SMEs would gain competitive advantage on developing innovative products, processes and services if these technologies are put to use intelligently.

E-commerce is or was, rather a new phenomenon and many researchers argue that it was highly under-researched, especially from the perspective of internationalisation strategies (Gabrielsson and Gabrielsson, 2011; Sinkovics, et al., 2013). However, evidences present that the cross-border trading for retailers has become much easier with E-commerce and
UK companies can enter overseas markets and rapidly increase global competition (BIS, 2013). Online websites may relate to national and international visitors overcoming international boundaries (Morgan-Thomas, 2009; Premazzi, et al., 2010). However, parallel to the need for increased international competitiveness, the field of SME internationalisation has expanded and gathered momentum over the past couple of years (Ribau, Moreira and Rapposo, 2016; Paul and Shrivastava, 2016; Paul, Parthasarathy and Gupta, 2017). The SME internationalisation was also critically reviewed with regard to the following theme: external resources to internationalise (E-commerce) (Wright, Westhead and Ucbasaran, 2007).

During the time when the web-based communications was introduced, SMEs faced a number of challenges around skills, competencies and time, this has been one of the greatest as authors evidenced (Simmons, et al., 2007; Alam, 2009; Jones, et al., 2010; Durkin, 2013; Jones, Borgman and Ulusoy, 2015). The variables that were associated with the web-based communications were the owner/founder’s role, firms’ culture and the technological competencies, this required particular attention for the firms to manage effectively and immediately (Aljabre, 2002). The other area which required SMEs internationalisation process to be investigated was communications (Evers and Knight, 2008; Wong and Merrilees, 2008; Daryanto, et al., 2013).

Within this area however, the studies were limited considering SMEs operating in global markets (Salavou, Baltas and Lioukas, 2004). Within which, the marketing communication activities of SMEs were considered as the key factors for committing to international market and adoption of a brand for the firm’s internationalisation process (Wong and Merrilees, 2008). However, with regard to SMEs exporting and international sales activities, a different perspective approach was applied (Brouthers, and Nakos, 2005). However, SMEs constantly face the question, what tool would suite their business activity effective and efficiently and should they use, or can they afford, but the most important question for them would be to ask can they afford not to (Hamill, 1997). Additionally, it has been suggested that embracing technology can result in gaining competitive advantage and capitalisation of the opportunities resulting from the globalisation of business (Levitt, 1983).
Many authors have consistently suggested that the tendency for firms to export is directly linked to intensive use of technology (Cavusgil and Nevin, 1981; McGuinness and Little, 1981; Daniels and Robles, 1982; Joynt, 1982; Cavusgil, 1984a; Cooper and Kleinschmidt, 1985; Aaby and Slater, 1989). However, research has evidenced that a number of SMEs still have not been able to adopt the new technology to carry out domestic and international activities (Smyth and Ibbotson, 2001) and have failed to enable their business activities for better data interchange and commerce (Whitely, 2000). This is mainly due to the number of firms resisting the technology adoption and preferring the traditional ways of carrying out their business activities (Fillis, Johansson and Wagner, 2003).

Additionally, it is suggested that the technology adoption is best suited for firms within the service sector (Gray, et al., 1999; Ramsey, et al., 2004) and other firms based on the nature of the products (Howcroft and Durkin, 2000). Also, considering the intangibility factor of firms (Ramsey, et al., 2004) and the presence of a wide range of service providers (Reason and Evans, 2000; Harringan, 2008). However, for an SME to use the full benefit of their e-business, the implementation process and their strategic approach need to provide high importance within their business activities (Ramsey, et al., 2004).

The other technology within SME which has received majority of focus is the development of E-commerce which highlights its adoption for selling products internationally (Al-Qirim, 2006). In order to explain the adoption of E-commerce, has been the origin for author to develop a theoretical model (Altobello Nasco, et al., 2008; Grandón Toledo, et al., 2011), while others focused samples of SME manufacturing sector for conducting empirical surveys (Stockdale and Standing, 2006; Wilson, et al., 2008). However, some findings pointed the reliability of the tool (Sebora, et al., 2009) while others shed light on the aspect of managing the tool identifying barriers and constraints (Caskey and Subirana, 2007).

Few other scholars focused their study on specific geographical markets to identify the degree of E-commerce usage or context of business markets (Eriksson, et al., 2008; Boeck, et al., 2009). However, according to the findings of Abebe (2014), the study focused on the firm’s performance on the positive aspects of using the E-commerce as a
tool within their business activities. The table 3.2 below provides academic research conducted within the narrow focus of SME UK Retail Digital Internationalisation route.

**Table 3.2: SME UK Retail Internationalisation through Digitalisation**

<table>
<thead>
<tr>
<th>Author</th>
<th>Date</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doherty, Neil F. and Ellis-Chadwick, Fion</td>
<td>2010</td>
<td>Addresses the adoption, application and impact of Internet technologies, by retailers, for the promotion and sale of merchandise.</td>
</tr>
</tbody>
</table>

*Source: Author’s own*

### 3.4.2 Internet

The start of the Internet dates back to the early 1970s (Hamill, 1997). According to Kitchen (1999, p. 386) considering the Internet as a “fad” or the preserve of “techies” and “computer nerds” is no longer possible. Due to the fact that the World Wide Web has become the fastest growing element of the Net for commercial usages (Hamill, 1997). The Internet has the power to facilitate peer-to-peer interactions which was evident from the mid-1990s (Naughton, 1999). However, to some extent the literature has unheeded the impact Internet has on the configuration of international operation modes and sales channels for firms, although, some researchers argue that the impact can be significant (Gabrielsson, et al., 2002).

Currently, around forty per cent of the world’s population is connected to the Internet. To put this in context, in 1995, this figure was less than one per cent, with a tenfold increase evidenced between 1999 and 2003 (Doherty, et al., 2015). By 2014 the number of Internet users worldwide reached the three billion mark (Internet World Stats, 2014). However, some authors proclaim that the Internet will provide a new retail format, usurping the traditional dominance of fixed location stores (Evans, 1996; Van Tassel and Weitz, 1997). However, a virtual channel reduces barriers to entry potentially and form a distinct advantage over traditional marketing channels (Chaffey, Hemphill and Edmundson-Bird, 2015). Additionally, within the internationalisation research topic, SMEs business
activities have received high importance due to their adoption of the internet tools (Loane, 2006; Sinkovics and Bell, 2006, Mostafa, et al., 2006; Loane, et al., 2007). This is mainly due to the stages that the SMEs skip when compared to the traditional internationalisation process associated with Stage / Uppsala model (Johanson and Vahlne, 1977; 1990).

While recent reviews of the field (Coviello and Jones, 2004; Dimitratos and Jones, 2005; Rialp, et al., 2005; Aspelund, et al., 2007; Fischer and Reuber, 2008; Keupp and Gassmann, 2009) pointing out that the firms become more internationally active faster by adopting the technology and innovation, than those that are not, however, topic on internet-enabled internationally would need further research focus (Reuber and Fischer, 2011). From a more recent study it has been identified that ninety per cent of the population globally have access through their mobile phones from which half of them with internet basic access (Prattipati, 2015). Clearly, with the new wave, SMEs are taking advantage of the ICT and internet to exchange and communicate information better (Freed and Derfler, 1999; Gilmore and Pine, 2000; Slater, 2000; OECD, 2001; Weill and Vitale, 2001). However, this has set new rules and expectations for online shopping while the internet has provided a widely active medium for shopping (Management Horizons, 1997).

Yet, Doherty, et al. (1999) argues that the adoption of the online presence by retailers is only due to peer pressure and the high customer expectations rather than as part of the firm’s strategic plan. Due to which researchers are provided with only a partial view of their contemporary transformation and does not provide a complete analysis of the life of the businesses (Alvesson and Sköldberg, 2009). Additionally, the authors fall short for understanding the “complexities of emergent and evolving phenomena” (Birkinshaw, et al., 2011). Hence, grasping the phenomena in any time circumstance would lose out on the understanding the complete phenomena (Scholte, 2000;2005). Connectivity is the key concept for understanding the Internet (Hamill, 1997). Additionally, during the late nineties, SMEs expressed the limited knowledge as a constrain of using the internet and this comprised of more than seventy per cent of the total business population (Hamill and Gregory, 1997).

However, the internet has gained an advantage for the SMEs due to the amount of information available free, access to delivery information digitally and does not take into
account distance or management (Gordin, 2002). Further providing SMEs with a vital resource of the internet for international activities since they are able to reach global markets through their website (Poon and Jevons, 1997; Samiee, 1998; Hamill, 1999). According to a research conducted by Bennett (1998) on some British firms, the insights of using the www, the internet was found to give access to firms to any geographical location around the world, without stressing on the foreign culture and having to avoid additional expense for foreign representatives. However, once the website goes live, it is potentially a global advertisement through the Internet which bolsters debate (Tiessen, et al., 2001).

The growth in online shopping has without a doubt been the most important impact on the structural trend that has affected the industry (Varley and Rafiq, 2014). With the number of online service providers for the small retailers, this can get daunting and overwhelmed with the choices to decide which one of them would be the best choice for their retail business (Zott, Amit and Donlevy, 2000). In a free-trade world in the era of globalisation, it seems the "survival of the fittest" is increasingly becoming the ultimate rule of the international trade game. The game involves players made up of firms from various countries, and the field of play is the world market. This supports Porter (1990) who noted that companies succeed in international markets by acting to achieve and maintain competitive advantage through innovation, carried out by adopting new methods and new technologies. With that said, the internet has allowed SMEs to sell overseas to new geographical markets which would not have been possible to approach this form of sales channel (Chaffey, 2000).

Traditionally, the SMEs would have been expected to have a more planned, global vision as a strategy before embarking into the international market (Axinn and Matthyssens, 2002). This traditional approach basically required the firms to consider aspects such as: where is the firm based and the products were need by whom, but with the internet, this process has simplified trading opportunities compared to the prior internationalisation processes (Crick, 2009). According to a report from the World Bank (2013) on the number of internet users, in the early 1990s there was a small collection, but from the data of 2013 it has grown to 2.7 billion people. This has proved that the internet has potentially proven to reach global market and that internationalisation for SMEs as a barrier made redundant (Rittinghouse and Ransome, 2017). This has evidenced in current literature
that with the advancements in the technology and use of internet has allowed for an easy
global trade and extenuation of any international trade barriers for SMEs (Knight and
Cavusgil, 1996; Cavusgil and Knight, 2009; Kocak and Abimbola, 2009).

Additionally, recent research also focussed on the various gateways available through the
internet access for SMEs such as mobile network, wireless access points and broadband
connections (Prattipati, 2015). SMEs are now able to compete with larger firms with the
introduction of the internet embedded within their business processes and negate some of
their resource affiliations (Lituchy and Rail, 2000; McCole and Ramsey, 2004). However,
with the competition levelled there are still some SMEs who adopt the traditional route
according to previous research (Harrigan, Ramsey and Ibbotson, 2008). According to
Czemich (2009), the advantages of internet and its usage has highlighted the procreation
of new business models and accelerated market entries for both products and services.

According to (Coviello and McAuley, 1999), technology has advanced over the years at
a much faster rate than anticipated and offers greater internationalisation opportunities
for SMEs. Further, studies conducted by Brodie, et al. (2007) evidenced that introduction
of further new technologies has created opportunities for firms to build on a more
affordable and intimate relationship with stakeholders, additionally with similar features
present with the adoption of social media (Durkin, 2013). In the study conducted by
Quelch and Klein (1996), looking at the rate of internationalisation through the use of
internet, it was predicted that would revolutionize SMEs practices globally. Additionally,
the range of channels to market has increased dramatically with the advent of new
technologies (Bridgewater and Egan, 2002). However, focus towards SME e-business
lacks an in-depth research though the e-retail sector has a good academic literature
strength (Caniato, et al., 2009).

3.4.3 E-commerce

This is the age of digital navel-gazing narcissism and does not form a domain for start-
ups anymore is how it has changed (Mintel, 2015). Additionally, reports from UKTI
(2014) clearly indicate that the UK retail sector which accounts for eleven per cent of the
global internet sales are through the use of E-commerce making UK the highest spend
per head for E-commerce of any country. According to Fillis, Johansson and Wagner
(2003), the twenty first century global market E-business, E-commerce and E-marketing have supported the business world as a catalyst in their performances. With particular attention to small retailers who will be initiating to overcome the know-how of international business (Vida, et al., 2000). Conferring to the traditional process, SMEs acquire all necessary resources independently, but with their external source such as E-commerce will enable them to acquire these internationalisation information (Morgan and Katsikeas, 1997).

Evidence suggests that the rate at which the SMEs are participating in international trade, has allowed for a higher export performance and has been possible due to E-commerce facilitation (Suominen, 2014). However, studies have also highlighted that many SMEs prefer not to adopt the E-commerce route only due to the initial poor achievement reports (Marshall and Mackay, 2002; Jeffcoate, et al., 2002). According to an article from Internet Retailing (2014) that states that people’s whereabouts, habits and preferences have already been bought and sold by many retail companies; like mobile phones can track customer movements around a store and offer them personalised discounts. The role of E-commerce towards internationalisation of UK SME’s is of vital importance as the UK domestic market expects a contraction of physical shopping place by 25 percent in the next five years and the retailers who fail to embrace the route of E-commerce to international markets are expected to lose new market opportunities and become effectively frozen (UKTI, 2014).

One common feature among SMEs is that they fear to take risks and research has evidenced that acknowledging E-commerce provides internationalisation growth for them with less risk (Foscht, et al., 2006; Anon, 2007). According to a research conducted by Hutchinson, Quinn and Alexander (2006), findings of the study highlighted that UK SME specialist retailers received a small per cent of global sales through E-commerce and used this platform mainly as a marketing tool for overseas customers. Hence, the adoption of E-commerce facilitates variations for SMEs to adopt features that would meet their financial needs (Whiteley, 2000, p. 217). The key point here to consider is that SMEs face larger opportunities with the adoption of E-commerce (Loane, et al., 2004). However, the common ground that both smaller and larger firms were facing similar international problems (Ruzzier, Antončič and Konečnik, 2006). The gradual, linear view of internationalisation implicit in the stages models is hard to uphold in the E-commerce
context (Axinn and Matthysens, 2002). Some other researchers say, due to the high rate of failure of E-commerce ventures, they are likely to become increasingly important areas for concern (Gaebler Ventures, 2008; Ward, 2008).

Though E-commerce provides a competitive edge for SMEs against their rivals, few smaller firms are still resilient towards embracing internet (Liebermann and Stashefsky, 2002). Additionally, Lane, et al. (2004) suggested that SMEs still believe that the limited accessibility issue of their customers are restricting them to utilise E-commerce. Also, there is little evidence that E-commerce within SMEs have for a strategic development in the long-term (Fillis, Johansson and Wagner, 2004, p. 180). With E-commerce acting as a facilitator for internationalisation (Berry and Brock, 2004; Mostafa, Wheeler and Jones 2005; Foscht, Swoboda and Morschett, 2006). Firms are beginning to achieve cross border sales and distance as a barrier seem to disappear (Walczuch, Braven and Lundgren, 2000). Therefore, national boundaries for businesses on the web are not defined which makes internationalisation for SMEs easier (Lewis and Cockrill, 2002).

Research shows that SMEs increasingly utilise E-commerce to improve their performance. This has enabled firms to improve their efficiency and develop new ways of internationalisation through co-ordinated activities (Katz and Murray, 2002; Fletcher, Bell and McNaughton, 2004). The researcher also states that not much research has been conducted in the area of internet marketing and that there is a good scope for further research to be conducted for academic and practitioners (Ngai, 2003). However, a contrast in the opinions of how SMEs adopt E-commerce suggested that they tend to adopt in linear stages (Daniel, et al., 2002). According to Bridgewater and Egan (2002), E-commerce clearly reduces geographical (due to the interphase with customers is through a desk and not a physical store), cost (since the subsidiaries cost comparatively less to opening a physical store in an international market) and time (communication online regardless of the time zone). Hence, e-commerce continues to play an important role within SMEs (Cho and Tansuhaj, 2013).

3.4.4 Social Media

The entry of Social Media sites has changed the ways of communication and sharing of information and the key highlight for businesses is that it is free and easy to use making
it easier to connect with customers from around the world at lower cost and quicker (Fischer and Reuber, 2011). Taking note of the financial barriers that SMEs face, this mode of connecting with customers has been beneficial and does not require skilled technical experts for managing the tool (Dyerson, et al., 2009; Kaplan and Haenlein, 2010; Zeiller and Schauer, 2011; Stockdale, et al., 2012). Additionally, knowing that SMEs work better with short-term and tangible tactics (Mehrtens, et al., 2001; Stockdale, et al., 2012). It can also be said that, with the beginning of Social Media sites, targeting customers with common interests and needs is not only easy but the fact of commitment and trust can also be maintained (Jones, et al., 2013). Allowing SMEs to gain a completely new opportunity through social media has allowed firms to focus a bit more on the aspects of developing the firms flow of networks and managing boundaries that can be specifically targeted (Levy and Powell, 2004).

However, Fisher and Reuber (2011, p. 61) suggest that there is no definitive typology which clarifies or defines social media, although, since the application is built based on the internet from the basic foundations of a Web 2.0 to exchange and create “user generated content”. Additionally, research conducted a decade ago suggested the online network creation of “virtual communities” has shaped an extraordinary wave of how products and services among firms and customers interact and exchange (Hagel and Armstrong, 1997, p. 11). However, this transformational practice that SMEs have adopted for communications between the firms and their customers has been brought to light recently within academic researches (Chaffey, Hemphill and Edmundson-Bird, 2015). Additionally, the rate at which technology has advanced has outpaced the research (Kietzmann, et al., 2012).

Hence, the new way of doing business through new technologies such as social media has provided firms with the opportunities to expand internationally (Durkin, McGowan and McKeown, 2013). However, research highlighted one key disadvantage of how social media allows customers to communicate with each other and this might either decrease or increase their firm identity (Mangold and Faulds, 2009). Clearly, social media has enhanced the firm’s performances but with regards to business to business (B2B) perspective, there still uncertainties as to how this tool might support their brands (Michaelidou, et al., 2011, p. 1157). Research findings suggest it is vital and critical in a practical world for smaller sized firms to implement e-retailing and social media
platforms for easy internationalisation (Nikolaeva, 2006; Ala-Mutka, et al., 2009). Backing this with reports from 2013 which highlighted although eighty-seven per cent of the population signed onto social media platform only twenty-five per cent used them regularly (Chaffey, 2015).

Though social media sites are looking towards replicating the face-to-face interaction found in physical stores, if managed would accommodate the high level of openness through a virtual environment (Kaplan and Haenlein, 2011). Additionally, firms would have to consider a more private and a business model that would engage customers which authorises for consent, which would allow firms to acquire a positive online community (Godin, 1999; Brown, et al., 2007; Durkin, 2013). However, there are various parameters that need to be considered when firms adopt to social media platforms and research still remains limited to accounting to all aspects of the features (Kietzmann, et al., 2012).

3.5 REVISED RESEARCH CONCEPTUAL FRAMEWORK

The purpose of this section is to combine the previous conceptual framework from Chapter 2 which focused on the internationalisation theories and model. The discussion within this chapter focused on the digital internationalisation export entry modes that operates within the specialist and niche retailer in the UK. To address a holistic digital internationalisation for SMEs the following revised conceptual framework was presented. The figure 3.1 below provides a revised research conceptual framework considering both the internal and external environment, the resources and the digital aspect used by SMEs for internationalisation.
They address the decisions made by micro and small firms for their internationalisation process. Considering both the internal and external digital export tools that firms take into considerations for targeting broader customer traffic. Moving ahead, how and what plans the firms have for strategic expansion would they adopt to enhance their digital tools for a virtual store. For this, the firm characteristics, their internal competencies from their resources and strategies for internationalisation need to be considered. This framework was developed combining the literature and the analysis of data collected.

3.6 CONCLUSION

Review of literature and the research conducted suggested firms face internationalisation at an early stage due to the digitalisation of the industries, which has fostered new ways of doing business taking into account the opportunities E-commerce can offer for smaller firms with limited resources (Glowik, 2016). Literature from the Resource-Based View clearly suggested there are different aspects of the constraints that the firms need to consider for effectiveness of the processes (Pfeffer and Salancik, 1978). However, recent
work suggested that smaller and younger firms have begun to adopt to the resources in a more capable and creative manner (Begley, et al., 2005). Additionally, research at a very early stage predicted smaller firms would have a higher impact on the performances through technology (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1990). Which would further see the introduction to a number of firms internationalising through their inception (Bell, 1995; Fillis, Johansson and Wagner, 2003). However, it is inevitable that SMEs with limited resources to internationalise would not face risks (Buckley, 1989).

The call for theoretical understanding of SME internationalisation through digitalisation has been longstanding (Deprey, Lloyd-Reason and Ibeh, 2012). Additionally, the rising technological developments are frequently mentioned as a driver of globalisation (Bridgewater and Egan, 2002). Considering that internet has mechanised internationalisation for SMEs widely focusing mainly at their early stages has gained much attention (Tseng and Johnsen, 2011) and a continuous research focused area would build on previously researches. Moreover, the challenges identified are to support more businesses to get online, to launch new technology and to look at using it to support businesses to be more efficient (BFC, 2014).

The revolution of customers and their preferences became common from the twentieth century which suggested data has been collected and stored for over fifty years, however, the use of data effectively is by analysing and understanding the purpose and meaning of that data (Drucker, 1999). In sum, the potential learning about internationalisation from these, and other, sources of information cannot be underestimated (Bridgwater and Egan, 2002). Jatusripitak’s framework suggested SMEs over time become more international with international knowledge driven forces gaining experience to overcome barriers and reduced risks for internationalisation.
CHAPTER 4 RESEARCH DESIGN AND METHODOLOGY

The diagram 4.1 below provides a diagrammatic representation of the chapters flow of information.

**Diagram 4.1: Structural Representation of Chapter 4**

4.1 Introduction

4.2 Research Paradigm

4.3 Research Philosophy

4.4 Research Approach

4.5 Research Method

4.6 Research Design

4.7 Data Collection Procedure

4.8 Data Analysis Procedure

4.9 Conclusion

Source: Author’s own

4.1 INTRODUCTION

Following the identification of the key themes from the literature in the previous chapter, this section reflects on the choice of research methods and design suited to answer the research questions. According to Saunders, et al. (2017) the best way to represent this chapter is to consider the diverse segments like peeling the different layers of the onion. The first of the layers addresses the question of the research philosophy adopted for this study. The second considers the subject of the studies research approaches that flows from the research paradigm and philosophy. This then leads the chapter into the research design discussing strategies, choices, time horizons and techniques chosen for the study. The chapter also includes the way in which the research negotiated access and the ethical considerations. This will be followed by a discussion on data collection and analysis.
The theoretical principle which shows how research is conducted is termed as the methodology (Alexander, 1989). The strategy of actions considered for the research lies behind the choice and the use of specific methods (Crotty, 1998). Methodology is a theoretical representation of how a research needs to be undertaken (Saunders, et al., 2007).

4.2 RESEARCH PARADIGM

The paradigm concept was first introduced by Thomas Kuhn (1962). This was used mainly by social scientists to bring forward new views within the qualitative research field in the last quarters of the twenty first century which was mainly dominated by quantitative methods (Burrell and Morgan, 1979; Guba and Lincoln, 1994; Morgan, 2007; Given, 2008). It is an assumption, or a perceptual orientation is considered and shared among a community of members this is termed as paradigm (Morgan, 2007; Denscombe, 2008; Given, 2008). Hence, this particular viewpoint considered by a particular community denotes a specific context at a particular point in time (Ratcliff, 1983). However, consideration of expressing and articulating these paradigms are through discourses, social action and interactions (Burns, Calvo and Carson, 2009; Alvesson and Sandberg, 2011; Luoto, Brax and Kohtamäki, 2017). As discussed within the niche retail internationalisation literature, the rapid advancement in technology has generated a wealth of knowledge within the retail sector. Due to the rapid internationalisation through the digital mode of entry, it is essential to investigate the nature of reality considering constant changes taking place within businesses and the technology adopted by firms.

To understand this nature of reality the research paradigm needs to be considered first which would look in the phenomenon and the studies research methods (Given, 2008). Additionally, the research objectives which are developed around a basic belief and a theoretical framework of assumption requires constant review. According to Burns and Carson’s (2002), studying about how the world works limits on cognitive assumptions in relation to institutional paradigms. Hence, considering the following elements of the research paradigm is essential to adopt the best suitable method for this study. There are five main research paradigms such as: positivism, critical realism, interpretivism, postmodernism, constructivism and pragmatism. The following sections would discuss
the five paradigms individually. The word paradigm was first used by Kuhn (1962) to mean a philosophical way of thinking. Since then, paradigm is a word with multiple meanings, hence understanding phenomena and attempting explanation to examine social phenomena is termed as research paradigm (Saunders, Lewis and Thornhill, 2016).

4.2.1 Positivism

The philosophical stance of positivism emphasises on the natural, law-like generalisations, which refers to the importance of what is given with an observable social reality (Saunders, Lewis and Thornhill, 2016). This positivist method is intended to produce pure data and evidences uninfluenced by human explanation or unfairness which can be observed and measurable (Crotty, 1998). Hence, looking into the development of law-like generalisations from identifying casual relationships within the data (Gill and Johnson, 2010). This would help explain and predict behaviour and events in organisations which can be done using existing theory to build the study hypothesis for further theory development (Saunders, Lewis and Thornhill, 2016). However, this study does not consider adopting the hypothesis method, this paradigm will be disregarded. Additionally, application of hypothesis testing can also be extended within the positivist research of data collection methods and seeks quantifying qualitative data analysis of data originally collected in in-depth interviews (Guest, Namey and Mitchell, 2013).

4.2.2 Critical Realism

Critical realism is independent of the existence of knowledge, hence understanding the world through critical realism might be different from what is actually practiced. This was originally represented within the work of Roy Bhaskar who dwells on the middle grounds of both positivist and postmodernist nominalism (Reed, 2005). However, within management study, critical realism is relatively a new orientation (Ackroyd and Fleetwood, 2004) leading to a number of contradictory views and approaches to realism (Hunt, 2003). Consideration of reality is one of the most important philosophical consideration for critical realism (Fleetwood, 2005). Additionally, since this is independent of how reality is seen it is not directly accessible through observation and knowledge (Saunders, Lewis and Thornhill, 2016). Hence, suggesting that what is
portrayed might actually not be true. Due to which Bhaskar (1989) argues that a narrow understanding what is going on in the social world will be portrayed if understanding the social structures that have given rise to the phenomena that is considered to be understood. However, assuming a “transcendental realist ontology, an eclectic realist/interpretivist epistemology and a generally emancipatory axiology” (Easton, 2010, p.119), has had a number of contradictory views and approaches to realism.

4.2.3 Interpretivism

Interpretive methodology is focused at understanding phenomenon from an individual’s perspective, which involves exploring interaction with individuals as well as within organisations (Creswell, 2009). This study is focused on understanding how the internet has changed the internationalisation phenomenon for micro and small retail firms. Thus, adopting a phenomenon-based research helps capture, describe and document, as well as conceptualise a phenomenon such as internationalisation among micro and small firms, so that appropriate theory and development of research design can proceed (Von Krogh, Rossi-Lamastra and Haefliger, 2012). Interpretivism promotes the necessity for the researcher to understand differences between businesses in their role as social actors (Saunders, et al., 2017). However, when it comes to interpretative sociology, an understanding of the essence of the everyday world is essential (Burrell and Morgan, 1982). Therefore, interpretive epistemology is based on real world phenomena (Scotland, 2012), but it rejects a foundational base to knowledge and questions its validity (Rolfe, 2006). Nevertheless, Grix (2004) state that the existence of this world does and our knowledge of it, is not independent of each other. Functionalist approaches to sociology and to the study of organisations are underwritten by ontological assumptions, and the validity of these assumptions have been challenged (Burrell and Morgan, 1982).

However, the strongest argument for phenomenology is that it allows understanding of the reality behind the details of the situation (Remenyi, et al., 1998). The main idea behind the research would be not to change the order of things, but rather to understand and explain what is going on and why (Saunders, Lewis and Thornhill, 2016). Though the sensitivity to individual meaning of this paradigm can hide within broader generalisations (Samdahl, 1999), reality from person to person cannot be expected to reach the same interpretations as researchers (Rolfe, 2006). Yet, external organisational forces which
influence behaviour are often neglected by interpretive research (Scotland, 2012; Cohen, et al., 2007). Hence, a more intimate and op-ended method may facilitate unintended discovery of secrets, lies and oppressive relationships by participants keeping it autonomous (Howe and Moses, 1999). Since the key aspect for the researcher is to adopt an empathetic stance which requires to enter a social world of our research and understand the point of view of their world can be challenging (Saunders, et al., 2009).

4.2.4 Postmodernism

The postmodernism focuses on power and how this might seek to expose and question its dominant realities (Calás and Smircich, 1997). There is also much emphasis on the role of language and the concept emerged in the late twentieth century in the works of French philosophers (Saunders, Lewis and Thornhill, 2016). The paradigm is built on the belief there exist provisional at any sense of order and this order can be rectified through language categories and classifications (Chia, 2003). The striving concept behind postmodernism is the form of deconstructing which counts as reality into ideologies underpinned by power (Saunders, Lewis and Thornhill, 2016). Hence, according to Kilduff and Mehra (1997) suggested that thinking and knowing are two established challenges which act as the goal of postmodernism. Additionally, since these were previously been excluded, now giving them a voice (Chia, 2003). Nevertheless, this concept focuses majorly on the process within organisations such as managing, ordering and organising which constitute the performance and management of the organisation through resources. However, the aspect of power cannot be evaded and critical to consider moral and ethical aspect (Calás and Smircich, 1997), hence impulsively striving on individuals thinking and writing (Cunliffe, 2003).

4.2.5 Constructivism

According to Guba and Lincoln (1994) one of the major paradigms is constructivism which believe that a fundamental quality of worldwide participants views as self-reflexive. Other authors have developed arguments that has embedded the participants perspective (Berman, 1981; Tarnas, 1991; Varela, Thompson and Rosch, 1993). Additionally, participants having the participatory mind set is also considered essential
within this paradigm (Skolimowski, 1994). When considering the experiential knowledge which is considered as knowing through acquaintances, constructivism seems to be deficient (Heron and Reason, 1997). In addition to this evidence, Von Glasersfeld’s opinion of considering the term “real” world is highly not possible since the existence of is dependent of individuals constructs (Von Glasersfeld, 1991, p. 17). Hence, according to Guba and Lincoln (1994) who acknowledge the fact that constructivism is related to tangible entities and hence knowing through the experiential route does not validate conceptual constructs. Hence the constructivism of Guba and Lincoln (1989) embraces that community consensus is fairly true to influence the standards.

### 4.2.6 Pragmatism

According to Saunders, Lewis and Thornhill (2016), pragmatism is questioning research which makes a difference to the practices within an organisation. It can also be considered as a concept which is supported with appropriate actions proclaims pragmatism (Kelemen and Rumens, 2008). This concept originated from the works of philosophers in the USA during the late nineteenth and early twentieth century (Mead, 1930). However, based on the research findings, theories and concepts, different practical roles can form combinations of objectivism and subjectivism, facts and values, accurate and rigorous knowledge and different contextualised experiences. Hence, the key element to be considered in pragmatism for actions to be carried out accurately is reality. Where the start of a research is based on a problem which then leads to the development of aims to solve the problem at hand and generate future practice. These are initially researcher doubt about a particular process and the awareness something is wrong and once the problem has been solved re-creates belief (Elkjaer and Simpson, 2011). However, if a research identifies a nonexistence of a problem then this approach may take different ways to be interpreted through the use of multiple realities. This means that pragmatism adopts a more credible, well founded, reliable and relevant data to be collected that advance the research (Kelemen and Rumens, 2008).
4.2.7 Rationale for research paradigm

Paradigms have been widely discussed (Burrell, 2002) and management theory had to cope with the complexities of the social world since they are viewed as a multiple paradigm field (Sorge, 2002). However, understanding the subjective world around us is termed as interpretivist paradigm (Guba and Lincoln, 1989). Erlandson, et al. (1993), like Gomm, Hammersley and Foster (2000) argue that it is practically impossible to generalise findings of research conducted within the interpretivist paradigm since interpretivist research with regard to participants can be defined as context specific. However, identity related paradigmatic controversy cannot be revealed through classic descriptions of competing paradigms in the social sciences (Burrell, 2002; Sorge, 2002). In trying to understand the UK SME firms experience on the digital internationalisation transformations one could very well choose the interpretative paradigm.

Guba (1981) suggests that the positivist criteria of internal and external validity, and reliability in research conducted within the Interpretivist paradigm should be replaced with four criteria of trustworthiness and authenticity. While considering interpretivism it does not try to discover innovative developments but rather helps us understand what developments within the chosen area of research. Hence, this would help understand the internationalisation process of micro and small retail firms in the UK. Relativism ontology, which means it is a relative thing, but actually they are multiple reality of mental construction and depends on each individual (firms), set of experiences (firms internationalisation process) and believes (impact digitalisation has on the internationalisation process). Also, subjective epistemology is when our participants (firm owner/founders) act as influencers and the researcher influence the participants, so there is a co-construct illusion.

Hence, the primary focus of this research is undertaken within interpretive paradigm in the way humans (firms) attempt to make sense of the world (internet, digital entry mode) around us through a subjective stance. Also, to understand and explain what is going on in the organisation’s everyday activities (digital internationalisation), rather than change things (Kelemen and Rumens, 2008).
4.3 RESEARCH PHILOSOPHY

This section first begins to understand in-depth what philosophy means and to do so the researcher followed and adapted the approach of Deleuze and Guattari (1991), who implied that every concept has defined components and they define consistency of the concept; its endo-consistency; these are distinct, heterogeneous and, yet, not separable. It is vital to have a thorough understanding of the philosophical issues to improve the quality of research, contribute to its creativity and clarify the research design (Easterby-Smith, et al., 2012). However, research is not a result of the methodology but of grounding the theoretical knowledge within a philosophy (Carr, 2006). Therefore, tracking back through methodology and epistemology, to an ontological position leads to methods which provide accurate techniques and procedures for data collection and analysis (Crotty, 1998).

The table 4.1 below provides a summary of the research methodology philosophical terminologies. The table also provides a brief description for the terminologies which are discussed further in-depth.

<table>
<thead>
<tr>
<th>Terminology</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontology</td>
<td>Represented as the nature of reality with its philosophical assumptions which asks questions: what reality is and what is the nature of existence.</td>
</tr>
<tr>
<td>Epistemology</td>
<td>Expectations for ways of questioning the nature of the world to gain knowledge and represented as a study of knowledge.</td>
</tr>
<tr>
<td>Axiology</td>
<td>The research process is a combination of values and ethics.</td>
</tr>
<tr>
<td>Methodology</td>
<td>While investigating into a specific situation different technique can be used in combination/s.</td>
</tr>
<tr>
<td>Methods and Techniques</td>
<td>Individual techniques for data collection, analysis etc.</td>
</tr>
</tbody>
</table>

Source: Easterby-Smith, et al., 2012

On the other hand, Hughes and Sharrock (1997) concur that there is no real basis to promote any view on the matters of the nature of philosophy and the relationship it holds to other forms of knowledge and hence it would be a major matter of philosophical dispute. Management research consist of four research philosophies which are: Positivism, Realism, Interpretivism and Pragmatism (Saunders, et al., 2017). Since there
is a significant impact on not only of what is done but also to understand what it is that is investigated would make aware to business and management researchers the choices of research strategy that would lead to philosophical commitments (Johnson and Clark, 2006). Hence, it becomes mandatory for researchers to take a stand concerning their perceptions of how things really are and how they work (Scotland, 2012). However, committing to ontological and epistemological positions can vary, researchers who have difference in opinion often lead to the same phenomenon but do so using different research approaches (Grix, 2004). Hence, the nature of reality is referred to as ontology whereas questions of how and what is possible to know is termed as epistemology (Chia, 2002).

4.3.1 Ontology

The beginning of a philosophical debate is ontology (Easterby-Smith, et al., 2012). Albert Einstein stated how important ontology is “it is the theory that determines what we can observe” (Michael, 2001, p.145). The study of being is termed as ontology or in a single expression reality, the ontological assumptions are concerned with what constitutes reality (Crotty, 1998). However, within ontological reality exists variety of forms like transcendental reality and internal reality (Easterby-Smith, et al., 2012). Here, the transcendental reality differentiates between the laws of physics and nature, and the law that represents the scientific knowledge or theories (Bhaskar, 1989). Whereas, internal realism represents reality but proclaims that scientists are unable to access this reality directly and the possibility is to gather this indirect evidence of the happenings of the fundamental physical processes (Putnam, 1987).

Ontology, on the other hand, is considered as a direct representation of the intransitive domain, in other words, reality that is beyond our knowledge (Cruickshank, 2004). Nevertheless, theorists from the interpretive paradigm view the ontological status of the social world as hugely questionable and problematical (Burrell and Morgan, 1982). However, on the other hand, the first and fundamental step of ontology is to clarify the meaning of Being and if this is not met adequately then no matter how rich and consolidated an information may be, it remains void and impractical from its own aims (Heidegger, 1962).
Within the ontological assumptions the following are the different forms present: realism, idealism, interpretivism, relativism, objectivist, constructivist. Kant (1787) criticised the idea of ontology with a more important point stating that the knowledge based on theory is unreal of a thing in general which presumptuous claim to supply in a systematic doctrinal form, additionally opposes realism to idealism. Wyssusek (2004) compares realism with idealism and represents realism as: when our insight on an object is independent to its reality and nature whereas idealism is reliant on our insight. Scotland (2012) suggested that interpretivism is relativism and according to Guba and Lincoln (1994) relativism differs from person to person knowing that reality is subjective. It has been said that objectivist ontology perceives that occurrence of a social phenomenon is independent of social actions, whereas constructivist ontology infers that social actions are a product of social phenomena and therefore in a constant state of revision (Bryman and Bell, 2003). The table 4.2 below would provide a representation of the different ontologies and their criteria considered for different research philosophies.

<table>
<thead>
<tr>
<th>Table 4.2: Ontology and the different research philosophies connected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong> (presents the nature of reality or being)</td>
</tr>
<tr>
<td>Is objective and independent of social actors.</td>
</tr>
<tr>
<td>Internal reality</td>
</tr>
</tbody>
</table>

Source: Burrell and Morgan, 1982

4.3.2 Epistemology

According to Cohen, et al. (2007), the nature and forms of knowledge are associated to epistemology, furthermore, they extend epistemology as an association with the process of creating, assimilation and transfer of knowledge. Additionally, as explained by Guba and Lincoln (1994), epistemology is the nature of the relationship between the prospective knower and what can be known Hatchuel (2005) suggested that action and not the truth is the central epistemological issue in the hypothesis for management research. However, in classic epistemology, the core issue of discussion is the nature of universal truth and/or general knowledge (Zalta, et al., 2018). Nevertheless, the problem lies in the fact that, in human contexts, management research is only sensible where the
collective action is transformative and creative and where the definition of the ‘truth’ or the ‘real’ is dependent on models of action that establishes a knowing process (Hatchuel, 2005). The positivist view implies that the methods of natural sciences should be applied for studying social phenomena and a difference between objects of natural science and people in that phenomena is seen in the alternate view of interpretivism. Furthermore, they have different subjective meanings (Dainty, 2007). The table 4.3 below represents the different epistemologies, their criteria of assessment and the philosophical stance.

Table 4. 3: Criteria for different epistemological perspectives with their philosophical stance

<table>
<thead>
<tr>
<th>Epistemology</th>
<th>Assessment criteria</th>
<th>Philosophical Stance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positivism</td>
<td>Internal validity</td>
<td>Natural Scientist</td>
</tr>
<tr>
<td></td>
<td>External validity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Construct validity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reliability</td>
<td></td>
</tr>
<tr>
<td>Interpretivism</td>
<td>Internally reflexive audit trail demonstrating: Credibility; Dependability; Confirmability; Ecological validity and Transferability/logical inference</td>
<td>Understanding differences between humans as social actors</td>
</tr>
</tbody>
</table>

Source: Symon, et al., 2016, adapted from Johnson, et al., 2006 contingent criteriology

Remenyi, et al. (1998) suggested when a research’s end product represents generalisations which are law-like and similar to results by natural scientists, then the best route to adopt would be to work with observable social reality. Saunders, et al. (2017) agreed that this would lead to a natural scientist and proposed this as a philosophical stance. This philosophical position is termed positivism epistemology. However, developing a standard criterion for the selection of the method is difficult considering different epistemologies may suggest the same method but in different ways (Correa, 2013). Hence, Symon, et al. (2016) suggest the best way would be to have a variety of criteria for different epistemologies. However, several authors have highlighted the importance of not turning academic management in to a pragmatic or practical epistemology, wherein, action is simply seen as the ‘hands-on’ solution (James, 1907; Edward, 1998; Aram and Salipante, 2003) Additionally, a far more critical argument suggested that reduction in complexity due to law-like generalisations can result in the loss of the sagaciousness of this complex world (Remenyi, et al., 1998).
Interpretivism is derived from phenomenology and symbolic interactionism, which are two intellectual traditions. Therefore, within interpretivism, it is important to have a clear understanding of the role of social actors as humans (Saunders, et al., 2009). According to Gergen (1971) when in a continual process of interpreting the interactions with the social actors, the interpreters do adjust their self-concepts to the interpretation. Thus, portraying an unclear percentage of how much has been self-concepted rather than actual interpretations (Brown and Lohr, 1987). Hence, research would be conducted to understand and explain what is going on, instead of merely achieving a change in the order of things (Saunders, et al., 2009). The table 4.4 below represents the epistemological philosophies connected.

Table 4.4: Epistemology and the different research philosophies connected

<table>
<thead>
<tr>
<th>Epistemology</th>
<th>Positivism</th>
<th>Realism</th>
<th>Interpretivism</th>
<th>Pragmatism</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Only observable phenomena can provide credible data, facts. Focus on causality and law like generalisations, reducing phenomena to simplest elements</td>
<td>Observable phenomena provide credible data, facts. Insufficient data means inaccuracies in sensations (direct realism). Alternatively, phenomena create sensations which are open to misinterpretation (critical realism). Focus on explaining within a context or contexts</td>
<td>Subjective meanings and social phenomena. Focus upon the details of situation, a reality behind these details, subjective meanings motivating actions</td>
<td>Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data</td>
</tr>
</tbody>
</table>


4.3.3 Axiology

According to authors axiology within a research process is the consideration of values and ethics (Saunders, Lewis and Thornhill, 2016). This branch of philosophy embeds questions as researchers which involve how to address the concept of value within our research and participants (Hammarberg, Kirkman and Lacey, 2016). Additionally, Heron (1997) confirms that humans’ actions are guided by values. Based on a foregoing discussion, the following table 4.5 provides us with an overview of the research
philosophies against the stages. The table also goes parallel and further ahead compared to table 4.2 above.

### Table 4.5: Comparison of four research philosophies in management research against the different philosophical stages

<table>
<thead>
<tr>
<th></th>
<th>Positivism</th>
<th>Realism</th>
<th>Interpretivism</th>
<th>Pragmatism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Axiology</strong></td>
<td>Research is undertaken in a value-free way, the researcher is independent of the data and maintains an objective stance</td>
<td>Research is value laden; the researcher is biased by world views, cultural experiences and upbringing. These will impact on the research</td>
<td>Research is value bound, the researcher is part of what is being researched, cannot be separated and so will be subjective</td>
<td>Values play a large role in interpreting results, the researcher adopting both objective and subjective points of view</td>
</tr>
<tr>
<td><strong>Data collection techniques most often used</strong></td>
<td>Highly structured, large samples, measurement, quantitative, but can use qualitative</td>
<td>Methods chosen must fit the subject matter, quantitative or qualitative</td>
<td>Small samples, in-depth investigations, qualitative</td>
<td>Mixed or multiple method designs, quantitative and qualitative</td>
</tr>
</tbody>
</table>

Source: Saunders, et al., 2015

#### 4.3.4 Philosophical Underpinning

Following the trajectory of research philosophy, the criteria that directs to meet the requirements of the research and the research questions suggest a realism ontological application and an interpretivist epistemology for this research. The process is interpretive wherein the constituent study texts are treated as an interpretation of the phenomenon from a multivocal point of view. This is similar to the voice of the participants in qualitative studies (Zimmer, 2006).

Interpretative Phenomenology Analysis (IPA) is a subjectivist analysis. Depending on life experiences, the world is perceived in different ways by different people. Starting with a detailed case study analysis, it moves, cautiously, to statements about groups of individuals which are more general in nature. In order to portray an intimate view of individual experience, Interpretative Phenomenology studies are usually conducted with small numbers of participants. Smith, Flowers and Larkin (2009), who are acknowledged modern-day theorists in the IPA approach, stated that “IPA is a qualitative research approach committed to the examination of how people make sense of their major life experiences” (p. 1).
If the aim of the study is to explore the deep meaning of experiences to participants, IPA can be used to answer a wide range of research questions. This is suitable, particularly in instances where the investigation is novel or not well researched and where the concern lies in understanding process and change. It includes a wide array of methodologies including case studies, which studies events or processes in an in-depth manner; phenomenology, where the experience is directly studied without any preconceptions; hermeneutics, which derives a hidden meaning from language; and ethnography, wherein cultural groups are studied for a prolonged period of time.

According to Guba and Lincoln (1994), the main question asked by a methodology is how the researcher can find out information about knowing whatever they believe. Hence, a methodology is concerned with the whys, what, from where, when and how’s of data collection and analysis. However, Guba and Lincoln (1994) also argue that questions of research methods are of secondary importance. Qualitative research that aims to explore and understand the lived experience of specific phenomenon is the core part of an IPA approach (Smith and Eatough, 2006).

4.4 RESEARCH APPROACH

This section navigates through the different research approaches within management study and suggests direction for selecting approach/es that would complement the research seamlessly. The importance of this section is to identify if the research should use the deductive or an inductive approach or abductive. In a deductive approach, a theory and hypothesis (hypotheses) is developed and a research strategy is designed to test this hypothesis. Whereas, in an inductive approach, the data is collected first and then the theory is developed based on the results of data analysis (Saunders, Lewis and Thornhill, 2016). Hence, the following discussions would help develop an understanding of what approaches works well for the research question, what do not and why.

4.4.1 Deductive Approach: testing theory

As noted earlier, deductive approach inclines more towards research that is scientific in nature and uses rigorous tests to develop theory (Nola and Sankey, 2014). It is also termed
as top-down approach (Lodico, et al., 2010). Therefore, within natural sciences, wherein explanation is based on laws to anticipate phenomena, predict their occurrence and permit their control, deductive approach becomes the dominant research approach (Collis and Hussey, 2003). In order to explain the casual relationship between variables, a search is required. Then to pursue scientific rigour, the researcher should be independent of the observation, in other words, prevent bias. Operationalisation of concept to enable quantitative measurements of facts is another characteristic of deduction.

The large sample size for a deductive approach is expected to be considered (Saunders, et al., 2015). Statistical generalisation of regularities in human social behaviour, through the selection of samples that are of sufficient numerical size is the final characteristic of deduction. The figure 4.1 provides the order of the process for a study to be considered as deductive.

![Figure 4.1: Deductive Approach](image)

Source: Adapted from Snieder and Larner, 2009

### 4.4.2 Inductive Approach: theory building

The focus for an inductive approach would consider current events within an area of study to be explored and the appropriate sample size for this approach is usually small (Saunders, et al., 2015). This approach helps to gain an understanding of the events, phenomena or social situations around participants (Creswell, 2007) and these reasonings are often referred to as bottom-up approach (Lodico, et al., 2010) as they begin with observations or test and lead to theory building. The participants explain how the world around them makes sense to their experiences through interviews with open-ended questions (Qu and Dumay, 2011). Open-ended responses allow the researchers to prevent having predetermined standpoints, understand and present the world in the eyes of the
participants as dictated by their experience (Yilmaz, 2013). This leads to a flexible structure allowing vital changes as the research progresses (Gioia, et al., 2012). This echoes the feelings of Buchanan, et al. (1988) who argues that the needs, interests and preferences are typically overlooked but are central to the process of fieldwork. However, the only preferred risk with an inductive approach is that no theory may emerge at all and scarcity of literature sources (Babbie, 2010). The figure 4.2 provides the order of the process for a study to be considered as inductive.

**Figure 4.2: Inductive Approach**

![Diagram showing the order of inductive approach]

Source: Adapted from Lodico, et al., 2010

Hakim (2000) illustrates the choice of approach with different attributes using an architectural metaphor. Additionally, with attributes adopted from Alexandiris (2006) helps the researcher with specific reasons for the choice of adoption of an appropriate approach. The table 4.6 below provides a combined difference between a deductive and an inductive approach with attributes.
Table 4.6: Differences between a deductive and an inductive approach

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Deductive</th>
<th>Inductive</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direction</strong></td>
<td>“Top-Down” - Moving from theory to data</td>
<td>“Bottom-Up” - Moving from data to theory</td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>Prediction changes, validating theoretical construct, focus in “mean” behaviour, testing assumptions and hypotheses, constructing most likely future</td>
<td>Understanding dynamics, robustness, emergence, resilience, focus on individual behaviour, constructing alternative futures</td>
</tr>
<tr>
<td><strong>Spatial scales</strong></td>
<td>Single (one landscape, one resolution)</td>
<td>Multiple (multiple landscape, one resolution)</td>
</tr>
<tr>
<td><strong>Temporal scales</strong></td>
<td>Multiple (deterministic)</td>
<td>Multiple (stochastic)</td>
</tr>
<tr>
<td><strong>Cognitive scales</strong></td>
<td>Single (homogenous preferences)</td>
<td>Multiple (heterogeneous preferences)</td>
</tr>
<tr>
<td><strong>Aggregation scales</strong></td>
<td>Single (core aggregation scale)</td>
<td>Single or multiple (one or more aggregation scales)</td>
</tr>
<tr>
<td><strong>Data intensity</strong></td>
<td>Low (group or partial attributes) The necessity to select samples of sufficient size in order to generalise conclusions.</td>
<td>High (individual or group attributes) Less concern with the need to generalise</td>
</tr>
</tbody>
</table>

Source: Adopted from Alexandiris, 2006 and Hakim, 2000

4.4.3 Abductive Approach

Alvesson and Sköldberg (1994) suggest the abductive approach as a process of moving back and forth between theory and empirical findings. However, this approach is an analytical method that combines both deductive and inductive approaches (Kovács and Spens, 2005). Furthermore, Eisenhardt (1989) used inductive approaches but was writing deductively to bridge from rich evidence to mainstream deductive research (Eisenhardt and Graebrer, 2007).

Overall, since the objective of this research study is to create an understanding of important factors that play a role in the process of internationalisation and to develop a theory based on these factors, an inductive approach becomes the most obvious choice. Moreover, building theory from an unexplored area of research is the main intention of this study (Hutchinson, et al., 2007). Furthermore, the author identified the lack of availability of substantial literature suitable for the study on SME internationalisation of specialist and niche retailers. This further solidifies the suitability of an inductive approach for this research. Insofar as it is useful to attach the research approaches to the
different research philosophies, the deductive approach links well to positivism whereas the inductive approach to phenomenology (Saunders, et al., 2000).

4.5 RESEARCH METHODS

In line with the earlier section on methodological philosophy and approaches which provides a wider discussion of how research should be conducted, the following section details the choice of techniques useful for collecting and analysing data in this study (Blaikie, 2000). Within business and management research, both quantitative and qualitative research methods have been widely used and one way to differentiate the two is to see this as numeric representation (quantitative) and non-numeric representation (qualitative) (Saunders, et al., 2015). The choice of selection for a method could either be through a single data collection method or combined (quantitative and qualitative) which is termed as mixed methods and use both primary and secondary data (Curran and Blackburn, 2001). However, a multi-method or a combination of techniques is restricted either within the world view of quantitative and qualitative methods (Tashakkori and Teddlie, 2003). As discussed within the literature around dynamic capabilities and the firm competitiveness impact, Zubac, Hubbard and Johnson (2010, p. 515) stated that qualitatively addressing this phenomenon would be best. The following section would begin at looking at what method would need to be selected to best suit the research in achieving productive results.

4.5.1 Quantitative Methods

According to Yilmaz (2013) a quantitative method can be defined as research that uses numerical data analysed by a variety of mathematical models such as statistics to explain phenomena. One of the main advantages of quantitative method is that it allows measurement of responses from several participants to a limited set of questions, thereby facilitating statistical data comparison and aggregation. However, this method lacks the means to provide insights into individual or personal experiences of the participants. Furthermore, this method has been subject to constant criticism from qualitative academics due to their view about the inappropriate nature of the natural science model in studying the social world (LaPiere, 1934; Blumer, 1956; Schutz, 1962; Cicourel, 1964).
Having said this, and from our previous discussion within research approach a clear path is laid for this research to use qualitative methods.

Coproduction of the researcher’s proposal to simply represent populations, variables, statistical parameters, chance or probabilities, and constructs is an obvious reality that most researchers fail to see (Zyphur, et al., 2016). The main strengths of quantitative methods and the positivist paradigm is that they can be fast and economical especially when large samples are analysed through statistical methods, they cover a wide range of situations and they can be considerably relevant to policy decisions (Easterby-Smith, et al., 2012). However, it has been identified that there is an increased concern with quantitative methods result findings that cannot be trusted due to replications (Pashler and Wagenmakers, 2012). Replication also happens because of the critiquing of novelty in management research with a strong desire to appear more scientific (Davis, 1971; Bettis, et al., 2016; Zyphur and Pierdes, 2017).

4.5.2 Qualitative Methods

According to Bryman and Bell (2011) qualitative methods tend to have a variety of features such as: an inductive view, an interpretivist epistemological position and a constructionist ontological position. It is also concerned with words rather than numbers. Based on the interpretative-symbolic paradigm, qualitative research methodology makes reference to an opulent portfolio of theories and research (Geertz, 1973; Smircich, 1983; Hatch and Schultz, 2000; Sulkowski, 2009). Some researchers have argued that using reliability and validity, which are quantitative concepts or measures, to determine the quality of qualitative studies is irrelevant and misleading (Stenbacka, 2001; Davies and Dodd, 2002; Steinke, 2004; Creswell, 2009). Hence, the credibility of a qualitative study in producing trustworthy data is affected by several factors such as systematic data collection procedures, multiple data sources, triangulation, thick and rich description, and other techniques (Yilmaz, 2013). However, it is advantageous to examine a phenomenon which has little research conducted using a qualitative method (Creswell, 2003). The fundamental truth does not lie in the number of research approaches for qualitative methodology but in the flexibility and ‘participant orientation’ of these approaches which provide a real insight into the ‘lived experiences’ of the research participants (Alase, 2017).
There are a range of qualitative methods used within management research (Eriksson and Kovalainen 2008; Myers 2012; Symon and Cassell 2012), drawing on a variety of epistemologies (Duberley, et al., 2012). Whilst this diversity is seen as its strength (Bluhm, et al., 2011), it is also important to understand the issues around its fair evaluation (Bettis et al., 2015). When these key issues of research are diagnosed, the value of qualitative research from a cognitive point of view is well exposed (Sułkowski and Marjański, 2018). This enables the formation of an in-depth characterisation of an individual or organisations (Creswell, 2003). Moreover, it is believed that conducting qualitative interviews and observations enhances the opportunities available for the study of processes (Gummesson, 1991). Thus, tending to the purpose of an exploratory approach making it useful in situations wherein existing theories do not apply, and when there is a lack of clarity from the researcher regarding the examination of important variables (Creswell, 2003).

In recent studies of the social side of organisation, it is evident that a particular demand in methodology is the requirement of methodological interpretivism and triangulation, usually associated with qualitative methodology (Sułkowski and Marjański, 2018). Hence, qualitative research concerns the phenomenon related to or involved with quality or kind and it uses in-depth interviews to discover deeply underlying motives and desires.

When a qualitative approach is adopted, data can be gathered, analysed, interpreted and understood from a holistic point of view. This is particularly suited to research investigating the “whys” and “hows” of management decision making in organisations (Silverman, 1997; Gummesson, 2000).

4.5.3 Rationale for selected research method

Interpretive methodology was increasingly being employed to generate knowledge for the development of new theories (Colquitt and Zapata-Phelan, 2007) which take a form of qualitative research method (Carr, 2006). This was generally in the form of specific case studies with particular use to practitioners (Wallace, 1987). Essentially, one or a small number of organisations are studied in-depth through case studies. There is an extensive array of literature on the design, use and purposes of case studies. Authors in
the management field tend to consolidate based on their advocacy towards single cases or multiple cases. The authors advocating the latter usually fit with a more positivist epistemology. Having said that, Stake and Schwandt (2006) wrote about qualitative case studies and provides a distinction between studies which are instrumental and expressive.

Studies within the international business field more often use quantitative methodologies (Spence, 2007; Birkinshaw, et al., 2011). However, Hutchinson and Quinn (2012) argue that little work has so far been done on SME specialist and niche retailers using qualitative research methodology. Similarly, Harrigan, Ramsey and Ibbotson (2008) suggests that a deeper explanation can be obtained through in-depth qualitative research compared to quantitative methods.

Research is often classified as exploratory, descriptive or explanatory. However, just like the research question which can be both descriptive and explanatory, research can have multiple purposes. Robson (2002) points out that the purpose of an enquiry is subject to change over time. Qualitative research methods such as interviewing, are well established in the literature on retail internationalisation. This complements earlier studies which mainly used methods which were quantitative (Doherty and Alexander, 2006). The table 4.7 provides research conducted within UK SME over the past two decades. The table also considers criteria if the research was conducted using qualitative research.

<table>
<thead>
<tr>
<th>Author / Year</th>
<th>Criteria</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>McAuley, 1999</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>15</td>
</tr>
<tr>
<td>Crick and Jones, 2000</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>10</td>
</tr>
<tr>
<td>Lloyd-Reason and Mughan, 2002</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>8</td>
</tr>
<tr>
<td>Hayer and Ibeh, 2006</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>21</td>
</tr>
<tr>
<td>Spence and Crick, 2006</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>12</td>
</tr>
<tr>
<td>Hutchinson and Quinn, 2006</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>9</td>
</tr>
<tr>
<td>Hutchinson et al., 2007</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>9</td>
</tr>
<tr>
<td>Hutchinson, Lai and Wang, 2009</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>6</td>
</tr>
<tr>
<td>Deprey, Lloyd-Reason and Ibeh, 2012</td>
<td>UK, SME, Internationalisation, Qualitative</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Author’s own
The beliefs of our social reality are concerned with the ontological perspective of gaining an insight into social reality (Blaikie, 2000). That being said, the research is directed towards adopting an ontological internal realism, focusing on the details of the situation and the reality behind these details which represents an interpretivism epistemological research direction.

Ethnography involves the production of highly detailed accounts of how businesses in a social setting are led, based on systematic observation of, and discussion with, those within the setting. However, this study can be narrowed down to Virtual ethnography which uses a qualitative approach to examine those activities that are mediated by information and communication technologies such as the Internet. Since the study represents a snapshot of a particular time or era or phenomena, the research time horizon considered for this study is cross-sectional (Saunders, et al., 2016).

### 4.5.3.1 Exploratory Studies

An exploratory study is a valuable means of finding out “what is happening; to seek new insights; to ask questions and to assess phenomena in a new light” (Robson, 2002, p. 59). Literature review, interviewing subject experts and conducting focus group interviews are three main ways of conducting exploratory research. These steps are often likened to the activities of a traveller or an explorer (Adams and Schvaneveldt, 1991). This point is reinforced by Adams and Schvaneveldt (1991) who argues that the direction to the enquiry is not absent due to the flexibility that is inherent in exploratory research. The meaning behind this is that, as the research progresses, the focus which is initially broad becomes progressively narrower.

Exploratory case studies which are based on primary data are regarded as appropriate when it is anticipated that a rich understanding and a wide description of process and its meaning can be achieved through data generation via an inductive process and meaning (Doherty and Alexander, 2004) and when the existing knowledge base is poor (Yin, 1994). Due to the scarcity of research on the small specialist international retailer, this study employs qualitative techniques and a case study design making it exploratory with an interpretive research paradigm (Hutchinson and Quinn, 2012). It is highly likely that
qualitative research interviews are included in the design when the research study is exploratory in nature or has a strong exploratory element (Cooper and Schindler, 2008).

Robson (2002, p. 59) has suggested that in-depth interviews can be useful in exploratory studies to “find out what is happening [and] to seek new insights”. In an interview, in addition to multiple methods, different types of interview questions may be used: “one section of an interview may ask a common set of factual questions . . . while in another section a semi-structured qualitative approach may be used to explore [responses]” (Healey and Rawlinson, 1994, p. 130).

However, there are two other forms of study, one is descriptive in which the objective is “to portray an accurate profile of persons, events or situations” (Robson, 2002, p. 59). Even though description has a very clear face in management and business research, it should not be thought of as the end but rather as a means to an end. This simply means that if description is utilised in the research project it is likely a forefront to explanation. Such studies are called descripto-explanatory studies. On the other hand, the second form of study is explanatory wherein causal relationships between variables is established through these studies. The main emphasis is placed on the study of a situation or a problem with the aim of explaining the relationships between variables (Robson, 2002).

4.6 RESEARCH DESIGN

Placing the researcher in the empirical world and connecting research questions with data is a process in itself. The term research design refers to this process (Denzin and Lincoln, 1994). In other words, it describes the methods used for data collection and analysis with the aim of answering the specific research questions thereby providing a clear framework for conducting the research (Bryman and Bell, 2003; Alase, 2017). It is not only important to consider key factors when formulating a research design but also to ensure that the selected design is in congruence with the research purpose (Kumar, 2011). Additionally, a research design in qualitative aspect is an iterative process which involves referring back and forth between components of the research question, objectives; literature; theory; methods; and validity threats for one another (Geertz, 1976, p. 235). Hence, the model presented by Maxwell (2012) considers five main components essential for
successfully evaluation of a research. The following figure 4.3 represents the interactive model of research design.

**Figure 4.3: An interactive model of research design**

![Interactive model of research design](image)

Source: Maxwell (2012)

The following figure 4.4 presents some of the factors in the environment that can influence the design and conduct of this study and also displays some of the key linkages of these factors with components of the research design. These factors and linkages will be discussed in subsequent sections of the chapter ahead. Hence, this section would detail the different stages of the research with discussion of the activities within.
This study adopts an exploratory research approach which considers and in-depth way to explore and evaluate the internationalisation process of micro and small firms through the use of their digital export entry modes. The study adopts an inductive research approach which will allow theory generation. The study is carried out within the UK focusing on three regions within England only. Through a desk research using FAME database, firms meeting the criteria were filtered and made first contact through email. A brief questionnaire was sent out to the firms to identify niche retailers, internationalisation and use of internet and digital entry mode platforms. Once the firms confirmed their participation, they in turn suggested other niche retailers within the sector which adopted the snowball sampling technique (Merriam, 2009; Yin, 2011). Considering the interpretive phenomenological analysis approach, Cohen (2000) suggested that a sample size of less than ten would be ideal if an intense data collection method has been adopted.

Additionally, once seven interviews were conducted there were no new concepts or rich information emerging from the interviews. Hence, the researcher decided to stop with nine firms. However, four firms were interview for the second time, to validate and build and confirm data reliability. Again, only four firms were considered for second interview as there was no new knowledge or difference in opinion from previous interview conducted. Nevertheless, it has also been suggested that ideologies are accepted by the
interpretive paradigm as opposed to being questioned (Scotland, 2012). Henceforth, Danby and Farrell (2004) conclude that the participant’s sociological understandings are represented by the conceived data produced by interpretive researchers.

For the data, in-depth semi-structured interviews will be considered. The study began in January 2015 however, data collection began in July 2017 until May 2018. The samples will be represented in the form of a case study format. Apart from adopting the qualitative technique of interviews; through the use of NVivo’s NCapture tool, data sets are to be collected from firms’ websites, social media platforms and interviews from other sources which will be used as secondary data. This technique would enable triangulation of data which grounds validity and rigor. The data will be analysed using the NVivo software with themes emerged are identified as codes. The analysed report will be presented in the form of a cross-case analysis of the firms.

4.6.1 Research Strategy – Case Study Method

Case studies are used to better understand complex social phenomena (Yin, 2003). It is important to consider the ‘hows’ of using case studies. In other words, who is being invited to take part in the case study and how should they share their experiences. Furthermore, it is also vital to consider different methods of gathering, storing, analysing and evaluating data and how participants’ experiences can be interpreted. Answers to these questions will expose the unique experience of the world or events which forms the core part of data analysis and interpretation. Description of peoples’ experience is a key part of phenomenology. Therefore, phenomenology becomes a suitable method for this type of research (Moustakas, 1994; Creswell, 2007). This methodology becomes ideal for a research design because “it seeks to understand, describe, and interpret human behaviour and the meaning individuals make of their experience” (Carpenter, 2013, p. 117; Kivunja and Kuyini, 2017).

Research questions like “why” and “how” are said to be effectively approached by using a case study method and are increasingly more acceptable (Ellram, 1996). Based on the assumptions made from a philosophical point of view and considering the research design, the case study methodology has been chosen for this research. According to Hussey and Hussey (1997), a case study is “an extensive examination of a single instance
of a phenomenon of interest and is an example of a phenomenological methodology" (p. 65). With the main emphasis placed on empirical enquiry, this thesis aims to investigate SME networks, process of internationalisation and their attitudes towards the internet from a real-life context with a contemporary phenomenon (Yin, 2003).

Advantages and disadvantages of multiple-case designs in comparison with single case studies are very distinct. With a robust structure (Yin, 1994), the former can produce evidence that is influential and is almost definitive (Herriott and Firestone, 1983). They are also considered as conducting multiple experiments (Yin, 2003). However, time consumption and the requirement to have extensive resources can be a downside (Yin, 2003). Furthermore, limited representativeness and generalisability are also considered as shortcomings of multiple-case designs, but they are compensated by potential benefits such as depth, quality and the overall richness of the data obtained (Ibeh, Ibrahim, and Panayides, 2006). As presented in the conceptual framework, an in-depth analysis of the internationalisation decision making process exhibited by small specialist retailers can be used as a starting point to build propositions that are theoretical (Hollenstein, 2005).

4.6.2 Sampling Techniques

Sampling techniques can be used to refine the amount of data that can be collected by considering specific sub-groups rather than the entire population. It provides a range of methods to enable this refinement (Saunders, Lewis and Thornhill, 2016). Furthermore, contingent social processes such as testing, refining, elaborating ideas in terms of circumstances and what works for whom can be appropriately theorised using sampling techniques. With the purpose of describing what is going on in specific settings, cases in qualitative research are often presented as strong constructions which are discovered from enquiries that are empirical in nature (Emmel, 2014). There are two main types of sampling techniques: probability sampling and non-probability sampling.

The probability sampling is commonly associated with quantitative data or survey-based research strategies. The different kinds of probability sampling available are simple random (which is also called as random sampling where the samples are selected randomly from the sample frame), systematic (is selecting samples at a regular interval from the sample frame), stratified random (is a modified random sampling within a
divided significant strata) and cluster sampling is similar to stratified sampling but divides samples into discrete groups prior to sampling (Henry, 1990).

The non-probability sampling consists of Quota, Snowball, Self-selection, Convenience and Purposive sampling. The Quota sampling is when a population is divided into specific groups to represent a variability and normally uses and interview survey (Barnett, 1991). Snowball sampling is when a particular case is difficult to identify from a desired population. Hence, one or two case in the population would identify further similar cases and so forth. However, snowball sampling is a particularly informative procedure, which deserves to be employed on its own right and merit, and not as a default option (Noy, 2008). Self-selection sampling is when a case expresses the desire to participate in the research. Convenience sampling is selecting samples which is easiest to obtain. Purposive sampling also called as judgemental sampling select cases that will enable answering research question/s and also to meet the research objectives. For this study purposive, convenience and snowball sampling techniques have been adopted for the selection of the samples.

4.6.4.1 Sampling

Companies were selected using purposive, convenience and snowball sampling. Allowing relevance rather than representativeness to be used as a criterion for selection, enabling cases that are rich in information (Patton, 2002, p.273). A realist purposeful sampling strategy builds a system of information rich cases through which sets of ideas can be judged (Emmel, 2014). A range of different techniques for sample selection based on subjective judgement are available through non-probability or non-random sampling. It also provides case studies that are rich in information thereby allowing the answering of research questions with theoretical insights (Saunders, et al., 2011). Interpretative Phenomenological Analysis (IPA) uses a form of purposive sampling. Since the sample population in studies using IPA are small, attempts at obtaining a random sample or one representative of a large diverse population is absent. In the reflexive and interpretative engagement of purposive work, embryonic theories are constructed, and propositional statements elaborated, which are nonetheless bold (Emmel, 2014).
In the early research, even with the wealth of insight brought to it through purposive work, the ideas upon which choices as to whom or what to sample are simple, abstract, and incomplete (Ragin, 1992b), even naïve (Lakatos, 1976). Purposeful sampling plays a key role. The selection and study of a small number of people or unique cases to produce information that is rich and to allow an in-depth understanding of the factors involved in the case is the main aim of purposeful sampling in qualitative research (Yilmaz, 2013). However, it does not provide information that is parsimonious, thereby limiting the ability of generalising research findings to other settings or situations (Wolcott, 1994; Denzin and Lincoln, 1998; Patton, 2002). Sampling does allow the possibility of achieving a higher overall accuracy that a census (Henry, 1990). The table 4.8 below provides the characteristics of the sample type chosen for this study.

Table 4.8: Characteristics of Samples

<table>
<thead>
<tr>
<th>Sample type</th>
<th>Likelihood of sample being representative</th>
<th>Types of research in which useful</th>
<th>Relative costs</th>
<th>Control over sample contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purposive</td>
<td>Low, although dependent on researcher’s choices: extreme case Heterogeneous Homogeneous Critical case Typical case</td>
<td>Where working with very small samples Focus: unusual or special Focus: key themes Focus: in-depth Focus: importance of case Focus: illustrative</td>
<td>Reasonable</td>
<td>Reasonable</td>
</tr>
<tr>
<td>Convenience</td>
<td>Low, although dependent on researcher’s choices: extreme case</td>
<td>Where working with very small samples Most convenient</td>
<td>Reasonable</td>
<td>Reasonable</td>
</tr>
<tr>
<td>Snowball</td>
<td>Low, although dependent on researcher’s choices: extreme case</td>
<td>Where working with very small samples Can estimate rare characteristics</td>
<td>Reasonable</td>
<td>Reasonable</td>
</tr>
</tbody>
</table>

Source: Adopted from Kervin, 1999 and Patton, 2002
The table below provides research conducted using a combination of sampling strategies.

**Table 4.9: Research conducted using combination of sampling strategies**

<table>
<thead>
<tr>
<th>Author/s – Year of publication</th>
<th>Combination of Sampling Techniques</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ragin and Zaret, 1983.</td>
<td>Any two strategies can be used to improve the quality of comparative work.</td>
</tr>
<tr>
<td>McClelland, Swail, Bell and Ibbotson, 2005.</td>
<td>Convenience and Purposive sampling</td>
</tr>
<tr>
<td>Teddlie and Yu, 2007.</td>
<td>Discusses mixed method sampling</td>
</tr>
</tbody>
</table>

Source: Author’s own

The qualitative research conducted with this target sample was concerned to understand how ‘different individuals conceptualise social participation and the kinds of activities, which are meaningful to them’ (Elliott, et al., 2010, p. 9). The qualitative study is focused on the SME specialist and niche retail industry. As an industry, it is highly internationalised with rapid change and growth. A small retail firm was the first SME chosen for this qualitative study. The contact was initiated through the supervisor of this study since he knew them on a personal level. After conducting a few interviews with employees at this firm, search for other firms that would meet our criteria began through telephone contact. Gradually, more firms were added to the list.

This study initially adopted the purposive sampling through which the first two interviews were conducted. With a high level of convenience in terms of gaining access through contacts that are familiar; however, these contacts recommended other cases in other non-probability samples. Then through a database filtered the firm characteristics to gain further sample through convenience sampling method which brought further two interviews. Most management and organisational researchers suggest that you are more likely to gain access where you are able to use existing contacts (Johnson, 1975; Buchanan, et al., 2013). With these interviews the participants directed the researcher to further firms with similar firm characteristics which form sampling strategy of snowball. This approach is most likely adopted when there is a case study method adopted (Saunders, Lewis, Thornhill, 2016). Hence, this research has generated rich information and robustness with a combination of sampling strategies.
Thirty micro and small business owner/founders in the UK were contacted through email, in store and telephone, out of which eight agreed to participate in the study and data from the nine employers was analysed. It was anticipated that interviewing four out of the nine participants at two specific points would allow generation of rich data, manageable within the given time scale of this research. In line with the characteristics of the samples represented in the figure 4.5 below and within this study, the table 4.9 below represents the key theme and the reason for choice of data collection.

**Figure 4.5: Sample Criteria selected for the study**

![Diagram showing sample criteria selected for the study]

Source: Author’s own
Table 4. 10: Requirement for Data Collection (Sample Characteristics)

<table>
<thead>
<tr>
<th>Qualifier</th>
<th>Key Themes</th>
<th>Reason for Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>UK Southeast</td>
<td>Convenience purposive sampling (travel distance)</td>
</tr>
<tr>
<td></td>
<td>• London</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cambridge</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Hertfordshire</td>
<td></td>
</tr>
<tr>
<td>Sector</td>
<td>UK Retail</td>
<td>Sector under pressure to digitalise. Retail – since it has the highest number of micro and small businesses within this sector in the UK.</td>
</tr>
<tr>
<td>Size (SME)</td>
<td>• 1-9 employees (micro)</td>
<td>Purposive Sample – micro and small enterprises</td>
</tr>
<tr>
<td></td>
<td>• 10-49 employees (small)</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>Specialist and Niche</td>
<td>Under researched sector compared to other sectors like IT.</td>
</tr>
<tr>
<td>Already with online and international operations</td>
<td>• B&amp;C</td>
<td>Since high street retail per cent is reducing compared to previous years. To understand how businesses are using the internet to drive international traffic.</td>
</tr>
<tr>
<td></td>
<td>• B&amp;B or both</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Click only</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s Own

As with all small-scale qualitative samples, it was not intended to be statistically representative and the findings are not claimed to be a generalisation of the wider population of SMEs. The selected firms are all relatively micro and small sized enterprises with the largest firm employing 26 employees. Diversity was ensured in the selection of the firms or, within the sample, “maximum variation” (Carson, et al., 2001, p. 103).

4.6.4.2 Criteria for selection

The main criteria for selection was that the firms had to be independently owned and be a micro to small sized enterprise. The size of the firm places a constraint on what they can do (Grant, 1991). As mentioned in Chapter 3, for the purpose of this research, a SME is defined using the European Union’s definition (Table 4.2) for ease of comparability. Guest, et al. (2006) notes that if the sampling is conducted from a heterogeneous population or if the research question has a wide-ranging focus, twelve interviews are not sufficient. Hence, fourteen interviews were conducted in total having two to six months difference within the interviews.
The classifications of micro and small sized firms are based on the European Commission division of SME categories (as previously mentioned in Chapter 2). The main factor for the selection of firms, ranging from micro to small is to provide a broader prospect of the internationalisation process through digitalisation among the firm sizes. The majority of the micro and small firms in the UK are operated by either a single owner/founder or with less than nine employees. This falls within the European Union definition for a micro enterprise of employing less than ten people (Storey, 1994). However, this applies to only one of the firms (C) in this research where the business is run by one owner/founder. Seven of these firms fit in the category of micro sized firms (Firms: B, C, D, F, G, H and I) with less than 9 employees, while two of them fall the small firm category with between 10-49 employees (Firm: A and IT). The figure 4.6 below provides the firm size category the nine firms represent.

Figure 4.6: Representation of Micro and Small sized firm samples

![Image of firm size categories]

Source: Author’s own

4.6.4.3 Sector

The focus is limited to one industry in order to ensure appropriate control of effects of industry on internationalisation (Erramilli and D'Souza, 1993; Calof, 1994). The owner and or founder tends to have focal approach to everything that an SME does (Matlay and Addis, 2003), and they were recognised as the preferred source of information for the purposes of this study (Harringan, 2011). Within this paragraph the operation of the firm’s business model is discussed. Seven out of nine firms are Business to Customer (B2C) only, one firm (G) is both B2C and B2B and one of the firms (IT) is Business to Business (B2B) only. The firm E operating only as a B2B perhaps unsurprising, considering the kind of products that the firm deals with (Deprey, Lloyd-Reason and Ibeh, 2012). The Information and Technology (IT) and
manufacturing sectors have the largest numbers of companies that are set to increase their sales, they are largely B2B and originating from London. The figure 4.7 below represents the firm operations model.

**Figure 4. 7: B2C and B2B firm sample representation**

![Diagram of B2C and B2B firm sample representation](image)

Source: Author’s own

In general, the types of markets served by these organisations were predominantly in the local B2C (7 firms) and B2C and B2B (2 firms) markets. A wide range of young growth and more mature firms were among the respondents: 2 firms had been in operation for 4 years; 5 firms for 9–18 years; with 2 firms operating over 38 and 45 years (Ramsey, et al., 2005).

### 4.6.4.4 Location

The firms are located in the South East region of England. Each region would demonstrate its particularities and culture and how that could affect attitudes and behaviour towards internationalisation which is considered to be risky (Hofstede, et al., 2010). In the UK, on average, there are 334 SMEs per 10,000 population. London, South East and the East of England at 506, 384 and 355 respectively are the only three regions with SMEs above the national average. Whereas, Scotland, Wales, Northern Ireland and the North East of England are below the national average at 272, 244, 233 and 221 SMEs respectively. The latter has the lowest density in the UK (CMI, 2015).
4.6.4.5 Internationalisation through Internet

When it comes to e-business issues among SMEs and using internet-based technologies, it is important to understand and appreciate how different research disciplines can offer a variety of perspectives leading to greater insight (Baker, et al., 2001). Research teams, have therefore, recognised an urgent need to inject a new vision (Catterall and Ibbotson, 2000; Smith and Dexter, 2001) on how research is conducted in the heavily splintered nature of SMEs (Ramsey, et al., 2004). In the context of this research study, internationalisation is defined as “the process of increasing involvement in international operations” (Welch and Luostarinen, 1988, p.36). First, the number of micro and small firms within the population were selected.

4.7 DATA COLLECTION PROCEDURE

According to Yin (2009), evidences for a case study analysis generally tend to emerge from different sources of data. Within this research nine in-depth semi-structured interviews, reflecting upon the firm’s premises, records which are archived from other interview sources, datasets from their website and social media platforms and from any firms’ publications (Eisenhardt and Graebner, 2007; Yin, 2009). From each of the firm, the main contact was the owner who usually form the founder of the firm were the core respondents for the study. The design of the interview was to gain information on: owner/founders background, firms business journey, firm’s international activities, the role of internet leading on to the firm’s digital tools used for internationalisation, reasons for internationalisation, barriers and challenges for internationalisation and establish the future plans for the firms. Having used the open-ended interview format enabled the interviewees to elaborate on the phenomena which is under investigation (Kvale, 1996).

4.7.1 Primary Data

Preliminary firm information from company websites, trade journals, bodies such as Chambers of Commerce and other industry associations was obtained through desk-based research before carrying out the case studies. The initial sample consisted of 321 micro and small sized retailers in clothing, food, jewellery, IT and home sectors that were identified from UK FAME database. Out of which micro and small specialist and niche
retailers having both physical store on the high street and an online presence through digitalisation (website or E-commerce or social media platforms) were chosen. The sample size was further narrowed down to 150 businesses. To be qualified to be included in the sample, a firm must have (1) have employees within 1-49 and (2) majority of the international sales through digitalisation. The third stage of the research took place from July 2017 to February 2018, and involved in-depth, semi-structured interviews with the owners.

Two rounds of interviews were conducted with owner/founders of the micro and small businesses with a time difference of two to three months between interviews. The interviews were recorded with the participant’s consent and transcribed for analysis using a professional service. Interviews are a calculated discussion between two or more people (Kahn and Cannell, 1957). An appropriate interview design is vital in ensuring the full use of potential benefits such as understanding complex development, moving away from self-evident perceptions of causes and effects within organisations and opening up novel ways of understanding (Rittenhofer, 2010).

Pilot interviews with different people will be conducted in order mitigate the risk of misunderstanding interview questions. This also provides a platform to test the function of the interview guide (Kvale and Brinkmann, 2009). Neutral and open questions will be used to ensure that the respondents can talk freely and also to decrease the risk of obtaining biased results due to questions being led by the interviewer (Eriksson and Kovalainen, 2008).

In order to further decrease the risk of misunderstanding and to test the function of the interview questions, pilot interviews will be conducted on different people the interview questions (Kvale and Brinkmann, 2009). Furthermore, to decrease the possibility of bias and questions being led by the interviewer, neutral and open questions enabling the researcher to talk freely will be used (Eriksson and Kovalainen, 2008). The interview questions were divided onto various subcategories based on background of the owner/found and the firm’s business journey; the internet; internationalisation and barriers, challenges, opportunities and future plans. This was done to ensure that all questions connected to the theoretical framework were covered.
In order to read the body language of the respondent and to adjust to the interview situation, face-to-face interviews were conducted as far as possible. This also provides the interviewer with the ability to ask supplementary questions to obtain deeper answers. Moreover, it is also possible to gain a deeper dimension of the information being sought which usually is not possible with secondary data (Bryman, 2012).

The participant information sheet and consent forms were sent to the respondents before the interview in order to help them understand the process. During the interviews, the conversation was audio recorded after obtaining consent from the respondents. This ensured that the interviewer could focus more on the interview (Silverman, 2006).

Semi-structured and in-depth (unstructured) interviews are often referred to as ‘qualitative research interviews. They are also ‘non-standardised’ (King, 2004). Semi-structured interviews include a list of themes and questions that needs to be covered by the researcher, however, these themes and questions vary considerably from one study to another. Depending on the organisational context encountered in the research study, certain questions can be omitted and depending on the flow of the interview conversation, the order of questions may vary. Sometimes, additional questions may need to be asked to further explore the objectives related to the research question. This also depends on the nature of the organisation and the events that take place. Data obtained through the questions and the ensuing discussion can be audio recorded or written as part of note taking.

All of the firms that were contacted agreed to participate in the study and the data collection halted after nine companies had been visited.

Narratives from the interviews conducted with the last few firms exhibited similarity and therefore indicated that a theoretical saturation point was reached. At this point, the phenomena were substantially explained and therefore it was anticipated that new insights into SME internationalisation will no longer be gained (Glaser and Strauss, 1967). Furthermore, it was highly unlikely that interviewing more firms would result in an incremental improvement of theory due to the saturation point being reached (Eisenhardt, 1989). It has been previously recommended that between four to ten case studies are sufficient to reach a saturation point Eisenhardt (1989). Recommendations regarding the
number of cases that has to be included in a study is useful since there are no precise guidelines available (Lincoln and Guba, 1985; Eisenhardt, 1989).

4.7.1.1 Semi-Structured In-depth Interviews

In order to elaborate on specific issues when the focus of the study is very clear, semi-structured interviews can be very useful (Bryman and Bell, 2011). In these interviews, respondents are free to answer according to their own terms, but they may occasionally get further probing questions from the researcher in order to understand the respondent’s view from a critical perspective. Case studies are increasingly being used as an effective tool to answer ‘why’ and ‘how’ research questions (Ellram, 1996). The researcher can gain a tangible insight into the research question using exploratory interviews as the method of data collection. For this study, semi-structured interviews with open questions will be used. Apart from allowing the respondent to speak freely, this method will also make room for asking supplementary questions (Bryman, 2012). Nevertheless, it is worthy to mention that semi-structured interviews can become time-consuming and expensive to undertake, particularly when the questions are open-ended (Johnson and Turner, 2003).

All the interviews were conducted with the owner/founder of the firms in all cases. Following a rigid procedure, personal interviews were conducted to seek answers to a set of pre-conceived questions. Although a structured approach was used, the output largely depended on the interview itself. To achieve the aim of investigating the internationalisation process of SMEs, interviews were conducted with the owner and or founder who were most responsible for the overall management of the firm and its internationalisation process. The first round of face-to-face interviews with nine firms were conducted between July 2017 and May 2018, followed by the second round of interviews with four firms. The duration of the interviews ranged from 90 to 160 minutes, with an average of 120 minutes and the interviews were conducted within the firm’s premises.

In interviewing these firms, the starting questions began about the owner/founder’s background, firm’s history and digital internationalisation journey. This included areas such as: the actions and risks the firm took to enter foreign markets and what digitalisation
entry modes were implemented and why. Furthermore, the firms were questioned about their current activities and organisation. The interviews concluded with a discussion around the firm’s expectations and goals.

Data collection in case studies allows for the use of multiple sources of evidence and this is considered as its major strength (Creswell, 2003; Yin, 2003). These multiple sources of evidence can also strengthen the construct validity. Detailed information about the firms were collected through desk-based research. To maintain reliability, all the recordings and transcribed interviews were stored securely with a record of all the activities using a Gantt Chart. Furthermore, in order to minimise errors, the researcher herself conducted all the interviews on site.

4.7.2 Secondary Data – Triangulation

Triangulation is the use of one or two independent sources of data to collaborate research findings within a study (Bryman, 2006). According to scholars, validity of constructs would have a stronger understanding through theoretical triangulation of the research (Breitmayer, et al., 1993; Shih, 1998). In term providing a competitiveness of better understanding the investigated concept (Halcomb and Andrew, 2005, p. 73). Additionally, adoption of the interpretivists path would create value adding to the depth, breadth, complexity and richness to the research through triangulation (Denzin and Lincoln, 2011; Denzin, 2012). Hence, the data collected through in-depth semi structured interviews will be cross verified with the data collected from other sources such as: Company Data - Website (NCapture – data sets), other interviews, databases.

The research has also considered secondary data such as company data, which is in the public domain, including interviews provided by owner/founders to others. A new feature within the NVivo 11 software was used to capture data sets from the firm’s website and social media sites which resulted valuable information for the purpose of this research. These data sets provided information on the international markets the firm has entered. This would intern provide reliability and validity of data collected and analysed. Along with this the additional data that was obtained was the data set of customers review which helped analyse the impact digitalisation has on the business’s international orders. Which
are all rich in information and helped in cross examination of the data from the interviews, all leading to obtain rigour.

### 4.7.3 Negotiating Access and Research Ethics

Ethical behaviour is a vital element of any research. It is even more vital in qualitative case study research wherein data is primarily collected through interviews. Research ethics can be defined as “how we formulate and clarify our research topic, design our research and gain access, collect data, process and store our data, analyse data and write up our research findings in a more responsible way” (Saunders, et al., 2007, p. 178). For this study, the research was undertaken in full compliance with Anglia Ruskin University’s ethical guidelines with ethics approval being received from the University in June 2017. A participant information sheet giving details about data collection, its use, storage and respondents right of withdrawal along with the consent form were provided to all interview respondents (Appendix 2 and 3 respectively). In order to maintain confidentiality and anonymity, identifying information for all firms such as their proper names were coded. A fact sheet giving details about the research with the methodology in use and the questions were provided to all the firms (Appendix 2 and 4 respectively).

A thorough literature review was conducted prior to the start of this qualitative research study. The review included latest studies conducted on the process of internationalisation of SMEs. Additional knowledge regarding theories associated with traditional internationalisation was identified through the review. Based on this knowledge, an informal questionnaire with open questions was developed. Since the empirical data collection in this research study relied on a theoretical knowledge framework, the first part of this research can be described as being deductive in approach. With the collection of new empirical data post interviews, the theoretical knowledge framework was reformulated, modified and used for future interviews. It has been suggested that an empirical case study is usually interpreted with a hypothetical pattern which can be further verified using empirical evidence (Alvesson and Sköldberg, 1994).

Silverman (1993) suggests that when an initial hypothesis is tested with empirical data, it is considered as analytical induction, and this is similar to Alvesson and Sköldberg’s (1994) analytical method of abduction. A similar analytical approach for analytical
strategy building has been mentioned. This involves the researcher to start with initial theoretical propositions and then using these propositions to compare the findings of a case. The initial propositions are then revised, further empirical data collected, and the process continues (Yin, 2003). The vital elements of the analytical process used in this qualitative study have been previously described by several authors (Silverman, 1993; Alvesson and Sköldberg, 1994; Yin, 2003). This is a cyclical process involving movement between the theoretical framework and the empirical data that were collected between July 2017 and May 2018.

4.7.4 Interviewees and Recording

Ethnography not only refers to the output of the research but also to the research and the method. Therefore, participant observation is often associated with ethnography. Direct interaction between the interviewer and the respondent, in some cases a group of respondents, is the central pillar of interviewing. Whilst a set framework of questions forms part of semi-structured interviews, questions in an unstructured interview develop naturally based on the discussion which forms the core of the interview. However, it is important to note that, in both types of interviews, the interviewer has the flexibility to move in different directions based on the conversation taking place and is therefore not constrained to a rigid schedule (Alase, 2017).

Semi-structured and in-depth interviews are an excellent platform through which answers can be thoroughly probed particularly when there is an expectation that the respondents not only explain their responses but also build upon it. This becomes significant if an interpretivist epistemology is adopted. During the interviews, specific words or ideas may be used in a particular way, using the opportunity to understand the meaning behind their ascribed phenomena will not only add significance to the data obtained but also add to its depth. In order to address the research question and objectives, and sometimes to formulate such questions, it is important to consider areas that have previously not been considered. This happens naturally through discussions in the interviews. Interviews can also benefit interviewees. They get an opportunity the hear themselves speak and think about things which have previously been missed. The end goal of interviews is the collection of data that is rich with information. To achieve this, it is vital to thoroughly consider the nature of interaction with the interviewees and the types questions being
asked since both factors can have a huge impact on the data being collected (Silverman, 2007).

As the primary decision makers, semi-structured interviews that lasted approximately 90 to 160 minutes were conducted with the firm’s owner/founder. An interview guide with specific areas of research interest that are being investigated was designed for use in the semi-structured interviews (Bryman, 2004, p. 301). A semi-structured theme was used to execute the interviews and all interviewees were asked the same questions. According to Carson, et al. (2001, pp. 62-73), in case study based qualitative research, interviews with a semi-structured theme are useful in obtaining research material. It is also essential to combine the point of departure in the theoretical framework with empirical findings and theoretical knowledge obtained through research. Owners/founders/managers were selected as the interviewees as they are considered as credible ‘native speakers’ and it provides a high-interest perspective (Johnson and Weller, 2002). This reflects an ontological and epistemological perspective of a socially constructed reality (Carson, et al., 2001).

For this study, interviewees were selected based on their experience of issues that have a strong link and significant consequences to the proposed research questions. Some of the interviewees, through personal contact, were able to identify other companies which matched the current study’s research criteria. This enabled the researcher to build a network of referral contacts for future interviews (Craig and Douglas, 2000).

4.8 DATA ANALYSIS PROCEDURE

This section of the research focuses on the plans for analysing the data, how the data was analysed and how literature would add value. The analysis of the data adopted was through a cross-sectional analysis that identified patterns originated through cross-case analysis across the datasets (Eisenhardt, 1989; Miles and Huberman, 1994).
4.8.1 Analysing the Data

Analysis and coding of the interviews was conducted with the use of specialised data analysis software (NVivo11). Data management, management of ideas, data query, graphical models and data reporting form the five principles of NVivo (Bazeley, 2007). NVivo was used to save all the data obtained from over 150 pages of transcript yielded from over fourteen hours of interviews. All of this information could be accessed from a single project file on NVivo. The software also codes data in a systematic format ensuring scrutiny of every line in the transcript. It also allowed the researcher to create and store notes and other memos within the same file thereby enabling easy management of ideas. Using the software made it possible to retrieve information in a simplified manner. It is less time consuming since all the data is stored in the same programme. Furthermore, graphic models used in the conceptual framework and research design, and additional figures used in the analysis section (Chapter 6) were created using the software.

Whilst the advantages are clear, NVivo does have some criticism levelled against it. Since it is a software used for analysis, it has been suggested that the researcher loses closeness to their data by using the software (Bazeley, 2007). Coding is an integral part of the software; however, it should be noted that the software does not automatically generate these codes. The researcher has to read and reread the transcript, familiarise themselves and then create the codes. This means that the software only facilitates the organisation of the researcher’s thoughts. Open coding is considered when “the codes will be fairly descriptive and are likely to involve labelling chunks of data in terms of their content” (Denscombe, 2007, p. 98). The researcher had to read the transcript carefully to identify key terms and phrases to understand the data obtained. This is known as open coding. At this stage, codes had been identified.

Once the first reading was completed, the process of rereading the transcript to look for overlaps in the code began. This process resulted in the reduction of the codes to eighteen codes which were clearly defined in a codebook. This book provides detailed information about each of the codes including their definition, use and the type of information it represents. Selective coding is described as “focus(ed) attention on just the key components, the most significant categories…this selective coding focuses attention on
just the core codes, the ones that have emerged from open and axial coding as being vital to any explanation of the complex social phenomenon” (Denscombe, 2007, p. 98).

The codes were then structured using the conceptual framework. This was done in the form of axial coding. Axial coding is done when “the researcher will look for relationships between the codes - links and associations that allow certain codes to be subsumed under broader headings and certain codes to be seen as more crucial than others” (Denscombe, 2007, p. 98). Specific codes were ascribed to different categories or headings - firm characteristics, owner/founders background, internationalisation process, internet, digital export entry tools, E-commerce, external environment, barriers and challenges and Social Media platforms. Their links to the literature is discussed in the Discussion of Findings Chapter 6.

After examining the case information, cross-analysis of the qualitative evidence to search for common patterns were conducted. Data was interpreted to allow the best reflection of similarities across the firms within the sample of this study. The interpretation also leads to analytical generalisations and contributed to the discussion around the internationalisation of micro and small specialist and niche retail firms. This is in line with the arguments made by Styles and Hersch (2005) and Yin (1994).

Constructs identified from the literature review were corroborated with the data obtained from the semi-structured interviews. Furthermore, the information obtained from these interviews were used to inform, refine the definitions of the constructs, identify any additional facets, elaborate the domains of the constructs and translate them into items that are appropriately worded (Vogt, et al., 2004).

4.9 CONCLUSION

Research consists of very small samples due to the highly specialised nature of their sector and high exit rates of entrepreneurial ventures. Case studies, therefore, make an ideal approach to deal with the diverse nature of entrepreneurship and the nonlinearities associated with it (Ireland, et al., 2005). However, several authors argue that the application of qualitative methods such as the case study, is fundamental to the knowledge of idiosyncratic characteristics of cultures and countries as well as the exploration of
specific issues such as divestment processes, instances of the same phenomenon occurring in many countries, and characteristics of emerging countries (Ghauri, 2004; Elg, Ghauri, and Tarnovskaya, 2008; Jonsson and Foss, 2011).

Additionally, Yin (2009) suggested that findings from the sample size generally reach saturation. This is achieved once samples begin to show overlapping and display of similar thematic findings. Hence, reaching a state of redundancy and would not need further investigation. Therefore, clearly giving the researcher confidence in validating the findings of this study.

The chapter reviewed the way in which research is done and applied to internationalisation through digitalisation. The roots selected was to carry out through multiple case study method.
CHAPTER 5 CASE STUDY ANALYSIS

The diagram 5.1 below provides a diagrammatic representation of the chapters flow of information.

Diagram 5.1: Structural Representation of Chapter 5

5.1 Introduction

5.2 Characteristics of the Case Firms

5.3 Firm Owner/Founder’s Background

5.4 In-Depth Case Analysis

5.5 Cross Case Analysis

5.6 Conclusion

Source: Author’s own

5.1 INTRODUCTION

From the methodological process laid out in Chapter 4, this chapter presents the empirical data that was collected together with a first analysis. Data was analysed in consideration with two main factors: first the literature review and second the coding obtained from the conceptual framework.

The chapter is laid out as follows: the first section contains an overview of the nine case study firms briefly discussing the firm’s owner/founder’s background. In section two, each of the firm’s business journey is discussed from the day their firms were founded to the time before they began their international journey. The third section discusses the international journey (exporting) of the firm’s and then their internationalisation through digitalisation (digital mode of entry/s) of the cases is analysed. This would then lead us to the future plans that the firms have for their businesses. In the next section of this chapter, a cross case analysis is conducted to examine the firm’s internationalisation process verses the internationalisation theories. The new barriers developed within the
SME internationalisation and digital internationalisation routes opted by the different SME’s selected in this research.

The aims of this chapter are to answer the research question of how micro, small and medium sized retail firm internationalisation has changed with Internet (research question one). Specifically, by identifying the digital internationalisation of business among specialist and niche SMEs (research question two). This includes the barriers they have encountered during and after this process or in the future and the opportunities the firms have moving forward (research question three). These emerging themes and insights on specialist and niche firms lead to the discussion of the findings outlined in Chapter 6 and conclusions presented in Chapter 7. This chapter also feature a discussion on the relevance of existing theoretical models in explaining the observed internationalisation behaviour of UK SME specialist and niche internationalisation process. This analysis provides a context for understanding how digitalisation has enhanced internationalisation for these businesses with a conclusion.

5.2 CHARACTERISTICS OF CASE FIRMS

All nine firms selected in this research are specialist and niche retailer based in the UK, exporting high-end products and services. The firms are termed as specialist and niche as they are specialising in a particular range of product which is high end and niche as they are unique in the field and location of their businesses. One of the important attributes to consider which shapes the development of the micro and small firms is the age of the firms (Stawasz, 2019). Among the other factors, education and industry are two second important factors to be considered to differentiate the sector of micro and small enterprises (Dobrea and Maiorescu, 2015).

The empirical data collected for this research focuses mainly on three locations: London, Cambridge and Hertfordshire (detailed information found in Chapter 4 section 4.3.1.4). This section provides an overview of all the nine cases: the first figure 5.1 represents the different industries the firms belong to within the SME specialist and niche retail sector. Within the retail sector which can be sub categorised the industries as: food/beverage, clothing and accessories, electronics, furniture and home furnishings and many others which do not fall within the characteristics of the firms selected for this research study.
(Coulter, 2014). For this research the author has considered a bigger population to allow different areas within the Retail sector and hence chosen firms who come under Retail and they are food/beverage (Firm: D), clothing and accessories (Firms: A, B, C, F, H), electronics (Firms: E and I), furniture and home furnishings (Firm: G).

**Figure 5.1: Business Sector Specialisation: Eight different Industries**

![Diagram showing sector specialisation]

Source: Author’s own

From the above figure 5.1 represents the retail sectors breakdown of the individual industries considered for the study. There are four firms from the clothing industry which are Firms A, B, F and H. This is because the firms deal with a similar product type categorised as apparels and / or accessories. The rest of the five firms are from different industries such as: Camera, IT, Jewellery, Food and Home. The next important criteria considered is the products and services the firms provide. The table 5.1 will provide the reader an overview of the firm’s products and services offered also all the products and services are high-end. The firm’s sector specialisation and product niche as described by the owner’s themselves, in line with the research’s exploratory and phenomenological underpinnings.
Table 5.1: A brief description of the sample including products and services

<table>
<thead>
<tr>
<th>Firm (Anonymised Name)</th>
<th>Products and Services Niche Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>The firm deals with men and women clothing. These products are unique as they are all branded products. The products range from 50 pounds to 2000 pounds. To name a few of the brands that the firm sells are Burberry, Gucci, McQ, Polo Ralph Lauren and the list goes on.</td>
</tr>
<tr>
<td>B</td>
<td>The firm deals with a wide range of Kanjeevaram Saris. The products starting from 100 pounds for a simple single coloured sareer with a zari (gold thread) border. The highest range of products are priced at 1000 pounds which are mainly for bridal wear, which have more detailed work of the zari.</td>
</tr>
<tr>
<td>C</td>
<td>The firm deals with jewellery products; these jewelleries range from twenty-five pounds to five hundred for a full set. A full set would usually comprise of a long garland kind of a chain with earrings to match and a pair of bangles. These are combined with a gram of gold and the rest with copper. Her jewellery is not worn on a daily basis, they are more for an occasion or a festival. They are traditional, and the designs go back to hundreds of years, during the time of king and queens in India. The reason mentioning the word grand to precisely describe her products is they are ornaments which are made majorly in combination of stonework or cultured pearls.</td>
</tr>
<tr>
<td>D</td>
<td>Cupcakes, cakes, icing and most demanding of all, decorations on cakes. There are some of the items that you would learn or take home with you from this firm. They deal with high-end decoration of cakes with majority of her tutors who are based outside of the UK and are well recognised within the industry. Since 2015, they also sell the best Big Soft Swirl nozzle in their online shop too.</td>
</tr>
<tr>
<td>E</td>
<td>The firm deals with ICT (Information and Communication Technology) hardware (wholesale suppliers from China) and software (developers in India) restaurant ordering system. These products are developed to serve customers from the time they step into the high-end restaurant. They have services such as table booking, displays empty tables, tables occupied, and orders are taken over a handheld palmtop with pictures which directly sends it to the kitchen. They also provide upgrades as and when a new feature has been introduced for both hardware and software. These products work both offline and with Internet depending on the restaurant’s requirements.</td>
</tr>
<tr>
<td>F</td>
<td>They had their first store selling high-end Tibetan and silk shawls, embroidered jacket, Nepalese woollen capes with rabbit fur and an amazing fabric roll which are hand-loomed by the local Tibetan in Tibet. Recent few additions in their products are the Aluminium Singing Bowl Collection. At the beginning around five years ago, they were importing them (Singing Bowl) from Nepal and now they get them custom made for their firm from Tibet. Each handpick product is important as each has a story and a real human touch. New products are brought in regularly, but their all-time bestseller has always been the colourful cashmere.</td>
</tr>
</tbody>
</table>
The time-honoured traditional crafts that focus on quality and originality – which is increasingly what people search for after a period of mass production opened to customers in 2011. The kind of products that they sell in their store are fragrance candles, accessories such as the wicks and their customers could order for refills. Their raw materials are primarily sourced from Europe and once it arrives at their store the candles are all hand made. Considering the kind of products that the firm deals with which are fragile, so their delivery process is exceptional. They rap all their products with padded bags at the store carefully and hand them over to their logistic services.

They have a whole range of branded clothing, accessories and shoe collection under one roof. All the products are high-priced; however, the uniqueness of the firm is that they focus mainly on limited edition items. To name a few of the brands that the firm sells are Versace, Georgio Armani, Jeffery West and more. They top selling products are from their shoe collection from Jeffery West.

The firm deal with high-end cameras both SLR and digital; lenses; accessories; drones; developing and processing of images, not onsite but with a third party; image recovery; and one to one lesson (for those who want to use the camera and learn more about photography). They also sell film cameras, telescopes, binoculars and polaroid’s (“We have to be in it to win it, as they say”. The one to one lesson were with: one who is a professional and qualified photographer who has been in this industry for many years taking candid photos for weddings and other occasions. The other session is managed by a student from the ARU (Anglia Ruskin University). They hosted a first ever Cambridge photography session with the professional who would take customers around the scenic city of Cambridge and teach them skills on photography and the use of cameras.

Source: Author’s own

The table 5.2 below categories the style of operation the firms began (when they started their business journey) and a brief definition to clarify how they are categorised. This table also provides which of the firms fall under each of the categories with a brief comment from the author.
## Table 5.2: Sample and Operations styles of the Firms

<table>
<thead>
<tr>
<th>Categories</th>
<th>Definition</th>
<th>Firm’s</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bricks and mortar (B&amp;M)</td>
<td>Retailers in this category follow the traditional way of having an established high-street store at the begin of their business journey for all their firm operations.</td>
<td>A, E, F, H, D, G and I</td>
<td>All seven began their business journey through the traditional brick and mortar method. However, internationalisation did not happen till they realised the importance in adopting internet for their business.</td>
</tr>
<tr>
<td>Bricks and clicks (B&amp;C)</td>
<td>Retailers are generally long-established retailers operating from bricks and mortar stores in, say, the high street and then the internet is integrated into their businesses either strategically or tactically as a marketing tool or a sales channel.</td>
<td>B</td>
<td>They began their business journey through this category of operation. While the other firms from B&amp;M gradually over the years moved into B&amp;C style of operation.</td>
</tr>
<tr>
<td>Pureplay retailers ‘clicks-only’ or virtual retailers (C)</td>
<td>Retailers operate entirely online. This category has produced some very innovative retailers, in reality few retailers actually outsource all warehousing, picking, packing, shipping, returns and replenishment requirement.</td>
<td>C</td>
<td>The firm began their business journey through this style. However, they have moved towards opening their own store successfully in 2018.</td>
</tr>
<tr>
<td>Clicks-and-mortar (C&amp;M)</td>
<td>Retailers tend to be virtual merchants and design their operating format to accommodate consumers demands by trading online supported by a physical distribution infrastructure. The location issue, considered to be the key determinant of retail patronage (Finn and Louviere, 1990).</td>
<td>C</td>
<td>The firm had begun plans in 2017 of having a photoshoot store which might as well work the other way around and they successfully opened their studio in 2018. Moving from a Click only to a C&amp;M shows a back track of the traditional method.</td>
</tr>
</tbody>
</table>

Source: Author’s own

However, all the nine firms have moved onto different business model categories over the years of business. The overall transition of the firm’s business model is represented diagrammatically in figure 5.2 below. The first column represented in light blue is the firm names and the second column represents their first style of operation adopted by the firms (green). The next column represented by a darker shade of blue is the style of operation the firms were during the researchers’ data collection process.
5.3 FIRM OWNER/FOUNDER’S BACKGROUND

The academic literature stresses the importance of a firm’s owner/founders and their influence on the strategic orientation of the enterprise and its internationalisation paths (Zahra, Korri, and Yu, 2005, p. 21; Glowick, 2016). This section discusses the firm’s owner/founders background and what directed them to start their business journey. They all had some prior business skills and work experience in their specialist area. However, a point to be considered, none of them have a qualification within business. This depicts the motivation, desire and passion each one has and that makes specialist and niche retailers different from other sectors. Additionally, findings from previous studies highlighted evidences of a minority of owner-founders having held degree or diploma in business (Hisrich and Brush, 1983; Watkins and Watkins, 1984; McClelland, et al., 2005). Hence, this study supports evidences captured within international sales by female owner-founders (Coviello and Munro, 1995; McClelland, et al., 2005).
The figure 5.3 below represents the owner/founder’s highest level of qualification.

**Figure 5.3: Highest Qualification of the Owner/Founder’s**

Source: Author’s own

The next figure 5.4 represents gender distribution among the owner/founders of the firms, this does not have major importance. However, four firms (B, C, D and G) are run by women and five by men (A, IT, F and H). According to McKay (2001) majority of the challenges foundational and establishing a business is confronted within women. Leading to substantial barriers for women to build and develop their business (Carter, 1997). However, according to findings from initial academic literature within the retail sector highlighted otherwise (Pellegrino and Reece, 1982; McClelland, et al., 2005).

Ethnicity exhibit a strong trader’s instinct and often migrate with the explicit goal of starting up a business in the host society, using extensively formal and informal networks and mechanisms (Morrison, 2000; Marger, 2001; Chaudhry and Crick, 2004; Wauters and Lambrecht, 2008).
Figure 5.4: Represents the Gender distribution and the Owner/Founder’s Country of Origin

Source: Author’s own

The table 5.3 below provides the summary of the owner/founders’ background which includes their ethnic background, qualification, interests and aims and objectives. This table would also provide the language fluencies the owner/founders have.
<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Age Range</th>
<th>Owner/founders’ Background</th>
<th>Languages Fluency</th>
</tr>
</thead>
</table>
| A         | 50-60     | The owner came to the UK with his parents when he was young and settled in Cambridge. The languages have been one of the key points as a businessman for communication and negotiation efficiently with suppliers from different countries with focus from Italy and other parts of the world.  
“At the age of twenty-three I decided I wanted to do something different and take risks and that’s what businessmen at that time did and now they are called entrepreneurs”. |
| B         | 40-50     | Born into a Hindu family from Chennai, a city in the South part of India. A city famous for centuries with high quality silk sarees called Kanjeevaram sarees. The trilingual is an advantage for her to get good deals with suppliers and to communicate with her customers as majority are Asian.  
“I did my schooling and college from India and once I graduated got married. I moved to London in 2012 and have been working as a full-time employee as an executive officer at the Department of work and pension”. |
| C         | 35-45     | Born in Sri Lanka and came to the UK at the age three with her parents. They were originally settled in North West London and moved later to Hertfordshire. Her father was a businessman, but she never thought she would be a businesswoman herself one day. Her trilingual skill made her charismatic among the network of people she met. She felt there was something missing.  
“I graduated in Accounting and Business Management and have been working full-time in the IT sector as a senior system support analyst for NHS. In March 2015 I visited Canada and an in-house jewellery place caught my eye. I could not get over was the in-house store, I visited in Canada”. |
| D         | 35-45     | Born and brought up in India and currently settled in the UK. She had gained work experience from a variety of temporary jobs during her University years in London. This included everything from envelope stuffing to data entry and working for a charity. She worked as a venture capital researcher in London and then a couple of years working for a non-profit company that delivered public sector programmes. Her passion was baking, so, got herself a baking tray, a hand-held mixer and her kitchen cupboard stocked up with caster sugar and self-rising flour. Her fluency in English is best suited for the worldwide tutor’s negotiations.  
“I resigned from my old job in August 2007 and had made up my mind to start my own business. The fact that I had a disastrous interview at TFL had little to do with my aversion to being interviewed for another job. In fact, it had nothing to do with wanting to start a business, nothing at all”. |
| **E** | 50-60 | Born in Bangladesh the owner/founder came to the UK more than two decades ago. As a part qualified Accountant with a high degree of experience working with top accountancy firm located in North London for more than 10 years. This firm gave him the experience of working with multi-cultural people as the firm traded with companies overseas and the opportunity to understand the business and international trade.  

“I quit my job and wanted to start my own business. I know it is a risk and business are all about taking risk. The last time I went for a job interview was in 1993. I love talking to people and building relationships, which they now call networks. I still have friends, people in my network which go thirty odd years back. I believe you meet people for a reason and the way you treat them stays on forever”.

| **F** | 40-50 | Born and brought up in the beautiful country of Tibet and a town called Lhasa which is also called as the City of God. A picture of the place in words would be like a thousand butter candles. The family moved to the UK many years back and at the start worked at different places doing odd jobs. He had good friends who made and sold cashmere shawls locally. The main sources of income were local farming and sheep farming (manufacturing of wool -cashmere shawls).  

“I grew up to watching my father communicate, negotiate and manage his job and learnt a lot from him. Tibet is a hilly area with cold weather like in the UK”.

| **G** | 35-45 | The British owner grew up in London and went to school and completed her O-Levels. She worked along her father assisting him with his business when and however possible. Few years later she decided to take a break from her routine life and decided to visit Barbados for few weeks. After landing in Barbados she got talking to a local candle maker and they asked her to come and work with them. The following day she visited the candle making studio to assist and fell in love at the first pour. She built up a successful business shipping candles to Mustique, St Lucia and the UK. She returned to London in 2006 and was working for two years with a company within the retail sector. She had also started with candle making courses at their beautiful retail store.  

“Entrepreneurship runs in my family and I was heavily influence by my father who has always run his own businesses. The inspiration to open my first stand-alone store derived from pure excitement to have a space to showcase my many ideas and products that had accrued over 22 years in the candle making business. It was a natural step for me”.

| **H** | 45-55 | Born in Bangladesh he decided not to study anymore and came to the UK to start a business. The cultural was traditional and age had a big upper hand in the family decision he was about to make. The family was closely knit with parents and siblings. Few formalities, paperwork and he was flying to the UK with big dreams, goals and a vision of becoming a businessman.  

“And when you are the elder child it becomes my responsibility to look after my family, my parents and younger siblings. Hence telling them I want to start a business in the UK was not something they wanted
to hear. Few days in London and reality struck, with the help of a friend found a job that paid me a basic pay. Not a job that I would fancy sharing. Guess we learn it the hard way”.

| 1 | 25-35 | The British owner spent every single day at the store since he was a small boy and can remember. He had school or college five days and then Saturday he would be at the store either watching his grandfather at work or his dad. The course he was enrolled on was nothing to do with cameras nor photography. “I was like the Saturday boy who would come to the store and never leave. I started my degree qualification and after two years of study, I took a year out to take charge here and then I never went back. It was all self-taught while growing up within the family.”. | English |

Source: Author’s own
5.4 IN-DEPT CASE ANALYSIS

This section reviews each case in detail with regards to their business journey. The journey is divided into four different stages to understand the evolution of the firms from one stage to another. The four stages of the firms are: Business, Internationalisation, Digital Internationalisation and Future Plan.

5.4.1 Firm’s Business Journey

This section identifies when and how the owner/founders of the firms started their business journey, highlighting their business experiences gathered over the years. Figure 5.5 represents the chronological order of the firms, starting below with the firm which has the longest number of years in business to the quite recent firms at the top of the pyramid. The total number of years have been calculated on the basis of the time when the data was collected which is till the year end of 2017. Then we move on to discussing each firm individual business journeys.

Figure 5.5: Firm’s Number of Years in Business (Chronological order – beginning with youngest firm) until 2019

<table>
<thead>
<tr>
<th>Firm</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>2016</td>
</tr>
<tr>
<td>B</td>
<td>2016</td>
</tr>
<tr>
<td>G</td>
<td>2011</td>
</tr>
<tr>
<td>F</td>
<td>2008</td>
</tr>
<tr>
<td>D</td>
<td>2007</td>
</tr>
<tr>
<td>H</td>
<td>2005</td>
</tr>
<tr>
<td>E</td>
<td>2003</td>
</tr>
<tr>
<td>A</td>
<td>1982</td>
</tr>
<tr>
<td>I</td>
<td>1955-1975</td>
</tr>
</tbody>
</table>

Source: Author’s own
A: The first store was inaugurated in May 1982 and they had their thirty-five years of completion celebration in May 2017. The main intention behind the idea was to create the ultimate designer store in Cambridge which at that time weren’t any. Thirty-five years into the business the owner/founder credits everything to his business and that has taken the business through different changes.

“It’s always been an aspiration of mine to bring high-end retail to an environment like Cambridge. Thirty-five years is like yesterday, that’s because I have found what I like to do”.

When asked what kind of changes, he mentioned about the 2010 recession. Business was difficult for the firm during that period and he expected a miracle to happen. This also gave the firm an opportunity to look deeper into what was been done with the business and where would the firm want to take it from there. He realised that the market was becoming saturated with products and he needed to rethink which led him to look more into design-led and individual products.

“I think it’s a business in which you are devoted to, and it’s not just like a passion, it’s something that you believe in, it’s a part of you, it’s very personal and becomes more personal, so the challenge I think is to maintain that passion”.

Having said that, usually all SME owners are not considered as an entrepreneur, they are said not to take risks and do not make strategic decisions for their businesses. However, with specialist and niche SME retail owners it is different, they are responsible for their decisions and take risks to see their business grow, be it local or international. These owners are entrepreneurs with the kind who embark on a day to day basis with future strategic plans and they are no less when compared to entrepreneurs who have larger firms.

The change in the customer shopping trend was moving towards digital shopping which led to a drop in the bricks-and-mortar interaction. This push during the recession was the start of internet for businesses and for this firm
in particular. The business started small with one store and no online presence at the beginning and now fully-fledged small sized business with both store and online presence. The owner/founder proudly expresses how well established it has been since then. The figure 5.6 below provides a diagrammatic representation of the business journey discussion for the firm.

**Figure 5. 6: Firm A’s overall Business Journey**

![Diagram of Firm A's Business Journey]

Source: Author’s own

**ii) B:** In 2016, the owner/founder of the firm with two others within the family supporting her, decided to start their business journey and registered the company. They did not have a business plan nor a prospect of possible customers. However, all they had was a fixed budget to set up a store and to invest in a supplier for their products. The business during the first round of interview was said to still be at an early stage and had completed two years. The beginning of business journey was slow, this was due to the limited time provided at the store. They also had to work on improving their network and build more connection/network using the Social Media.

“At the start of our business we saw customers only on appointment basis and with the help of two others we would take turns to be at the store on a regular basis. Also, considering that the store is located away from the main road it was constant that we needed to communicate with our customers, directing them towards the store”
A couple of months in 2016 where the firm had only two customers who came by to the store. This was due to the reason that: the kind of specialised product and a niche market that the products belong to. They are not clothing that can be worn on a day to day basis, they are more of occasional (festive) clothing range. Majority of the sarees that are bought over the years are kept within the family and passed on from one generation to another. Hence, carrying forward the tradition and culture and this is also another reason for low number of customers.

“This can be challenging but on the brighter side this is a business which never dies, sometimes it is not all about the money, it is passion. It was a starting stage, and, in a month, we would have a maximum of five to seven customers and most of them seasonal. Seasonal is when either they (customers) have a cultural festival or a wedding”.

However, in 2017 the business picked up speed and this was majorly due to their activities such as: uploading of pictures on Social Media sites like: Facebook, Instagram and Twitter and with an active communication with probable customers. The figure 5.7 below provides a diagrammatic representation of the business journey discussion for the firm.

**Figure 5.7: Firm B’s overall Business Journey**

![Diagram of Firm B’s overall Business Journey](image)

Source: Author’s own
In January 2016 the owner/founder decided to give the business plan a try, however this was to see the kind of response she would get. She used one of the Social Media platform (Instagram) and opened an inspirational page. She posted pictures of the products online and to her surprise within a month the firm had a thousand followers. People who visited the firm page started asking where the store was and how much the products costed. So, that is how the name of the company came up and since then it is up and running. The business got busy through Instagram however, the customers would be redirected to the final checkout which happens through company website.

“Our jewellery are grand with loads of combinations with different coloured stones or pearls. It is all about carrying forward the culture and traditions followed from generations. All my products are sold online and never had to invest in a store. The internet, especially social media has made marketing and connecting with people so easy that I would not need any other modes to market my product better”.

The business kept her on her toes and received constant enquiries regarding the products advertised. She does not try and make a sale, but more important focus is on satisfaction of the customer. She identified a pattern with the kind of products she was dealing. Those who buy her products would definitely buy a traditional saree and it would be for a wedding or a grand festive celebration. In March 2017, she started a team called Tamil women in business, and their first event was in April 2017. The firm needed to expand its customer base and build on network.

“You have to get back to your customers if you need to build a relationship and trust. That is what I did in the first few months of starting my business and that built my network and gradually my customer base”.

The team would organise events and invite all Tamil women who are in business within the UK to attend and build their network. This has broadened the customer network. So, every year the team organise a gathering, host the event, games, food and give away awards for the firm’s performance based on the customer rating on the Social Media. This was done as a token of
motivation, appreciation and participation. The figure 5.8 below provides a diagrammatic representation of the business journey discussion for the firm.

**Figure 5.8: Firm C’s overall Business Journey**

![Diagram of Firm C's journey](image)

Source: Author’s own

**iv) D:** The firm was registered eleven years ago in 2007 and the journey has been a trial-error-failure-success. Her passion for baking helped her quickly notice that the cupcake mania had not quite started in 2007. Six months into business:

“*I landed a big order for 120 cupcakes for a civil partnership celebration from friends, my first big order in all its glory. That built my confidence and by 2009 I had more than 25000 cupcakes from my oven*”.

In 2009, someone on Facebook suggested that she start classes to teach people how to make cupcakes. And the firms service sector of having classes were a hit and got super busy, this was the best thing that happened to the firm and the owner/founder feels good. Moving forward, 2010 was a special time in the firm’s journey where a perfect place a property for the baking school was spotted. With some renovations, in May 2011 the firm got the keys to the workshop on the bank of river Thames.
“It was fabulous to see the oak worktops being fitted, the Miele ovens installed and the new floor smooth over concrete. I could not be prouder. The workshop is my workplace and it is the best office I have ever had.”.

They have tutors from within London, to name one she has her own store in Greenwich Market, and she ran the Sugar Flowers Masterclass. The students were delighted with the skills they were taking back with them at the end of the session. She had students from London, Scotland, Ireland and Wales. The business started by selling cupcakes from home, which turned into selling wedding cakes and finally opening her teaching workshop in 2011. The year 2013 was a big year in her business, she was one of the exhibitors at the Earls Court Bake Show. The firm has firmly established itself as an industry leader in cake education and is in much demand as a business coach. The figure 5.9 below provides a diagrammatic representation of the business journey discussion for the firm.

Figure 5. 9: Firm D’s overall Business Journey

Source: Author’s own

v) E: The firm began operations in 2003 and this was the time when ICT usage and inclusion within firms started. Working or having a business within the ICT sector means working round the clock. The firm spent hours and month discussing features and requirements with constant changes with the software requirements. Four months of hardship the firm was finally confident to reach out to customer base.
“When I started the firm, it was that time when the internet was picking up speed and it was almost the right time to start. There was also a trend in the market where people started eating outside more often than in the 20th century. Considering the multicultural ethnicity in London and that not everyone (employees at restaurants) would be able to read or speak good quality English this palmtop with pictures is very handy”.

The firm started small by selling the products and services to people who were within the contacts and owned restaurants. The best thing about business for the firm was to build relations and network. And the best way of marketing is to keep network up to date, active and connected.

“I still had one big task in hand. That is gaining contracts or businesses who would buy my products and services. You never know when it would come handy, its sixteen years and I still have connections with every single client, friend, supplier or even owner”.

Firms are evidenced to build on complex inter-firm channels on the basis of developing a strong relationship network among firms that are embedded in industrial networks and linked to each other through long-lasting relationships (Johanson and Mattsson, 1988, pp. 290-291). The figure 5.10 below provides a diagrammatic representation of the business journey discussion for the firm.

**Figure 5. 10: Firm E’s overall Business Journey**

![Business Journey Diagram]

Source: Author’s own
vi) **F**: The firm was registered in 2008, it was a profound year for the owner/founder. The journey of a new phase in his and his wife’s life had begun. He enjoyed every day of the journey for he knew he was bringing products with beautiful bright colours straight from the makers to his customers. The start of the business was slow, but gradually the firm started taking strategic decisions.

“*My wife had a big part in pushing me to achieve my dreams, she was by my side at every step of my journey. All the marketing and PR (Public Relations) we have done for the business would not have been possible without her. I was so happy to know I would be taking my culture and resources back to the UK which is filled with multi-cultural people. People in the UK love colours, and the quality of products offered would have an opportunity to grow*."

With generations of famous history of meditation and spirituality, the firm also registered a pop-up stall with the events in London which happens once in the year. Over the years, the firm actively participated in marketing and expanding their customer base through a variety of events. First the photoshoots which they began in 2015 then contributed ten per cent of their sales to a charity in 2016. They also much recently entered as sponsors for the Miss London event and their first ever craft show outside of London.

“In 2013 our firm participated in events and exhibitions and having stalls within London to improve on our marketing. These are termed as pop-up stores and business picked up and we started gaining recognition in the market and we also started handing out our business cards. Direction to new customers to visit us online”.

All their activities within the store ran parallelly with their prior commitment of pop-ups. Pop-ups are temporary stores established for a fixed duration of time. Some of the examples where the pop-ups can be set up are shopping malls, high street and at exhibitions. The figure 5.11 below provides a diagrammatic representation of the business journey discussion for the firm.
vii) G: The firm was registered and opened their doors to the public in 2011 and has her own signature brand. The owner/founder has been officially titled as the candle chandler and a leading British candle maker. According to the interviewee, a chandlery is a household person who originally was in the office during the medieval times responsible for wax and candles, as well as the room in which the candles were kept. By the 18th century most commercial chandlers dealt in candles and soap, although even then many were becoming general dealers. She is one of the true chandlers in a world of mass-produced wax and passionate to retain the lost art of candle making.

“I made my first candle in 1994 on the beach of Barbados. I learnt from a local person there and I was meant to be there six months and happened to buy a business and stay there for four years. There’s something very soothing and therapeutic about pouring the wax into the glass jar (which is done in three stages) “.

It is having been seven years now from when she started her own business here in London. The experience from Barbados gave her knowledge not only to make high quality candles but also regarding trade and business skills. Such as building connections with suppliers and customers which are very important. When the company was still in its early years, they had a wealthy
Russian, who pop in and had ordered a hundred candles in just ten minutes. For the firm it was this order which saved them from going under and again this was just after the 2010 recession.

“The value of our product is in their handmade, original nature; for customers who want something special that has been well made. The traditional art of candle making itself is a rewarding and enriching method and we are resurrecting this through our bespoke candle making courses for groups of friends or colleagues to try.”.

Candle making is a wonderful way to spend an afternoon. When they started with the course which mainly run group of 6 people, but individual courses are also run as and when time allows. The course gives a great insight into the history and art of candle making and students leave the workshop smelling divine and with their very own hand made one wick candle. Champagne is also included – there have been a few wonky wicks along the way. The figure 5.12 below provides a diagrammatic representation of the business journey discussion for the firm.

**Figure 5. 12: Firm G’s overall Business Journey**

Source: Author’s own

viii) **H:** The firm opened his store in 2005 and few months into business, from the two hundred products he had in the store only around five per cent was sold.
He had to think quick and he had to think big. During this time, he had visited other stores around the area and conducted an independent research on what might sell and what might not. By now he knew he had to be different from the others around him and he realised there were not any branded products sold there. The first few years had been a struggle having to learn how and what are the requirements of starting a business. At that time there was no support provided by the government except that they had to contact the solicitors for legal advices and gain knowledge about the rules and regulations that need to be met for starting a business.

“I had access to a most of the places, considering the time where email and appointments were rare. However, there were places I was unable to reach out to and was given a business card with a customer service email. And I would hand them my business card. My friends and family advised me to close the firm and invest in the food industry, that was not what I was passionately interested in”.

He spoke to a lot of owners around the area, introduced himself to few others and decided one fine day to travel to Paris. He went on a weeklong business holiday reaching out to brand outlets, warehouse, head offices and even to their factories. It has been a long journey when he thinks back, from most he met and exchanged business cards, he returned to London. He did not stop, nor was he demotivated, he continued the connection by constant emails and contacts over the phone discussions. In 2007 he received his shipment of two brands which were well recognised in the market.

“In 2008, a trend of limited-edition products was a boom and I discussed this with my suppliers and had a deal. They were all high priced and my customers would buy them only for the reason they are limitedly available”.

He got rid of the old stock and stacked up the new ones. Most of his sales at this point of time were from within London and most of them from tourists. The figure 5.13 below provides a diagrammatic representation of the business journey discussion for the firm.
I: The owners’ grandfather was a chemist back in 1955 which is sixty-three years ago and started this business as a chemist or a pharmacist. Which was then taken over by his late father in 1975 and now run by the current owner for the past three years. The aspect of the firm starting off as a chemist store came as a surprise to the researcher. When asked how and why the change from a chemist to cameras happened, it was interesting to know:

“Back then pharmacist all did (worked with) films and stuff (liquid chemicals) and then gradually pharmacists left and the photographic bit continued and took over. This particular store opened its doors in 1955, but the business itself started off as a chemist, and chemist and cameras in 1975, then slowly the chemist left, and we were left dealing with cameras since then”.

There are five stores in Dublin, Ireland which is managed by his uncle and aunt who are settled there. These were opened by his father forty years back. The first year in 2015 which happened to be when he took over from his father this store in Cambridge was the hardest part, he always had his dad to back him when he had a fall back. On a yearly basis they had pop-ups at the air show and 2016 was their last. The reason being financial it was not worth paying for accommodation, they needed staff at both sites and the rent onsite.
“Dare I say in Cambridge we do not have many competitors. We are still fighting and the staff we have here will give our customers the time of the day. I am proud to say that we are serving our customers and they leave our store happy and satisfied”.

This is to provide customers high-end services which the bigger retailers do not provide, and their store is one of a kind when it comes to services. They go out of their way to assist and deliver products and services to their customers. As an independent store they are the only one who provide the kind of high-end services to their customers in the city of Cambridge. There are excellent strategic changes and decisions which are coming along. The figure 5.14 below provides a diagrammatic representation of the business journey discussion for the firm.

**Figure 5.14: Firm I’s overall Business Journey**

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>• Chemist store Open for operation</td>
</tr>
<tr>
<td></td>
<td>• 1975 Changeover to a Camera Store</td>
</tr>
<tr>
<td>2010</td>
<td>• Company Website</td>
</tr>
<tr>
<td></td>
<td>• 2012 - Social Media Sites open: Facebook, Instagram and Twitter</td>
</tr>
<tr>
<td>2013</td>
<td>• First International Activity to China</td>
</tr>
<tr>
<td></td>
<td>• Market Entry Mode - Website</td>
</tr>
<tr>
<td>Future</td>
<td>• Develop the firm website with additional features</td>
</tr>
</tbody>
</table>

Source: Author’s own

5.4.2 Firm’s Digital Internationalisation (DI) Journey

This section would give us an exploratory description of the firm’s digital internationalisation journey focusing on interpreting in-depth why and when. The discussion of each of the firms would begin with what was the aim behind the firm’s internationalisation. This would then lead into when the firms had their first international activity and to which market. The other markets entered over the years of operation are
also identified. Internationalisation for all the nine firms happened only with the adoption of the Internet. According to Dennis, et al. (2004), shopper still sense an increased absence to secure online shopping, due to which shopper prefer navigating through websites operated by established high-street retailers as they understand what a brand means in terms of value. The table 5.4 provides the year the firms had their first international activity and their first international market entered through digital mode of entry.

**Table 5.4: Summary of the Firm’s Internationalisation Activity**

<table>
<thead>
<tr>
<th>Firms</th>
<th>First Year</th>
<th>International Activity</th>
<th>First Entered</th>
<th>International Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>2010</td>
<td></td>
<td>Cambodia</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>2016</td>
<td></td>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>2017</td>
<td></td>
<td>Canada</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>2013</td>
<td></td>
<td>Guam</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>2005</td>
<td></td>
<td>France</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>2010</td>
<td></td>
<td>Canada</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>2011</td>
<td></td>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>2008</td>
<td></td>
<td>Brazil</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>2013</td>
<td></td>
<td>China</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s own

**i) A:** In 2010, trading in-store for the firm had become tough and with the recession they had to dig deeper into what change was required. Also, the customers continued to move towards digital shopping leading to a drop-in bricks-and-mortar sale of as much as twenty-five per cent over the past couple of years. But while the firm’s overall sales were down by six per cent. Additionally, there were additional requirements from the UKTI that all businesses are required to have an online company website. Hence, the firm began working on starting their own company website. The firm had decided it had to go onto the internet. Unfortunately, the project was not completed as the staff working on the firm website was headhunted and had to project was terminated mid-way due to reinvestment of finance. Later in the same year, the firm had been fortunate that an E-commerce provider (Farfetch) came along. Digitalisation was a game changer and not only about selling online but reassures that the firms who have not yet embraced digitalisation were in a
misfortune. This was when a lot of businesses were struggling to survive, and the E-commerce was an instant success for the firm. The online launch through their E-commerce has largely made up for the shortfall.

“The journey of internet, I’m a way down the journey, some people have not even started this journey. What internet is doing is that there are very early adopters and very late adopters. The last recession the 2010 crisis was massive, not only in just the economy it was life changing - from a business prospective and the investment for the internet requirement was difficult. I was very lucky Farfetch came along and it was an instant success and our business was basically saved due to Farfetch. It’s a moment, I was fortunate enough to encounter that, there are many other retailers that haven’t. It was just time and I would come back every morning to my desk to see orders waiting to be shipped out to different countries”.

Opportunities come by when they had least expected, and the firm had its first international sale in the same year, 2010. The order came through from their E-commerce provider and their first international sale was to Cambodia. From then onwards, the firm’s international sales are twice when compared to local. They say it is mini scale when compared to the global opportunity and eight years back it took the firm thirty per cent of its sales through the E-commerce and now its hundred per cent. The firm’s day to day activity remains the same, which is exciting as when it started but only in a different environment.

“You talk about digital, 30 odd years ago I was not thinking about digital, I was thinking about opening shops. E-commerce, a saviour of my business and creator of an immense opportunity to be fair. I would not be here if it would not have been for internet. Nothing has changed, there is no new strategies for business, it’s all very basic, we just have to react to the way the environment in very much the same way we have always been doing”.

The figure 5.15 below provides a diagrammatic representation of the firms transition over the years of operation.
ii) B: The year 2017 was when their business moved ahead, and this was due to the connections they built over their Social Media sites. The Facebook page, an Instagram and Twitter were there from day one, where customer traffic are re-directed to their payment sites or to their physical store. While we are on the topic of the connectivity of the Social Media sites, it was unable as a firm to restrict orders that arrived from outside of UK. The firm started receiving international orders from the beginning of the year 2017, and in four months the firm had entered international markets. However, considering the limited time provided towards the firm and building trust online with customers the firm had entered only a couple of countries. At this point the firm had an objective of customer loyalty to increase profitability and to stand out against popular fraudulent online activities. The main mode of E-communication (Electronic communication) with customers is through WhatsApp and they offer messages or even video chat at time.

“The internet has been an opportunity to actually put our dream of starting a business to reality. It has broadened our customer base which is the main reason for adopting the online platform to target international markets. We can say with confidence that we don’t just sell to customers in UK but to customers around the world. With that comes additional responsibilities and risks like building confidence among our customers”.

At their store in London they do get customers, but they are limited to London based customers. However, there might be ten per cent of the customers who
have seen the firm on Social Media and have reached out to them for a sale. These are customers from other places within the UK. But when you consider the percentage of customers on a worldwide figure, their UK customers sum up to forty per cent and the rest majorly exported to other countries. Dealing with international orders meant customer credibility and this required a driver of trust and that was the brand strength of the firm.

“The main mode of marketing the firm was through viral marketing or an online form of word-of-mouth. Internet is a contraction of ‘interconnected networks’. Our social media site provides different options to monetise our audiences. However, we keep our customers aware of fake click for providing them with awareness of such activities and how we are different. However, time consuming it is, this has also turned out to be more cost efficient which for small firm makes it effective financially”.

The figure 5.16 below provides a diagrammatic representation of the firms transition over the years of operation.

**Figure 5. 16: Firm B’s Digital Internationalisation Process**

![Diagram showing the transition of Firm B's digital internationalization process from 2016 to 2017, involving establishing a store, adopting social media, and initiating international activity, with notes on the market transition from USA to multiple countries like Switzerland, Ireland, and Australia.]

Source: Author’s own

**iii) C:** When the firm was established online in 2016, they opted the Social Media platform. Social Media two years ago was booming and building more network to reach people around the world. They had their first international sale in the following year from Canada. And this happened due to the travel to Canada and building a network during the visit. There was no restriction to which country the firm ships however the firm believes there is still a vast majority who fear to shop online. One of the most common concerns of
customers entering relationship on-line (virtual shopping) is that of the security (Bridgewater and Egan, 2002). So, the firm gives such customers the with three different facilities: email, telephone communication and/or a video chat. This enables customers to build trust on the firm who they are buying from and builds the firms brand strength / identity in return. Providing them with such facilities happen when the firm has a huge order of about a hundred pound or more.

“If it was not for the internet, I would not have been able to do what I am doing right now. The feedback and response I have received from my customers say it all. They are happy, and the internet does not limit my network boundary geographically. And when you ask yourself ‘what does the customer want - Customer wants everything, you cannot judge whether that customer would go to the store or go online, the key is to provide what the customer wants’”.

Over the couple of years, the firm has managed to build a good relationship with its customers and built a tree of networks. However, there are customer who are scared to purchase online due to the obvious online frauds activities that is around from a while. These apply to the new customers to the firm and would require reassurance of the ethical business values the firm has in place. The firm also provides opportunity to conduct their independent research through reviews and feedback from previous customers. The firm’s website has an analytical side which provides the firm with details as to how many customers have picked up a product but have not purchased it. The firm does not try to get a sale, but more importantly focuses on the satisfaction of the customer. The reports generated by the firm’s website on number of local purchases over international purchases revealed just about the same per cent. However, there the fear among customers regarding online shopping.

“They need to be reassurred and I need to build the trust with my customers which might take a while. Going the extra mile”.

The figure 5.17 below provides a diagrammatic representation of the firms transition over the years of operation.
iv) **D:** In 2007 when the firm began operations online through the firm’s website with sales of their products (cakes and cupcakes). However, in 2009 when the firm adopted the Social Media platforms such as Facebook and Instagram the firm’s services (cake decoration classes) sparked its origin. Changes in social platform algorithms are always a challenge. The year 2010 was a big year for the firm where the firm opened its doors to its new studio centre for their decoration classes. The firm’s services came as a recommendation from one of their Facebook member and in few sessions, it was a big hit. Since then, the firm has been super busy planning sessions organising tutors from around the world to get hands on experience learning the art of baking and creating wonder pieces of cake. In July 2013, an outstanding Australian tutor became one of the most popular classes. Students travelled all the way from France, and even Malaysia, to attend this class.

“There are a number of cake makers who come (and leave!) the cake industry. If you are active on social media, or have done a few Google searches to find competitors, you will have come across more than you anticipated. It is a big industry, it is a crowded industry, but it is still absolutely possible to make your own mark.”

In the year 2013 the firm launched their new and upgraded version of their old website and there was an active update of blogs. That is just the beginning and the result at the end of that year was that the firm had students flying to attend classes from around the world. A thank you note on the firms Social Media
site went viral and the response it got was overwhelming. This was expanding the firm’s possible customer base. The same year, 2013 the firm started blogging on their website and since then the online system, the internet has brought students from every corner of the world. It was history for 2014 and 2015 where the firm became super busy planning teaching sessions and classes. The business expanded and now boasts of the industry’s best teachers that educate patisserie students from around the country and the world.

“I am always humbled by the sheer number of international students we get in our classes! Students travel great big distances to come. Our students have gone on to set up their own successful businesses all over the UK and the world. As far as work satisfaction goes, this is the best job anyone could ever had. All selling is done via our website, so a good online presence is all I’ve ever focussed on. International sales happen to be a side effect of the Internet’s global reach.”.

The figure 5.18 below provides a diagrammatic representation of the firms transition over the years of operation.

**Figure 5. 18: Firm D’s Digital Internationalisation Process**

Source: Author’s own

v) **E:** The firm was one among the early adopters of the Internet, when it began in 2003 the firm had five employees who worked through night and day. The firm worked towards trying to negotiate and make a deal for the best skilled programmers within the IT sector. The firm has employees from India and Bangladesh who work on developing their products and services. The firm had its first international order from France in 2005. The order was for a niche
restaurant who were innovating and adopting the Internet. The firm confirms that overseas gives a greater profit margin, their customers want quality and reliability. UK has always been rated as a place where business produces good quality and reliability within a huge sector and industry.

“When I started the firm, it was that time when the internet what picking up speed and it was almost the right time to start. There was also a trend in the market where people started eating outside more often than in the 20th century. Considering the multicultural ethnicity in London and that not everyone (employees at restaurants) would be able to read or speak good English this palmtop with pictures came very handy”.

When you consider firms such as IT, they are generally slow with their business activities. Slow, due to the products and services that they deal with can be consumed by their B2B customers for over five years minimum. Also, the additional accessories that come along would the upgrade of their software systems. Their next international activity happened in 2007 from Malaysia. When you consider a firm like IT, the kind of products and services that they provide are niche and straight forward. They have a low rate of risk in the business as it is heard that business need to innovate, if they do not practice this, they see themselves disappear from the market.

“Internet is a tremendous assess. Whether it is direct or indirect marketing, I believe in indirect market - network. Money does not drive me, it’s the principals and the people you meet during the journey”.

The figure 5.19 below provides a diagrammatic representation of the firms transition over the years of operation.
F: The firm began operations in the year 2008 through their store. However, the adoption of Internet was in the year 2010 through an E-commerce (Etsy) provider. The firm had local business activities from their E-commerce provider for more than a year. However, there was one international sale which happened in 2010 from Canada. The firm began to participate at exhibitions such as Ideal Home, Om Yoga Show and Christmas Markets with Pop-up stores in 2013. These exhibits took place at different locations around UK over the year. This gave the firm an opportunity to meet customers from different parts of the world. They had a second international customer who visited their pop-up and went back to France and ordered more products through their website.

“Our store is open seven days in the week between 10am to 5pm, we have staff who would look after the store when we are away at pop-up exhibits and participating in other competition events. However, we also receive orders from our E-commerce site constantly and staff manage the package and collection for delivery. It is a packed schedule but enjoying every single moment. It took a lot of time and patience for the firm to reach this stage and now is the time when the firm is booming with activities constantly”.

The activities mentioned in the previous section are the main reason for the firm to have reached a busy schedule. However, the firm has an active international activity but compared to their local sales, it is still at a lower percentage.
The figure 5.20 below provides a diagrammatic representation of the firms transition over the years of operation.

**Figure 5. 20: Firm F’s Digital Internationalisation Process**

![Diagram of Firm F's Digital Internationalisation Process]

Source: Author’s own

**vii) G:** In 2011 when the firm opened their doors it is located at a five minutes’ walk from a luxury five stared hotel in London. The drawback of the location of the store was low footprint and their first business activity was B2B. They had clients mainly tourists from around the world and was a mature client base. Considering the client base, it was difficult for them to accommodate the advancement or adoption in technology. Packaging was another concern the firm faced especially during the early stages, it took a lot of time. It would take roughly around twenty minutes per order and the small team were beginning to receive more order online by the day.

“It is very difficult for us to sell online. Selling scented goods online is very difficult because it’s easy to describe an essence in a million words would be possible but practically knowing the testing and smelling fragrance is difficult. It has been very good for us as a repeat business. Where our customers have come down to the store and then they order online on a regular basis”.

The B2B built the traffic for online shopping for the firm and in no time, they began to receive order from around the world. Among the countries they export, their main export market is North America, New York. The main digital tool that the firm uses for all the online activities is their website.
“I don’t think it would have made any difference, but you do need an online business considering it is a holdings company. Our online sales are only five per cent, but its growing and it is just about to become a monster. On an average we now receive two orders out on a day to day basis”.

The figure 5.21 below provides a diagrammatic representation of the firms transition over the years of operation.

**Figure 5. 21: Firm G’s Digital Internationalisation Process**

![Diagram of Firm G's Digital Internationalisation Process]

**Source:** Author’s own

viii) **H:** The year 2007 was when the firm began its activities in-store and at the same time had a website launched. However, the website was developed only for the legal requirement of setting up a firm and was not much used nor active. In 2008, this was when the dot-com bubble was building, and the E-commerce tech giant was taking over deals with a lot of the businesses around the world. The firm in 2008 decided to have a platform on the E-commerce provided Amazon. That was it, from then on, they had orders trafficked into their firm from around the world.

“We had our first international order from Brazil, and this was possible only through our E-commerce provider. When the firm began operations, we had no plans to sell internationally, however, the technology has advanced drastically over the years. Due to which all small firms similar to us are adopting Internet and we took the advantage of outsourcing. Giving time towards the firm and managing to understand and learn technology before using it for business was a challenge. So, we decided to take the easy way of selling another company online platform”.
The year the firm adopted the E-commerce, 2008 was slow and the firm would receive one international order in a month. There were few months where the firm would not receive any international order, however, that was picked up during the festive seasons during Christmas. This continued for a couple of two years in a row and in 2012 online shopping boomed. The firm enjoys a slow and steady growth and that is one of the reasons why the firm has not invested in having a website of their own. The website now is no more and the only online transactions that the firm has is through their E-commerce provider.

The figure 5.22 below provides a diagrammatic representation of the firms transition over the years of operation.

Figure 5. 22: Firm H’s Digital Internationalisation Process

![Diagram showing the years of establishment, website development, adoption of E-commerce, and international activity.]

Source: Author’s own

Although the firm opened door for a camera store in 1975, they were late adopters of the online platform. It was not until 2010 that the firm decided to invest in a website and the trend for online shopping was killing a lot of businesses. It was not just other businesses, but the firm also had to step up and adopt technology. The other issue that the firm faced since they were late adopters were that customers had a lot of options by then and a lot of products sold online for less.

“But I can say very hand on heart, you don’t get the services that you get in store. However, there are a lot of customer who come into the store just to
know more about the products which would not be available to them online. On the whole it is a smooth selling international trend and Cambridge as it is full of tourists and we tell we ship it out to you, even if there are on the moon. But all that seem to be going so smoothly, more than selling within the UK. However, the percentage would be halfway considering being seasonal”.

Not long time but in the next two years’ time the firm realised they had to adopt other online modes. The firm had regular activity with the local customers and the emails do go a long way. It did impact a lot on the firm as they were slow in getting onto the Internet. In 2012 they started their Social Media platform and started catching pace. However, there was still a huge competition with the bigger retailers selling for lesser. The firm received first international order in 2013 from China, considering the multicultural environment in Cambridge a heaven for Universities.

One or two would we still stay in touch who are international customer from china. We would send them details on the latest products. To check up if they are interested in a purchase.

Either because the availability of stock was not there in store, but they would receive with online service. So, they have processed and sent it out, they needed to catch up. However, in time everyone is using the internet, they never want to close the store, if that do happen, the internet is always going to be there. But they would rather prefer to keep the store. Face to face is at the moment would say that the shop out does the website. But if they branch out further into the website and other facilities available online, they will be doing better online and internationally. But to keep up with time they have to adapt the internet and five years down the lane, might be different. However, the web is still making its way.

The figure 5.23 below provides a diagrammatic representation of the firms transition over the years of operation.
The table 5.5 below provides a summary of the geographical reach the firms internationalised through digitalisation. However, these are few of the countries mentioned during the interview and verified by their digital tool analytics.

**Table 5.5: Summary of Firm’s Geographical digital market entry**

<table>
<thead>
<tr>
<th>Firm</th>
<th>Geographical Market Entries</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Cambodia, USA, Kazakhstan, Italy, Africa, China</td>
</tr>
<tr>
<td>B</td>
<td>USA, Switzerland, Ireland, Australia, Canada, France, Norway and Germany</td>
</tr>
<tr>
<td>C</td>
<td>Canada, Finland, Switzerland, Australia, New Zealand, South America, South Africa</td>
</tr>
<tr>
<td>D</td>
<td>Guam, Australia, USA, India, Thailand, Philippines, Hong Kong, Malaysia, Mexico, Spain, Nigeria, France Switzerland, Ireland</td>
</tr>
<tr>
<td>E</td>
<td>France, Malaysia, Indonesia, Singapore, Kenya</td>
</tr>
<tr>
<td>F</td>
<td>Canada, Spain, Switzerland, France, US</td>
</tr>
<tr>
<td>G</td>
<td>New York, Germany, Dubai, New York, France, Russia</td>
</tr>
<tr>
<td>H</td>
<td>Brazil, Germany, France, Canada and US</td>
</tr>
<tr>
<td>I</td>
<td>China, France, Bulgaria, Dubai and Greece</td>
</tr>
</tbody>
</table>

Source: Author’s Own

**5.4.3 Firm’s Digital Modes of Entry**

This section discusses the digital mode of entry the firm’s used for their internationalisation into the international market/s. The different modes of digital entry
options adopted by the firms are at different stages of the firm’s business journey. The figure 5.24 below represent the trends the micro and small business firms have adopted over their years of operation.

**Figure 5.24: An overview of the Digital International Trend of the Firm’s**

![Diagram of Digital International Trend](image)

**Source:** Author’s own

i) A: Once the firm began to receive continues international orders from their E-commerce site the next step for the firm was “what next”. So, the firm had its own Facebook page and a Twitter account in 2011. This was the year where Social Media sites had massively grown into a giant bubble. And all of this was free and accessible through the Internet. All the firm needed was a bit of learning how to go about the basics of navigating through the sites and building a Facebook page. Visitors who go to the firm’s own non-transactional website, eight years back were redirected to Farfetch (E-commerce) to complete their purchases. Hence, the firm did have a company website by 2005 but was a non-transactional site.

Since the Social Media sites had built immense network of people on the site the firm began receiving international orders from Facebook and Instagram,
Website, Twitter and WeChat (Chinese Social Media site - that was the start of WeChat.). So, has the business venture changed in any way from when the internet is being used for exporting - and the results is:

“We are lucky that we have a University in Cambridge. It’s a draw for international students, so we would have the benefit of that, Chinese in particular. And they use WeChat So we have a Chinese girl who works with us very active on that. So, we try and work through most media channels. In this business there is a lot of people doing a lot of looking, a lot of young people it’s through Instagram it’s through Facebook but not as much on Facebook but majority on Instagram, on Social Media, but more on Instagram”.

The figure 5.25 below provides the firms different digital export entry mode over the years of operation.

**Figure 5. 25: Firm A’s Digital Entry Mode**

![Diagram](image)

Source: Author’s own

ii) **B**: Social Media site was their main start off terminal for the firm, however, they were redirected to payment sites for final payment and checkout processes. Hence from day one in 2016 sites such as Facebook and Instagram were used to direct customer traffic along with the store. Their first few steps were to open up the page, upload pictures and connect with family and friends first. The kind of response we received from the page and decided to invest in a company website which is still under construction. Right now, the firm is working on improving their network and to build more connection/network using the Social Media sites. The number of customers is still low but planning to have an own website which will help pick up on the sales.
So, once the firm began with Facebook they moved to Instagram. However, all their payments are redirected to either their website or an E-commerce provider. The data that they receive from their online platform helps them to analyse and mould their strategies on how they would track customers. This data is self-sufficient to run the business successfully. Knowing more about customers can help a firm to target them more efficiently.

“The website that your customer accesses are what you can see and that is where your customer goes, if that is not there, they will go somewhere else. If they can’t go to the local store online, then they will go elsewhere”.

The figure 5.26 below provides the firms different digital export entry mode over the years of operation.

**Figure 5. 26: Firm B’s Digital Entry Mode**

Source: Author’s own

C: Among the Social Media sites, the firm adopted two tools which is Facebook and Instagram. They started an Instagram page in February 2016 and then opened a Facebook page in April 2016. Since the social media sites do not allow the firm to progress and checkout orders, the firm used a third-party platform an E-commerce (Shopify) for completion of their orders. February 2017 was when the firm started their own Website. The work began on the Website in December 2016 and has been up and working from February 2017. There is still a percentage of customers who are scared to purchase online due to the online frauds’ activities present. To reduce such risks the
firm provides customers with facilities such as online chat where they could communicate with me directly and sometimes, they would also have a huge order and are priced high.

However, there is still a vast majority who fear to shop online. So, the firm gives them the opportunity to either email or talk to an employee over the phone or even video chat (at times – big order over two hundred pounds), so the customer knows whom they are buying from. The firm has managed to build a good relationship with its customers and built a network over the two years of activity.

“They need to be reassured and I need to build the trust with my customers which might take a while. My website has that option, when I go to the analytical side of my website. It would show me how many customers have picked up a particular product but have not purchased it”.

The figure 5.27 below provides the firms different digital export entry mode over the years of operation.

Figure 5. 27: Firm C’s Digital Entry Mode

Source: Author’s own

iv) D: The firm had its website the same year of registration, 2007. However, the site was very basic with few features. In 2008 an enhanced website was developed, and the firm began updating blogs on a regular schedule. The firm has built a strong Social Media presence and the sites they use are Facebook, Instagram and Twitter which all went live in 2009. Growth in follower
numbers and reaching to a wider audience is key for the business, but as soon as Facebook/Twitter decide to change how their website serves business pages/profiles. It became challenging for small firms such as this and hence they are required to change their Social Media strategy accordingly. The online marketing or advertising through Social Media does not require a budget and hence all their marketing is done via these sites and word of mouth. The firm has more than 385k followers on Instagram, more than 118k followers on Facebook and more than 15k followers on Twitter.

In 2010, the firm adopted E-Commerce (EBay and Looking to Cook) which has resulted a key digital tool for all class bookings and payments which come via a secure website. A solid presence on Social Media is now a requirement for any business to succeed. A couple of years later they had more than one E-commerce site helping them sell both locally and internationally.

“The business would not exist without the internet. Our market reach, aside from word of mouth, is almost entirely online. People first find out about us online and then book their classes with us. Our online reputation is the most important asset for us. We also invite cake makers from other countries to teach their skills at our workshop on the riverside. Over the years, a large number of our students have gone on to start cake businesses, in Britain and abroad. The cake industry has changed dramatically in the last decade”.

The figure 5.28 below provides the firms different digital export entry mode over the years of operation.

**Figure 5. 28: Firm D’s Digital Entry Mode**

Source: Author’s own
v) **IT**: It is not all social media for all firms, however, in this scenario the firms only digital requirement was the firm’s website which guaranteed them success. It was not so much a question of making a change, the business did not start as an online business however, without internet having international access for this firm would not been possible. E-commerce provides a service to a lot of SME like this firm to expand and go global without spending a lot on infrastructure, that has been amazing. You will be paying a fee, but that gives the firm the opportunity of going global. However, for this firm E-commerce would not have worked well considering the industry and the products the firm deals with.

“We began with technology like laptop and internet from which you can run a business successfully and there is plenty of opportunities. I believe in Facebook, Instagram, Twitter and LinkedIn (very essential for professionals). E-commerce provides a service to a lot of SME like myself to expand and go global without spending a lot of infrastructure. That has been amazing. You are paying a fee, but you are also going global”.

The figure 5.29 below provides the firms different digital export entry mode over the years of operation.

**Figure 5. 29: Firm E’s Digital Entry Mode**

Source: Author’s own

vi) **F**: The decision the firm took in 2010 was to sell online and for this they adopted using a third-party E-commerce (Etsy) platform. The firm began receiving orders from around the world within weeks, however the quantity of orders received was around ten to twenty in a year which was considered less by the firm. The firm wanted to broaden the prospects of bringing in more customer traffic and to do so the firm took up another opportunity. In 2012
when most of the firms began adopting the Social Media platform, the firm as well opened their Facebook page, an Instagram and a Twitter account. This built the firms network and the customers traffic that they planned, and it worked well for the firm. However, here as well like all other firms using Social Media customers were directed to the firm’s website or E-commerce (Etsy) site through the Social Media sites. This also brought in international activity for the firm. The next step was having their website:

“Now that our activities both locally and internationally where consistent, and all this has been possible with the help of our E-commerce and our Social Media sites. We wanted to build our own website, when we registered the firm we had a site which was not in operation but there only for documentation. In 2015 we invested and had our own company website, this made us feel pleased of building a brand”.

The figure 5.30 below provides the firms different digital export entry mode over the years of operation.

**Figure 5. 30: Firm F’s Digital Entry Mode**

Source: Author’s own

vii) **G:** The firm believes in building its brand identify and considers more Social Media activity would attract dilution of their identity. This is also another reason the firm intends to stay independent and not sell using an E-commerce platform. The firm also has two Social Media sites which are: Facebook and Instagram but both inactive. Considering the kind of products and the target segment of customers the firm has and as mentioned earlier, it is difficult to direct new customer traffic. Considering the age group of the customers it is evident as well that they were not well equipped with the use of smartphone.
However, by word-of-mouth and their B2B activity the firm has regular loyal customers who are interested to visit the firm’s social media sites for future purchases. Hence, the firm had a website in 2011 and in 2014 two Social Media sites.

“It is very difficult for us to sell online. Selling scented goods online is very difficult because it is easy to describe an essence in a million words that would be possible but practically knowing how the fragrance would smell is difficult. I had 600 pounds left to produce a website when I first opened my store, it was very basic and simple. Since December 2017 I have reinvested in it and look more user friendly for all age of customers”.

The figure 5.31 below provides the firms different digital export entry mode over the years of operation.

**Figure 5.31: Firm G’s Digital Entry Mode**

![Diagram showing digital entry mode]

Source: Author’s own

viii) **H**: The next step for the firm was to direct more customers since more and more people had started using the Internet and smartphone. In 2007 the firm began with a website for the company, however, the firm decided not to invest a lot in technology. The firm believed that there would be a lot of responsibilities with the adoption of a well-developed website and there would need a skilled employee to manage it, which is an additional investment alongside the website. Currently the website is not active or live either and the firm still receives local and international orders only through one platform which is through E-commerce. Approaching an E-commerce (Amazon) provider in 2008 by the firm was a final step towards a good decision.
This was the start of a new journey where the firm received orders from both local and international customers within the year of adoption. Couple of years gave the firm the opportunity to understand the clothing trend and doing an independent research online and through visiting other stores. The firm identified that there was a change in the clothing style every season and decided this is where to invest. The firm now has suppliers from well recognised brands from around the world.

“I made few stops to business events in London to know more about marketing and what I got out of it was a term call electronic commerce. I researched what that is and who are the ones right now in the market. This was not possible only with the help of the web, I spoke to people at events. Once all the documents were through it was time to start making some money. And now when I look back, I am proud of the struggle-experience I went through. It has taught me the value of money, value and relationships built”.

The figure 5.32 below provides the firms different digital export entry mode over the years of operation.

Figure 5. 32: Firm H’s Digital Entry Mode

Source: Author’s own

ix) I: In 2010, the website was a basic platform, considering money comes first for small businesses. This was also the time when the internet was taking over majority of the firms and there was a lot of changes within the firm as well. Two years forward in 2012, the firm opened up its Facebook page, Instagram and a Twitter account. These sites were mainly used by the firm for promoting any new products and events such as Olympus day. However, the website would be the first priority for the firm to sell online and have recently invested in developing the site in 2017. Compared to the website in 2010, it is more structured and organised, which is very important for customers to be able to
navigate through the site easily. Considering the kind of products, the website for the firm is a work in progress, which would need constant updating.

“These are some of the new strategies that we have diverged into, considering a camera store would only sell cameras and accessories. We provide service which is very important which other big store do not provide to the extent as we do. However, providing services online is difficult but we try our best to keep our customers satisfied. Hence enhancing our website has helped customers to find their way around the site and make them aware of the events through our Social Media sites which take place in-store”.

The figure 5.33 below provides the firms different digital export entry mode over the years of operation.

![Figure 5.33: Firm I’s Digital Entry Mode](image)

Source: Author’s own

### 5.4.4 Firm’s Future Plans

This section discusses the future plans and decisions that the firms have moving forward in the next five years. All the firms plan is to grow, and this growth or expansion could take many forms considering their current status of the firms. The forms of expansion anticipated would be an expansion of the online platform or investing on a mobile application (M-commerce), considering how high street retailers are closing to move to a more virtual store. The figure 5.34 below represents only the firms (Firms A, B, C, F, G and I) who have plans for expansion in blue (first column). The second column in green, represents the plans and decisions for the firm’s expansion. However, a detailed discussion of the findings
is available in the next chapter. Which would cover why some of the firms did not have a future plan for the businesses.

Figure 5. 34: Six firm’s future for the next five years

Source: Author’s own

i) **A**: The firm plans to have an International store in New York by 2020, which was an unpredictable decision considering the online trend within retailers. The firm would prefer having a brick and mortar in an international market which would help the firm build on international expansion and brand identity.

“We should not have any illusion that online platform might be less expensive than a store, they cost exactly the same, so we can’t replace employee and having better features online. Best thing I would open up a store in London or most likely in New York. How would I know where the best market is? Data”!

ii) **B**: The firm is in its younger years since operation began hence an immediate plan for expansion is not in place. However, once financially stable for the next five years the firm decides to expand on having more international customers and possible targeting other markets for wider expansion. The firm also plans to invest in a “shop now” button on their Facebook page. This would direct Social Media customer traffic to their payment or transactional site which is the firm’s website.

“UK is a very desirable country, not only to work in, living and doing business in, there is not that many countries in the world that has that sense of security. Expand my business, as it’s my passion and would consider only through the
online platform expansion since it has a higher target market and financially achievable”.

iii) C: Considering the fact that the firm currently operates fully virtual through its online platforms such as Social Media and E-commerce, the plans for the future are to open up a studio within 2017 and then gradually a store in 2019/20. Apart from this big investment the firm plans to invest regularly on embedding additional digital features on their Social Media site.

“I do not have a show room, I only have the online platform, I would like to have a show room, start with that and go on with a shop. But shop again it’s a longer plan. It’s also about time”.

iv) D: Knowing how the firm began from a kitchen table to having a smart, purpose built, new premises on the riverside in London. This itself is a representation of the firm’s ambition and aspirations for taking it ahead. However, within the services that the firm provides, embedding digital tools that would help the firm assess prospective markets and customers is their main agenda. Here the digital tools refer to the analytics that would assist firms to understand which market has higher rate of customer traffic.

“Over the last seven years, thousands of students have come from all over the world to learn the best methods of cake making and decorating. The firm is now a prestigious teaching venue and attracts the best instructors from around the world. Would want to reach out to more countries and marketplaces.

v) E: The firm has developed a good network relationship with partners overseas and connection with other businesses. For the firm that deals with products and services related to information technology means a constant upgrade of the systems and processes and for international customers meeting this requirement in a time constraint circumstances are of highest priority.

“I believe the business has grown to a pace which would not reach a limit that would bring it to a situation where it might close. I believe in having consistency and prefer to maintain and receive a minimum of five international deals for the next couple of years. As long as there is international transaction for the firm which works out more profitable than a local sale, the future of the firm looks good to me”.

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vi) **F:** The firm desires to maintain the consistency of pop-up events held locally and are looking ahead to venture on projects which involve sponsorships to beauty pageants and garden events during summer 2019. The firm is in the process of documentations to match financially for international pop-ups.

“Expand my business committing full-time on the different projects for sponsorships and collaboration events, it’s my passion. Online Social Media platform expansion we might also look into **international pop-up stores**”.

vii) **G:** The firm believes that for customers to access information regarding their products which are more sensory oriented. The understanding of the difference between essential and synthetic oils is one of their utmost priority. Which come to say that the firm aims towards a physical pop-up stores which would work better rather than an expansion through virtual route considering the products. This would enable the firm to gain customer confidence regarding their products which is a disadvantage through the online method.

“We have one store here and we are looking to open pop up in Mayfair during spring/summer 2018, we don’t plan to have stores but have pop ups mainly globally. Studio store in Copenhagen, local and international pop-ups at The Hamptons, Hong Kong and Dubai. It is an exciting time to explore new territories whilst staying in control of the firm’s signature brand, without having to commit to bricks and mortar”.

viii) **H:** The firm currently has a consistently adequate yearly progression considering the number of years (seventeen) of operation within the sector. The firm plans expanding international customer traffic through interconnecting their E-commerce and Social Media platform. This would allow customer traffic directly onto their transaction sites.

“There is a good profit margin annually and the years of operations I would say I can now relax and think on investing into property sector. Confidently knowing that my E-commerce will provide the necessary international customers. Also, considerations on the Social Media platforms like Facebook and Instagram for cost efficient marketing opportunity. Which will help build customer base and interlinking that with my E-commerce for a combined tracking customer report.

ix) **I:** The firm has a list of events in the pipeline until summer 2019 and are mainly looking into expanding their online Social Media platforms: Facebook, Instagram
and Twitter updates on regular timeframes. The firm would be investing in skilled staff for marketing purposes on Social Media sites and in-store multilingual staff.

“The shop outdoes the web as of now, because our customers would like to play with the toys before they purchase. Ask me the same question five years later, it might be a completely different story”.

5.5 CROSS CASE ANALYSIS

This section of the study examines all nine cases in the context of the research objective. Comparisons are made across the cases in order to identify similarities and differences that exist and also to identify best practices adopted by the firms (Yin, 1994). First (RQ1), this study will examine how the internet has changed internationalisation for the nine micro and small - specialist and niche retailers. This would reflect on digital internationalisation literature from Chapter 3 (section 5.5.1). Second (RQ2), would look into how the existing theories / models (Chapter 2) literature fit within the nine firm’s internationalisation processes (section 5.5.2). Third (RQ3), looks into how the nine firms have used the digital export entry modes for internationalisation referring back to digital entry mode literature Chapter 3. Additionally, this section would also look at which digital entry mode has impacted majorly on the firm’s business process (section 5.5.3). Fourth (RQ4), will look at how these nine firms face new barriers to internationalise through digitalisation and referring back to literature from Chapter 3 (section 5.5.4).

5.5.1 How has internet changed internationalisation (RQ1)

The growing impact of technology has led to describing the emergence of E-commerce market makers, where those firms who are prepared to seize an opportunity can gain competitive advantage in the marketplace (Klein and Quelch, 1997; Fillis, Johansson and Wagner, 2003). Additionally, the attractive online advantages available for customers have created different ways of shopping. According to Laudon and Laudon (2001), the internet has internationalised the business world and marketplace. Instagram was termed as a globe to discover niche labels as quoted by one of the firms. Furthermore, any brand with a strong online business and the right algorithms can pin down the minutiae of customer shopping habits. This has made way for a broader customer base for the firms and made shopping from around the world easier and more flexible. With that said, it is
evident that one of the key influencers for all the nine firms is the internet (Bell and Loane, 2010). This can be either through a firm Website, E-commerce provider or any of their Social Media platforms adopted.

The figure 5.35 below provides a diagrammatic representation of how digitalisation has led the nine firms to globalisation. This however happened by the dominant Social Media sites which drove customer traffic for the firms. These are represented by thicker lines to show stronger and broader flow of international customer traffic. The second important digital site that impacted firms to globalise is their E-commerce partner/s. However, you will see that only four out of the nine firms have adopted this option.

**Figure 5. 35: Digital impact on the firm’s**

![Diagram showing digital impact on firm’s globalisation](image)

Source: Author’s own

What is most common to all these firms is a website, this is a mandatory government requirement for starting a business. Other features that are most often seen are E-commerce (five firms) and Social Media sites. Within the Social Media, firms with Facebook are seven out of nine firms, Instagram (six firms), Twitter (two firms) and one firm uses WeChat. Considering Cambridge homes many Universities and having higher
number of Chinese students the reason for Firm A to embed WeChat to communicate with their Chinese customers.

However, findings for firms G and H are significantly different from the rest of the firms. The plan for firm G is to build their own brand identity while firm H is satisfied with the expectations of sales from their E-commerce partner and do not intend to invest, participate, or innovate further in any way. Small businesses overestimate their degree of digitisation - almost one third of the respondents feel (very) well positioned in the digitisation process. This evaluation might be misleading: small businesses are comparatively less involved in exchanging data between their own departments and the departments of other companies.

With that said, the findings for the rest of the firms evidenced, three of the firms started their international business journey online through an E-commerce provider (Firms: A, F and H) and four firm's (Firms: B, C, D and I) through Social Media. Internationalisation through Social Media can be considered as technology leapfrogging (Sauter and Watson, 2008). Which implies the adoption of advanced technology such as E-commerce and Social Media by seven of the firms and had no prior technological adoption earlier other than their firm website. However, the important point to be considered is that the firm website was not used for any internationalisation processes previously. As a result of this, it has become an attractive compulsion for the micro and small firms (Fong, 2009) to adopt digitalisation for internationalisation.

However, two of the firms (Firms: E and G) began internationalisation through their own company website. The reason they began with a company website is due to the firm's operation as a B2B. For both these firms (E and G) the internationalisation process was much longer and slow with a lengthy process. First the firms had to build on the network and connections manually through meetings, negotiations and deals. For firm G it was achieving legal business agreement with their nearby B2B luxury hotel due to the low footprint to their physical store. Then building relationship with the hotels customers to achieve international B2C operations. In the interview with firm G, it is important to be independent and to maintain the brand identity so resistance towards having an E-commerce provider. This would reduce the firm’s identity IP or the brand identity. By
being consistent the firm feels this has helped build a stronger identity which is recognised in its unique qualities.

5.5.2 Firm’s Internationalisation Process Verses Theories / Models (RQ2)

The next cross-case analysis of the firms has been conducted based on the first theme identified within the literature on internationalisation theories / models. According to Wernerfelt (1984) some of the resources within firms are: brand names, in-house knowledge of technology, employment of skilled personnel, machinery, efficient procedures, technology and capital. Additionally, with DC the firm resources are termed to embed unique resources such as the internet to accelerate internationalisation. Considering the size, the firms operate, resources can be limited but sufficient enough for a firm’s internationalisation process due to the advancement within the digital retail environment. The table further indicates the resource examples suggested by Wernerfelt (1984) to the firms (represented by Y). Hence, the table 5.6 below provides further details of the different internationalisation theories / models identified within the literature against the business journey of the firms. The ‘X’ represents the cross-case analysis of the Stage/Uppsala and the Network theory. Whereas an individual model from the Network theory which is the RBV is cross-analysed and represented by a ‘Y’.

Since all the firm’s products and services are high-end, capital as an asset / resource was identified for all the firms. Followed by technology (Firms: A, B, C, D, E, F, H and I) and in-house knowledge of technology (Firms: B, C, D, E, F, H and I). The employment of skilled personnel follows for firms A, D, E, G and I. With the high-end products the firm has connections with brand names and the firms represented by this feature are firms A, H and I. This shows that the RBV are linked to the relevance of the firms, however, some of the firms may have more than one asset. Efficient procedure and machinery were identified as the least populated among the firms due to the kind of products.
Table 5.6: Overview of the firm’s against internationalisation theories/models

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<tr>
<th>Firm</th>
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<td>Theory/Model/Author</td>
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<td>Assets considered for the RBV represented by Capital Y</td>
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Source: Author’s own
This model considers two different criteria with regards to number of years: total number of years of operation and total number of years operating internationally. The number of years represents the longest a firm has been operating locally. Hence, firms A (38 years), D (13 years), E (18 years), F (12 years), G (9 years) and I (45 years) which are all identified to successfully meet the Uppsala model criteria one considering the number of years the firms operations in the UK. The next criteria two (operation internationally) considering from the firm’s inception, an entry mode is generally suggested to range between three to five years for the firms to completely enter a foreign market (Root, 1994). However, since all the firms have adopted internet usage by this stage, the total number of years operating within the international markets are: firm A (9 years), D (6 years), E (14 years), F (9 years), G (8 years) and I (6 years). Hence, these firms fit well with the Stage / Uppsala model.

“For someone like me I have 35 years of experience” - Firm A.
“A learning experience that in hindsight was valuable and has made me survive” - Firm D.

With the two main criteria considered within the model, the other key elements within the Uppsala Model are: knowledge opportunity (Firm A), relationship commitment decisions (Firm D), network position (Firm E), learning creating trust building (Firm G), commitment decisions (Firm F) and market knowledge (Firm I). Hence, the firms mentioned within this analysis have progressed from one step to another within their business journey through experience and learning at different stages the firms have adopted methods suitable for expansion.

The International New Venture basically focused on firms which have low internationalisation sales, however, there are different reasons depending on the firms for this. The firms are: F, G H and I. The firms began selling internationally from the first year of operation and the internationalisation happened through their online platforms. These firms fall well within the Speed – Rapid Internationalisation theory/model. The least of the firms identified within the Born Global internationalisation theory/model pattern. Firms that begin internationalising from inception are Firms B, C and D. The firms were able to internationalise from inception due to the adoption of digital technology from the beginning. However, the findings also highlighted firms which were
players in the local market for a very long time (Firm A, D, E, F, G, H and I) for over nine years minimum and a sudden trend in the market gave access to internationalisation. This adaptation follows the Born-again global theory. This sudden trend was the technological advancement of the use of Internet which gave low cost accessibility to international markets to the micro and small firms. This model was the Technology Acceptance Model was adopted by Firms A, B, C, D, F, H and I. With the last aspect of Diffusion of Innovation where firms adopted innovative multiple digital entry mode methods for internationalisation, Firms A, B, C, D, F and I were among them.

The table 5.6 below provides an overview of the internationalisation theories / models against the firm’s practices, identified. Hence this table 5.7 provides a summarised cross-case analysis of the internationalisation theory / models against the number of firms.

Table 5.7: Summary of internationalisation theories / models against firms

<table>
<thead>
<tr>
<th>Theory / Models</th>
<th>Number of Firms</th>
<th>Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBV</td>
<td>9</td>
<td>All firms</td>
</tr>
<tr>
<td>DC</td>
<td>9</td>
<td>All firms</td>
</tr>
<tr>
<td>TAM</td>
<td>7</td>
<td>A B C D F H I</td>
</tr>
<tr>
<td>Stage / Uppsala</td>
<td>6</td>
<td>A D E F G I</td>
</tr>
<tr>
<td>BAG</td>
<td>6</td>
<td>A D E F H I</td>
</tr>
<tr>
<td>DOI</td>
<td>6</td>
<td>A B C D F I</td>
</tr>
<tr>
<td>INV</td>
<td>4</td>
<td>F G H I</td>
</tr>
<tr>
<td>Speed</td>
<td>4</td>
<td>B C E H</td>
</tr>
<tr>
<td>BG</td>
<td>3</td>
<td>B C D</td>
</tr>
</tbody>
</table>

Source: Author’s own

As can be seen from the table, while all firms showed all aspects of the key theories and models, though two key theory dominated which is Resource-Based View and Dynamic Capabilities Theory. These theories represent the importance of resources within the selected firms and have a major impact on the overall performance of the firms. The next populated internationalisation theory / model is the TAM with seven firms and Stage / Uppsala model, BG and BAG identified within six firms. Followed by four firms within INV and Speed. The lowest identified within the BG.
Research in the United Kingdom highlights that SMEs implementation of Internet technology does not require a high level of investment (Simpson and Docherty, 2004). This was followed by the Technology Acceptance Model and then by Diffusion of Innovation Theory and then the traditional Stage or the Stage / Uppsala mode of internationalisation. Clearly, the theories which were the least were International New Venture, Speed-Rapid Internationalisation and Born Global in descending order. Since, International New Venture investigated lower international sales criteria, Speed which focused on the rapid internationalisation of firms and Born Global (three firms) with high international sales compared to domestic or local sales.

Research findings revealed that all nine firms were categorised within multiple internationalisation theories and models. Additionally, the Stage or Uppsala model of internationalisation showed some findings of micro and niche specialist and niche retail firms within England adopting it. However, another key component or a trend that was noticed is that gradually the stage model would vanish due to RBV, BG, BAG, DOI, TAM and globalisation. Hence, to have a common internationalisation process for all firms digitally enhanced and enabled a Theory for digital internationalisation process is recommended.

5.5.3 Digital Export Entry Mode Internationalisation (RQ3)

A niche or ‘super niche’ focus on achieving global market leadership in a tightly defined market segment. Market leadership is typically based on technological superiority and product quality. Firms globalisation strategy accompanies these niche market strategies. This prioritises global export sales, a strategy which mitigates market weakness in any specific geography. The findings of this research have contributed to many aspects of both theoretical and practical aspects. Theoretically, adds to the niche but growing body of literature on the individual consequences of social media use (Wilcox and Stephen, 2013; John, et al., 2017; Zhang, et al., 2017).

The table 5.7 below represents the digital tools used for internationalisation. Among the three digital tools the website is the most common tool adopted by all firms. One main reason for this is the mandatory Government requirement of firms to have a website
during registrations of the business. The next tool is Social Media, this has four main sites that firms have adopted to mainly drive traffic. The highest usage of tools among the SM sites are Facebook and Instagram, while Twitter and WeChat are the least used tools. The third digital tool adopted by most of the firms is the E-commerce route.

**Table 5.8: Overview of the firm’s against digital tools for internationalisation**

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<tr>
<th>Digital modes of Entry</th>
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<th>B</th>
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<tbody>
<tr>
<td>Website</td>
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<td>Social Media</td>
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<td>Instagram</td>
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<td>Twitter</td>
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<td>WeChat</td>
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<td>E-commerce</td>
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Source: Author’s own

The concept of internationalisation and globalisation are claimed to have distinct and broader notions according to Bartell (2003). However, would the claim be helpful with firms beginning to evidences activities of globalisation through their international activities. Yet, applying three phases to internationalisation is suggested to achieve: a multi-domestic phase, a multinational phase and a global or transnational phase. Additionally, giving it few more years globalisation can be viewed as a task achieved or achievable by micro and small firms ‘as an advanced phase in the evolving process of internationalisation’ (Bartell, 2003, pp. 46-47). With all of the firms evidenced to be exporting to a minimum of five to ten countries annually. However, as discussed, website is a mandatory Government requirement to start a business. Additionally, with all the firms having a website from their inception they were unable to export internationally. Hence, these are represented by the dotted line. Which represents the lack in reaching international markets through firm website.

All the nine firms confirmed that there has been an impact on embedding the digital tools for both local and international trade, but more importantly on internationalisation. Some of the statements picked up focusing mainly on the impact the digitalisation of the firms
has on internationalisation. Additionally, the results of a study conducted by Dutot, Bergeron and Raymond (2014) showed that a better match between IT capabilities and information requirements for SMEs does indeed exert a positive influence on internationalisation performance. Below are some of the rich information identified in relation to the impact digitalisation has on the micro and small firms during the interviews. Additionally, the advent of the Internet has facilitated real-time communication and feedback which was possible traditionally only by a face-to-face route (Bridgewater and Egan, 2002). Hence, enabling micro and small firms to communicate and feedback to customers internationally.

“The impact actually has been significant the only positive way, the opportunity to sell globally has changed our business totally, if we did not have an online platform in the nature of and in the power of E-commerce” – Firm H.

“It helped us enormously as far as the nature of product that we sell in our store, the high-end products, we would not have been able to sustain the high level if we did not have them as a partner” – Firm A.

“Online platform has the majority of sales there is no doubt about that. Most retailers who have been online and work in and invest online is most likely to get same answers that online platform provides majority of sales” – Firm F.

5.5.4 New Barriers to Internationalisation through Digitalisation (RQ4)

Doing business internationally is associated with a number of challenges that businesses have to address. High costs of new product, market and technology development may act as barriers to the innovative capabilities and performance of small firms (Aaboen, et al., 2006). The table 5.8 below, has been developed from the in-depth interview conducted within the firms. This provides an insight into the firm’s barriers, challenges that they face for internationalisation and the opportunities they have acquired to overcome some of the challenges and barriers. Additionally, as barriers to entry for firms are low, possibilities of new barriers may rise (Bridgewater and Egan, 2002).
Table 5.9: Firm’s Barriers, Challenges and Opportunities

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<tr>
<th>Firms</th>
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Source: Author’s own

The first section of the table focuses on the barriers to internationalisation faced by the micro and small specialist and niche retailers. Within the barriers mentioned in the literature section of 3.3 apart from finance and language barriers, two new barriers were identified which are Brexit and GDPR. However, the financial barrier remains consistently dominating within the internationalisation barriers which was identified to be common to five firms (Firms A, B, C, F and I). The next populated barrier to internationalisation for micro and small firms was Brexit, with firm A, D, E and G raising concerns on possible trade barriers with neighbouring countries. Below are some of the barriers mentioned during the interview by firms.

“Brexit does impact, we would be doing better locally, but we are not local business anymore we are a global business and it gives us a chance then it would be a different story” – Firm B.

“There are issues but that’s just more political than anything else to be fair, certain countries have laws certain don’t. Brands have certain strategies which it starts to fall into political arena, and I think in the future there will be political solutions for some of the issues that arise out of business that globalise like this” – Firm A.
“Considering the age and size of our business, finance would be our current and main issue” – Firm C.

“Issue mainly in store, considering Cambridge being a tourist place. We have a majority of the customers who are Chinese language is a barrier majority of the time. But they try to use google translate or point out to products or even try sign language” – Firm I.

“Losing my first investor within a year of opening my shop meant I quickly had to source investment – at the most critical time of any small business” – Firm G.

According to the government survey, the most important challenges UK SMEs face as of January 2018 are uncertainty over economic conditions which were identified as twenty-seven per cent and other government regulations at sixteen per cent. There are still very different opinions on what Brexit might have on micro and small firms. More than half of the interviewee’s said it would not affect their business in any way since business is a challenge on its own every day. While others suggested that this might have an impact on, especially the two firms which deal with B2B route.

Within the business environment the responsibility and the choice the firms have made are to see their business succeed. They accept the fact that barriers and challenges are bound to exist within the business environment, but how they manage through strategic decisions that they take help overcome them. This journey of how the micro and small businesses work is inspiring considering the size they operate. The next section of the table 5.7, focuses on the challenges that the firms face. Among which four main challenges were identified such as skilled staff for firms D, E, G and I. Considering the kind of products and services the firms deal with it becomes evident that finding skilled staff do fall under the employment shortage list. Sometimes there are challenges on a day to day for the firms. Additionally, according to Economist (2009) the conventional brick-and-mortar retailers have been facing a variety of challenges over the years, including competition from pure-play Internet retailers, issues in attracting traffic to their stores and declining margins.

Customer relationships which are seen as a competitive advantage (Stokes, 2000; Ritchie and Brindley, 2005) are built by the micro and smaller firms are the most important specific characteristic for SMEs. However, having a face-to-face contact among SMEs is particularly of great important at establishing a relationship, with electronic methods achieving this would be much of a challenge than usefulness in maintaining the
relationships (Ritchie and Brindley, 2005). According to Morgan and Hunt’s (1994) model of trust and commitment, building relationship with customers was found beneficial to majority of the firms. However, another aspect of a significant impact on development of mutually shared expectations is for invisible influencing factors such as trust and commitment which is related to contractual relationships (Glowik, 2016). The development of trust and commitment can be supported by timely communication, smooth exchange of correct information, and coordination of activities (Walter, et al., 2003, p. 361). Below are some of the challenges mentioned during the interview by firms.

“Well, there are online providers for security issues, insurance and so on, there is an awful amount of fraud online. All that can be tracked and avoided through additional services that businesses can invest into such as PayPal” – Firm E.

“Some customers come to the store and tell we would not buy from us but for information and to get hands on experience of the products. The reason being they do not find this service online and then go buy on the internet since its cheaper online” – Firm I.

“For us, the changing way in which people shop is a challenge. With more and more emphasis on online retail, it is hard to translate the sensory experience our customers receive in the shop to an online marketplace” – Firm H.

“The firm has been aspirational and challenging from day one and specially at the level (selling internationally at a higher percentage when compared to the store sales and selling to multiple countries at the same time) that it operates at. The business has been challenging when it comes to the high nature of price positioning especially in what one considers a small city” – Firm A.

“We are fighting our corner as few big stores around in Cambridge who may not have the knowledge, but I can hold my hand and head up and say we are here, and we are providing that knowledge to our customers” – Firm I.

“Plenty of challenges, lot of success and lot of failures, we learn from our failures, personal guarantee, this really brought me down and it made me wiser. During the 2010 crises – recession where I learnt to improvise” – Firm F.

There has been a large number of debate on the definition for the term opportunities and scholars are unable to provide a single explanation of the terminology and have arrived at saying it is a meaningful theoretical construct (Dimov, 2011; Alvarez, Barney and Anderson, 2013; Garud, Gehman and Giuliani, 2014; Davidsson, 2015; Ramoglou and Tsang, 2016). However, with opportunities for the micro and small business, have started to find its place from the past five years. These opportunities have been massive and growing at an immense pace. The internet has provided the firms with the advancement
however, internet has been there for over good number of decades. With that said and from the previous discussion is section 5.5.2.1 which presented the impact digitalisation has on the micro and small firms leads to Social Media and E-commerce. Hence, below are some of the opportunities the firms have identified and some already in place for their businesses. Linking themes such as niche markets, long-term relationships and firm reputation develop opportunities (Keegan, et al., 1992; Dalgic and Leeuw, 1994). Below are some of the opportunities mentioned during the interview by firms.

“We have global opportunities; the beauty of E-commerce is that they are now probably the leader of online retail in the world. And have considered business quite fortunate to be involved with that opportunity. It is probably a credit to the vision to actually adopt that opportunity and so it’s helped to maintain and expand internationally. We would be very different if we were not part of Farfetch” – Firm A.

“Talking to people being liked, talking in foreign languages, understanding different countries culture, I am very fortunate I speak three different languages other than English, that has given me an edge, there are so many elements and relationships is a very important element” – Firm C.

“I think that with regards to the fact that we are involved in a business which we are taken the opportunity to go global is given us an advantage over other business who don’t have this opportunity are struggling today” – Firm D.

“Grouping and restructuring the websites layout has helped the firm to direct more customers onto their website. Information is updated on a regular interval as and when required” – Firm I.

The introduction of new technologies like Social Media and E-commerce platforms have provided the greatest opportunities for expansion into the international markets for these micro and small firms. These digital export entry tools have enabled firms to understand customers through the use of data. The data allows firms to generate reports to understand the customer journey on the kind of decisions do customers make while shopping online. Data also allows firms decision-making processes to plan future marketing strategies through these sites. Finally, looking at the impact it can be said that digitalisation is driving globalisation for micro and small specialist and niche retail firms. Social media platforms such as Facebook, Instagram, Twitter and WeChat have allowed firms to access the broader audiences through identity signalling behaviour feature.

The main opportunities identified are the new way of expanding their international customer base apart from digital modes are international pop-ups. Compared to the
traditional brick and mortar or moving away from traditions to brick and click or having a virtual store. The firms preferred having international B&M and pop-ups were the new trend within the SME specialist and niche retailers on future expansions plan.

5.6 CONCLUSION

Firms that underestimate the link between ever-changing technologies definitely risk quickly falling from the market (McIvor, Humphreys and Cadden, 2006). This would also further be able to understand from the future plans of the other firms if they would take up exporting virtually or if they would prefer to have a physical presence. And if they do choose to have a physical presence, it would be interesting to understand why, when a lot of businesses are closing their store and electing the online route. However, this finding would highlight against previous academic literature evidence in international studies related to female owner-founders of not experiencing business expansions at all (Burns and Dewhurst, 1996; McClelland, 2005).

SMEs would rather exploit existing equilibrium opportunities and optimise supply and demand in established markets. Experiencing business, no matter what its form, is part of learning the tools of the trade. It is proved that some SME ventures will push through the barrier while for others they will be a foothold to something more ambitious. Other may find that ‘small is all’ and that the experience leaves them with no desire to manage a larger venture. Firms that underestimate the link between ever-changing technologies definitely risk quickly falling from the market (McIvor, Humphreys and Cadden, 2006).

Gradually with time it is likely that the consumers would find M-commerce (mobile-commerce) less important along with high street retail and there would be no difference between the two. High-street has not always given customers what they need and it’s not only about products, it’s the sort of services that customers enjoy at the niche retail stores. However, today you can get anything, anywhere, from anyone, so SMEs within the specialist and niche retail got to be about more than just a good product or service. This insight sets a foundation for further research on the digital internationalisation modes of entry and the impact it has had on the businesses. The use of a single/key informant for the collection of data would be one of the limitations for this research. In future there can be multiple informants to provide a difference in the views and opinions when compared
to a single informant. Below are some of the themes identified from the interviews which shows how digitalisation has impacted on the firm’s internationalisation process.

5.6.1 Summary of Key Findings

There were few key findings from the cross-case analysis conducted on the nine firms.

The first phase identified internet adoption has enabled equal playing field for UK specialist and niche retail micro and small firms. This has given them a competitive advantage of adopting technology at a low-cost investment considering the aspect of limited resources. Also giving the firms an opportunity for globalisation, targeting multiple markets at the same time.

The second phase identified firms adopting a multiple or a mixed internationalisation theories and models for their processes. A combination of RBV, DC, BAG, TAM and DOI were identified. Which calls for theory development which would best suit the combination of the elements. One dominant feature which was brought to light was having a multi-ethnic background of owner/founders (seven out of the nine firms) triggered internationalisation. Which further gained rich and deeper information through mixed sampling (purposive, convenience and snowball) strategy. Stage / Uppsala model at a higher possibility of vanishing.

The third phase highlighted the adoption of internet and the digital technology has expanded firms to accept multiple digital entry mode methods enabling wider customer traffic.

The fourth identified new barriers such as Brexit and GDPR.

The next chapter would discuss all the four different phases in detail.
CHAPTER 6 DISCUSSION OF FINDINGS

The diagram 6.1 below provides a diagrammatic representation of the chapters flow of information.

Diagram 6.1: Structural Representation of Chapter 6

6.1 Introduction 6.2 Firm’s Internationalisation Process Compared With Existing Theories And Models For Internationalisation 6.3 Digital Internationalisation

6.4 Barriers, Challenges and Opportunities for Internationalisation 6.5 Limitations 6.6 Conclusion

Source: Author’s own

6.1 INTRODUCTION

This section discusses the findings of the results in three sections. The first section explores the findings from the firm’s internationalisation process against the theories/models within academic literature. The second discusses the findings of the firm’s digital internationalisation journey through the different digital export modes of entry adapted by the firms over the years. This further leads to recognise how the adoption of the digital tools have impacted on the firm’s internal competencies for internationalisation. Third expands findings discussions on the barriers, challenges and opportunities of the micro and small specialist and niche retail firms. These draws upon the results of in-depth semi structured interview conducted amongst the nine specialist and niche retailer in UK. The findings provide new and timely insights into the views, ambitions and plans the firms have for 2018 onwards.

This section takes on the research question order in discussing the different findings from this study. First (RQ1), this study will examine how the internet has changed
internationalisation for the nine micro and small - specialist and niche retailers. This would reflect on digital internationalisation literature from Chapter 3 (section 6.2). Second (RQ2), would look into how the existing theories / models (Chapter 2) literature fit within the nine firm’s internationalisation processes (section 6.3). Third (RQ3), looks into how the nine firms have used the digital export entry modes for internationalisation referring back to digital entry mode literature Chapter 3. Additionally, this section would also look at which digital entry mode has impacted majorly on the firm’s business process (section 6.4). Fourth (RQ4), will look if these nine firms face new barriers to internationalise through digitalisation and referring back to literature from Chapter 3 (section 6.5).

6.2 HOW HAS INTERNET CHANGED INTERNATIONALISATION (RQ1)

According to Moen, et al. (2004) the link between the role of technology and networks for internationalisation of the nine firms’ findings are discussed within this section. The specialist and niche retail sector primarily sited themselves by a physical store, but due to the rise in the use of internet added a third dimension, online versus offline sales channels and diversifying the retail form. From the findings it is evident that niche retailers’ physical stores and their bespoke products and services had low volume of sales before the use of internet. But with their E-commerce partnership has flipped the prospects for majority of the firms. Findings reveal that firms that have adopted Internet, Social Media and/or E-commerce have a bigger impact on entering larger number of geographical markets at higher speed.

The findings also brought light on the manual labour and paperwork of backtracking customers or visitors and the marketing activities which are all now managed and maintained online by E-commerce for six of the firms (McKinsey, 2012). From the six firms B, C, D and I the international customer traffic were driven by their Social Media sites and their E-commerce allowed firms to carry out transactions online to facilitate purchases. Additionally, the advantage of adopting an online platform such as E-commerce is that, it provided the firms with a wealth of data. Some of the data collected by the digital tools in terms of analytics have been profitable to firms such as: tracking customers and visitor behaviour which are in-built and managed by E-commerce
providers. Which are also recently picked up by Social Media sites such as Facebook and Instagram. These in-built features are generated by cookies and Google searches.

Hence, firms were identified to adopt different channels for internationalisation. This practice of adopting an omni-channel was acknowledged due to the new shopping trend or pattern recognised. The omni-channel has allowed firms to drive customer traffic to their businesses from multiple channels. These multiple channels adopted by firms are through store, firm websites, E-commerce and Social Media platforms. The increasing number of mobile users has eventually changed shopping pattern from Brick and Mortar to Brick and Click and possibly virtual shopping. Also, looking at the current retail industry which predicted a more virtual trend for the future internationalisation. The findings from this study showed otherwise. Micro and small specialist and niche retail firms’ future plans findings showed, using their limited financial resources towards a lower risk international expansion through Brick and Mortar. The concept of international pop-up was termed as low risk Brick and Mortar route and a better opportunity to build on international customer traffic.

The customer tracking feature understands the customers buying patterns based on individual customers and provide suggestions and opinions for further purchases. Whereas, the visitor behaviour helps the firms to identify prospective customers who landed on their sites (website, Social Media or E-commerce), who viewed products but not made a purchase. These generate reports suitable for the firms providing valuable data analytics to guide firms on how they can improve or manage or strategize for future developments or upgrades. They would also provide reports on what should their next digitalisation options be for the firm. All of these features are available to firms who have adopted the E-commerce (firms A, B, C, D and H) and Social Media sites (Firm I).

In 2012, when Facebook acquired Instagram was a massive advantage for the firms who had adopted Social Media platform to gain a combined network boost. Networks can help firms identify business opportunities and support their entry into markets they are unfamiliar with (Madsen and Servais, 1997; Chetty and Holm, 2000; McDougall and Oviatt, 2000; Ellis, 2011; Javalgi and Todd, 2011). This was also when Facebook announced it had reached its one billion mark. However, there are inevitable risks which comes with the adoption of Internet or Social Media sites. Facebook was questioned by
the Cambridge analytics about the breach of privacy and this however caused no major concerns with any of the firms using it. From the nine firms, six firm’s (Firms: B, C, D, E, G and I) key influencer being the internet adopted Social Media early in their business journey only because of low footprint to their store. This has made way for a broader customer base for the firms and made shopping from around the world easier and more flexible.

The other feature that Social Media or Google picks up, is the customer trends (like visitor behaviour). This would pick when customers visit an online shopping site and that would trail or appear on your Facebook wall which will appear till an action is taken from the customers end. The action can either be to like a page or shop for products and services. The other feature on Facebook which would act parallel to this is the endless scroll on Facebook. This endless scroll helps keep customers on the Social Media site for as long as possible. According to a survey data collected on average time spent on Social Media by population in UK in 2018, the average amount of time per day spent on Social Media via any device is one hour and fifty minutes (Globalwebindex, 2019). The new feature for the micro and small firms who use Social Media sites is the “shop now” button on Facebook. This feature allows now allows customers to proceed further to payments, order confirmations and checkout. There processes are like mentioned earlier are redirected to the firm’s websites or to their E-commerce sites.

Drucker (1999) suggests, however, that if the impact of IT lies not so much in the T, for technology, but in the I, for information. Data analytics and the massive rich information the firms receive from their digital tools such as Facebook, Instagram, Twitter and E-commerce. The source of data for analysis obtained from Social Media sites in the UK by micro and small firms are compared to be highest in the UK among other EU countries (Eurostat, 2019). According to scholars who suggested that in order to enhance firms’ informational capabilities SMEs need to constantly look out for opportunities for businesses in the foreign markets (Iovan and Daian, 2013; Kumar, Samalia and Verma, 2017).

The next piece of findings was the niche mail-order retailers, with or without a minor physical store, debuted. Two such examples were firm A and I, one a high-end product niche retailer and other high-end product specialist retailer. Both firms used catalogue
and mail-order operations from 1982 (Firm A) and 1975 (Firm I) onwards as its prime sales channel. Whilst retail literature has suggested that some customers avoid shopping through mail order catalogues only due to the concerns on money transfer security (Schoenbachler and Gordon, 2002). However, with electronic retailing (e-tailing) this is compounded due to perceived greater risks associated with the Internet (Lu and Rucker, 2006).

Before E-commerce made their entry into the UK market, previously the pure mail-order retailing was used, however, this did not catch pace within the UK market neither did it gain a good turnover. Nevertheless, in particular niches and customer segments, mail-order retailers like Firm A and I had a significant influence but within the local market. The sizes that the firms operated did not stop them from adopting tools such as mail-order retailing which laid the fundamentals for early niche E-commerce in UK to later pick up. However, the pure-click firms which operated only online and were focused mainly within the niche markets even before the rise of E-commerce, such as Firm A and H. these firms originally used the niche mail-order retailers and later when the internet began to pick up, the firms were able to reach larger geographical market and combine specialist product ranges. This added significant importance to the retail industry portfolio and gave significant importance to pure-click players only because retail businesses had existed before as noted. A prime example of the latter is Firm F. Due to the search criteria of Google most of the market budget is directed here, trying to be the top search every time a potential customer lands on a google search website, be it for product or services. The main feature is the volume of searches rather than margin.

The other advantage of the online platform for SME’s is that it has made internationalisation a part of their day to day activities. This has also shown that majority of their transactions are international when compared to the local sales for firms A, B, C, D, F and I. This having a bigger per cent of sales or clients coming from this platform is the advantage, having international customers not only can increase sales but also reduce the risk by diversifying (been in different markets makes you less vulnerable when a crisis takes place in one country). Additionally, predicts a trend of globalisation and to say that globalisation is not only for larger firm but for firms of all sizes in the retail sector. They have to compete with well-known brands offering similar products and services provided by company or brands with higher brand identity. However, with firm E with highly
skilled employee within the programming world always have their way around with solutions and products for improvement. This feeds into the work by Teece, et al. (1997), who saw a firm’s reputation as instrumental in shaping the responses from competitors.

6.2.1 Contribution to Knowledge (RQ1)

Research conducted by Deprey, Lloyd-Reason and Ibeh (2012) focused on internationalisation of SMEs on the aspects of using technology for maximising firms’ advantages, termed leveraging. Further, this study confirmed the firms have benefited largely for their internationalisation activities through technology. Hence building on this research, due to the rapid advancement in technology this research sheds light on the current digital internationalisation of micro and small specialist and niche retail firms. Additionally, research within international entrepreneurship in markets enabled with internet access began through the works of Reuber and Fischer (2011). Within this research the authors identified the continuous need for investigation of the International Entrepreneurship field. Adding to this research the finding currently established the Social Media presence among the micro and small firms for active internationalisation of the firms.

The main opportunities identified are the new way of expanding their international customer base apart from digital modes are international pop-ups. Compared to the traditional brick and mortar or moving away from traditions to brick and click or having a virtual store. The firms preferred having international Brick and Mortar and pop-ups were the new trend within the SME specialist and niche retailers on future expansions plan.

6.3 FIRM’S INTERNATIONALISATION PROCESS COMPARED WITH INTERNATIONALISATION THEORIES AND MODELS (RQ2)

Traditionally, a business’s journey begins with an offline store and the owner having gained experience running a business over the years then decides on expansion overseas. However, not all firms followed the traditional methods, firms today, especially in the current digitally enhanced environment, have moved faster than expected. The general research academics categorised SMEs using a Stage / Uppsala model and a Born-again
Global. They can also be a part of the International New Venture or Speed-Rapid Internationalisation as part of Network Theory. Moreover, SMEs nowadays are digitally enabled firms. The findings for all the nine micro and small specialist and niche retailers displayed highest classification toward Resource-Based View. As discussed within the literature it becomes evident that the Resource-Based View has been a competitive advantage and enabled micro and small firms to capably enter international markets. For the consideration of other theories and models it is important to consider the criteria: the number of years of operation or the age of the firm. The more the number of years in operation the firms it has been identified that they are bound to fall within the traditional Stage / Uppsala model of internationalisation process. However, findings also comprised of younger firms with either a smaller number of years in operation or through inception, who are more technologically enable within their businesses.

Our results revealed that not all firms followed one internationalisation process. Only two theory seems to be born out of the internationalisation theory which is the Resource-Based View Theory and Dynamic Capabilities. When considering micro and small firms, one of their main assets is their finance or their capital resource. Also knowing from previous researches conducted, financial aspect is considered as one of the main barriers for smaller firms to internationalise. However, during the research interviews, it was evidenced how the nine firms have acquired advantage on some of their resource assets such as: capital (since they all deal with high-end products and services), technology, in-house knowledge of technology and employment of skilled personals. This type of internationalisation pattern or behaviour was termed common among firms which identified themselves as “small, highly specialized global ‘niches’ and targeting narrow ‘niches’ in small domestic markets” (Bell, McNaughton and Young, 2001, p.176).

The firms invest small capitals every year for improving their infrastructure. This infrastructure refers to their online improvement mainly since it involves smaller capital. Such as for firm B who plan to invest in a “shop now” button on their Facebook page. However, some of the firms (Firm F, G and I invest in physical international pop-ups which also involves small investments. Out of which only one firm A plans to invest in having a physical international store in either London or New York. This then followed by six firms adopting the Stage / Uppsala model of internationalisation (firms A, D, E, F, G and I). A crucial indicator for market entry with a further focus on market entry mode
selection, the Stage / Uppsala model is unique in seeing information about a market specifically that based on experiential knowledge and particularly (Whitelock, 2002). Additionally, Bell (1995) suggested that, the selection of international markets by smaller knowledge-intensive firms (in this research, Firm E) are mainly driven by their niche market opportunities.

The rapid internationalisation of the firms through digital export entry modes can be built on a digital internationalisation theory. The main findings from the empirical data have focused on the importance of firms’ adoption of digital technologies for internationalisation. These firms validate the applicability of the Network Theory (RBV), BAG, TAM, DC and the Uppsala Model, with emphasis on the value of resource, networks and experiential knowledge respectively. This confirmed Westhead, et al. (2001) findings on UK SMEs’ motivation factors to export and found that businesses with more resources, implying to Resource-Based View, denser information and contact networks (Network Theory), Internet (Dynamic Capabilities), Multiple platforms (Technology Acceptance Model), Social media platforms (DOI), Technology (BAG) and experienced management know-how (Stage / Uppsala) are significantly more likely to export.

Additionally, findings from the research had less population within International New Venture (Firms F, G, H and I), Speed (Firms B, C, E and H) and Born Global (Firms B, C and D). For the firms which were categorised under the International New Venture evidence lower international sales compared to other firms. This is due to mass production of firm F products, to build a brand identity for firm G, satisfied with current firm (H) performance and delayed digital adoption for firm I. However, while considering the speed or rapid of internationalisation of firms, firms B and C began through Social Media sites, E through company website and H due to the firms E-commerce partnership.

Now, for a firm to be categorised as a Born Global, first they need to be operating in multiple continents or second, they need to be generating more than fifty per cent sales from outside of their home country. Among the three firms, firms B and C are categorised under Born Global due to the higher international operations from inception which fall within the first criteria for Born Global. However, firm D having higher international operations fall under the category of Born Global only due to higher per cent of sales that
the firm obtain from outside of the home country. Though the firm initially began operations within the local market before embarking to international markets. However, the BAG is termed to internationalise within two to three years of inception which were identified among six out of the nine firms.

Within the interviews, the main claim has been that the internet-based technologies as the critical success factor for the firms to reach international markets. Although, all of the nine firms’ cases had websites, they have been randomly used for their internationalisation activities. However, evidence identified that Firm G followed a systematic approach with investment to the technology to reach international markets. Hence, researching foreign customers through digital mode of entry by the firms. These were identified within the dynamic capabilities’ theory where firms (all nine firms) adopted capabilities to enhance their business processes competitively. Similarly, with the TAM (seven out of the nine firms) and the DOI (six out of the nine firms) have adopted technology in an innovative way of entering international markets.

This has been evidenced by the impact on the overall international performance of the firms which have successfully reached multiple countries as the same time. These digital entry mode tools adopted by the firms have additionally helped firms to take better decisions through the reports generated by data analytical. The other theories and models of internationalisation were further identified through their individual firm’s internationalisation processes. These firms fall within the Network Theories of Born Global and International New Venture. The Speed-Rapid internationalisation has been identified among most of the firm since their adoption of the Internet or the digital entry mode tools. However, the one that Fits the least was the Born Global with two firms (Firm B and C).

However, the study findings highlighted bold in table 6.1 below evidences that six of the nine firms very rapidly internationalised. This represents the pattern of Born-again global. These firms were predominantly, but not exclusively, traditional firms as identified in our original classification. Hence, from the nine firm samples, 64 per cent were termed born-again global. The table 6.1 below presents the time from when the firm’s inception and when their first international activity took place.
Table 6.1: First internationalisation activity in comparison to firm’s inception

<table>
<thead>
<tr>
<th>Firms</th>
<th>Firm Inception Year</th>
<th>Gap Years</th>
<th>First International Activity Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1982</td>
<td>28</td>
<td>2010</td>
</tr>
<tr>
<td>B</td>
<td>2016</td>
<td>0</td>
<td>2016</td>
</tr>
<tr>
<td>C</td>
<td>2016</td>
<td>1</td>
<td>2017</td>
</tr>
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<td>D</td>
<td>2007</td>
<td>6</td>
<td>2013</td>
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<tr>
<td>E</td>
<td>2003</td>
<td>2</td>
<td>2005</td>
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<td>F</td>
<td>2008</td>
<td>2</td>
<td>2010</td>
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<td>G</td>
<td>2011</td>
<td>0</td>
<td>2011</td>
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<tr>
<td>H</td>
<td>2005</td>
<td>3</td>
<td>2008</td>
</tr>
<tr>
<td>I</td>
<td>1975</td>
<td>38</td>
<td>2013</td>
</tr>
</tbody>
</table>

Source: Author’s Own

6.3.1 Contribution to Knowledge (RQ2)

The figure 6.1 adopted by Kalinic and Forza (2012) below depicts a gap within the internationalisation process with the speed at which technology adoption among micro and small retailers is advancing.

Figure 6.1: Gap in the Internationalisation Process

Theory building for Digital Internationalisation model. Adopted from: (Kalinic and Forza, 2012)
With that said, the identification of this knowledge has commended for developing a theory for digital internationalisation. The theory-building research demonstrates major relevance of Network Theory (RBV) and the Stage / Uppsala Model of Internationalisation to understanding the internationalisation process of UK micro and small specialist and niche retailers through digitalisation. According to Whitelock (2002) who provides a clear contrast on the characteristics of a Stage / Uppsala model, which focuses on the experiential knowledge which generates awareness of the factors within the markets which initiate market entry, however, fails to identify the impact of competition on the market entry. Hence, there is a wide diversity in the opinions on the internationalisation processes of the theories discussed above the firms and different emphases are provided on the issue of market entry and market entry mode selection. Nonetheless, clearly evidenced that the Stage / Uppsala model identification variable used is the firm’s experiential knowledge.

From the discussions of the findings within this study where Born Global was considered as a rationale behind the phenomenon does not imply only to start-up firms, traditional firms who adopted to technology and innovated follow the Born-again Global strategy for internationalisation. The Johanson and Vahlne (2009) work on the revised Uppsala Model stated that the firms internationalised through a business network. However, this does not support micro and small UK specialist and niche retail firms. Since the Resource-Based View of the Network Theory through multiple digital export entry modes adopted and the Dynamic Capabilities Theory adopting unique firm resources such as the Internet is best suited to represent all nine firm’s internationalisation process in this study.

Hence, this confirms that theory-building is essential for digitally enabled firms which contributes to knowledge. Which confirms extending these in line to current theories would help contribute to knowledge.
6.4 DIGITAL EXPORT ENTRY MODE INTERNATIONALISATION (RQ3)

Often the adoption of internet technologies is dependent on the nature of the product (Howcroft and Durkin, 2000) as some are more suited to online transactions than others (Gray, et al., 1999; Ramsey, et al., 2004). Considering the high-end products and services the nine firms operate within, it is evident from the finding that adoption of internet technologies has had a positive impact on the firm’s internationalisation process. Additionally, all nine firms have demonstrated how Social Media and E-commerce have driven international customer traffic to their businesses. However, when a customer lands on a Social Media site and would like to proceed to making a purchase this is redirected for final checkouts to sites which the firms use for payments. These sites are to their own company website or other payment platforms such as E-commerce sites.

This process is diagrammatically represented in figure 6.2 below which clearly signifies how Social Media sites are not used for payments but to drive international customer traffic for micro and small firms. Hence, confidently concluding to say that using a Social Media site are mainly for the firms marketing and advertising sites which give customers a taste of the products and push towards purchases. Most importantly driving international customer traffic to firm’s website or E-commerce sites, impacting majorly on the firm’s expansion into the international markets. Additionally, proving that internet technologies has improved communication with customers (Boyle, 2001; Brady, et al., 2002). Which has enabled firms B, C, D, F and I to build on providing customers with the confident information regarding the authenticity of their firms and product details. Hence, improving both the effectiveness and efficiency of their activities, by level the playing field between larger and smaller organisations (Harrigan, Ramsey and Ibbotson, 2012).
However, firm G does not intend to be more active on Social Media or to adopt an E-commerce was due to ownership of the IP (Intellectual Property) and to preserve the brand value. They fear, by doing so would reduce the identity of their specialist and bespoke products. Hence according to Wyman (1999), who suggested that small businesses “need a continuous umbrella of protection” (p. 15). Integrating new technologies, specifically E-commerce, into exporting theory is a subject of great importance to researchers and practitioners (Karavdic and Gregory, 2005). However, for a confirmed order or to place an order the Social Media site is still not used as a route to complete an order or payment. They are redirected to the E-commerce site or their company website in order to complete the online transaction.

When considering the Born Global firms as represented by Firm B and C. The general understanding of the Born Global firms is that they begin internationalisation from inception, this is done through a physical store. Which bring us to the discussion what if the firms internationalised from inception using virtual tools such as Facebook. According to scholars, evidence suggested that these firms to fall within the E-Born Global label (McDougall and Oviatt, 2000; Dimitratos, et al., 2010).
This is an interesting finding that brings to the fore the existence of a different path of internationalisation that occurs via a digital entry mode. This mode of entry is distinct from the incremental path of internationalisation as it facilitated the case study firms to proactively look for information and expand through social networking and E-commerce adoption. This is in line with Etemad’s, et al. (2010) call for international business scholars to examine entry modes selection in the internationalisation era.

It was thought-provoking to see how all nine firms have adopted a digital mode of entry for internationalisation purposes, whatever length of time in operation. Three of the firms who started their international journey online through an E-commerce provider (Firms: A, F and H), this pattern shows the adoption of a B&M route to a B&C. One of the firm C whose business started online through Social Media platforms however desired to have a studio (B&M) and was successfully started operations mid-2018. This trend of moving from a click only to brick-and-click is a reverse of the traditional approach for how firms progress online. Considering that most companies move to an online virtual store after having a physical site for their business. The traditional approach does not apply to micro and small firms especially within the specialist and niche retail sector. They towards developing the firm’s identity using their limited resources carefully. This adds richness to the contribution of knowledge within the SME specialist and niche retail sectors.

The third objective was to identify the different digital export entry mode tools adopted by micro and small specialist and niche retailers. From the study it is identified that firms are required to have a company website, additionally, digital tools which have enhanced their internationalisation processes are Social Media sites which drive traffic and E-commerce which provides them a platform for a large data analytic report. The Social Media sites have their own analytic reports to track customer shopping behaviour and advertise products and services viewed but not purchased. Additionally, since Social Media sites such as Facebook and Instagram are connected with millions of users, this makes firms accessible to a large number of network building opportunity internationally.
6.4.1 Contribution to Knowledge (RQ3)

Building on the works of Harringan, Ramsey and Ibbotson (2012), the study focused on contributes to different variables, constructs and concepts. Whereas, the construct for the contribution to knowledge is theory-building for embedding new tools used for internationalisation processes to develop a digital internationalisation theory. Additionally, the factors driving this innovative activity among micro and small specialist and niche retail firms would require theory-building for their internationalisation pattern. The contribution to knowledge from this study showed the use of Social Media platforms such as: Facebook, Instagram, WeChat and Twitter, providing new opportunities for micro and small business specialist and niche retailers within UK. The use of data analytics reports generated from Social Media platforms and E-commerce sites have generated immense knowledge for the micro and small firms to take better decisions for the firm’s internationalisation processes.

6.5 NEW BARRIERS FOR INTERNATIONALISATION THROUGH DIGITALISATION (RQ4)

The qualitative analysis of the nine case studies allowed the identification of four barriers, finance still holds the leader title and language the least among the micro and small firms. Additionally, the two new barriers are identified for the firms which are Brexit (firms A, B, C, F and I) and General Data Protection Regulation (GDPR) (firms D and E). Table 6.2 below links barriers and challenges identified from the analysis of the nine cases to their conceptual underpinnings drawn from the SME internationalisation literature (Leaonidou, 2004; OECD-APEC, 2008; Deprey, Lloyd-Reason and Ibeh, 2012). The barriers and challenges are in order from most to least cited issues by respondents. Also, since GDPR is a new policy addition for businesses, there was no previously research academic literature to be referenced.
### Table 6. 2: Linking Barriers to Academic Literature

<table>
<thead>
<tr>
<th>Barriers/Challenge</th>
<th>Conceptual Links to Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial (Barrier)</strong></td>
<td>Internal barriers arise from limited resources (Kahiya, 2013). Resource constraints due to liability of smallness (Hutchinson, Fleck and Lloyd-Reason, 2009).</td>
</tr>
<tr>
<td><strong>Finding skilled staff (Challenge)</strong></td>
<td>Shortage of skilled labour (Kahiya, 2013). Lack of professional skills (Gardó, García and Descals, 2015). Inadequate quantity of and/or untrained personnel for internationalisation, classified as a capability barrier (OECD-APEC, 2008).</td>
</tr>
<tr>
<td><strong>Customer Commitment and Trust (Challenge)</strong></td>
<td>Trust based on Internet set-up (Dong, 2015). Important role of trust between customer and firm (Young and Albaum, 2003; Luk, Albaum and Fullgrabe, 2013).</td>
</tr>
<tr>
<td><strong>Brexit (Barrier)</strong></td>
<td>Business environment barriers addressing foreign currency exchange risks, strict foreign rules and regulations and inadequate property rights protection (including intellectual property) (OECD-APEC, 2008). Political instability in foreign markets, strict foreign rules and regulations, and high tariff barriers as external political-legal environmental barriers (Leonidou, 2004);</td>
</tr>
<tr>
<td><strong>Improvement in technology (Opportunities)</strong></td>
<td>Accelerated internationalisation through inclusion of ICT (Ramaseshan and Soutar, 1996; A-Ortiz and F-Ortiz, 2010; Jones, 2012; Sivarajah, et al., 2016). Surprisingly little work has been published on the relationship between ICTs and internationalisation (Ball, Lindsay and Rose, 2008). ICT increases awareness of international economic opportunities (Ruzzier, Antončič and Konečnik, 2006).</td>
</tr>
</tbody>
</table>

Source: Author’s Own

According to Brown (2002) the main element needed to break down barriers to the uptake of E-business is support and leadership from government and educators to promote the value propositions to SMEs. However, majority of the firms have enhanced their businesses independently through other modes of international operations. Lopez, Kundu and Ciravegna, (2009) posit that despite having limited resources and little knowledge in organisational learning, by adopting advanced ICTs SMEs can mitigate their internationalisation barriers towards an accelerated internationalisation.

Small firms are able to boost their limited resources towards gaining of their competitive advantages by mitigation of barriers to speed up their internationalisation from the
nascent stages (Weerawardena, et al., 2007). Considering the fact of two new Brexit and GDPR barriers five of the firms are confident that they will surpass these hurdles the same way they did during the 2010 financial crisis period.

However, a list of top ten barriers faced by SMEs who internationalise were mentioned within the literature. The second, third and fourth highest ranks are overcome due to the advancements in technology and the introduction of E-commerce partners which does not limit micro and small business to a particular market. But targets international markets around the world, which illustrations the range of countries the nine firms are exporting to. These geographic numbers are gradually increasing with time. All this is possible only through the internet, the advancement in technology (Social Media sites) and for some E-commerce partners. However, the OECD (2009) report highlighted that the criteria ranked four and five where majorly identified for SMEs in the UK. This research of nine specialist and niche retailers are not affected by barriers ranked four (Inability to contact potential overseas customers) and five (Obtaining reliable foreign representation). Additionally, for five, since majority of the firms are digitally enhanced this barrier does not imply.

The Intellectual Property (IP) protection is also linked to the external environment and known to SME and retail firms (Leonidou, 2004; OECD-APEC, 2008; Hutchinson, Lai and Wang, 2009). Considering one major challenge for firm G of low footprint, the firm stands firm on not adopting the E-commerce route only to maintain the IP Protection of the firm’s products. Additionally, as mentioned by two of the firms about the mass productions happening within China, the authenticity of specialist and niche products are at high risk. This is in line with the findings of Kahiya and Dean (2016), who concluded that some of the barriers (e.g. economic obstacles and political and legal barriers) were not export stage dependent. However, this does not apply for other firms within the specialist and niche criteria. Evidence within this research suggests that customers have responded positively depending on the firm’s reputation (Teece, et al., 1997).

The two most pressing challenges encountered by micro and small specialist and niche retail firms are skilled staff (firms D, E, G and I) and trust (firms B, C and F). The first challenge encountered with finding skilled staff is a known challenge to retail firms internationalisation (Dahringer, 1991; Roberts, 1999). Additionally, considering the
specialist and niche products and services the nine firms operate within. Finding staff to meet the requirements of the high quality of performance, knowledge either working with equipment’s or products or IT and efficiency. Firms such as B and C who have evidenced within the interviews the different options of communicating to their customers through video chat and messages on WhatsApp is to build the trust factor among their customers. This is naturally acceptable considering the amount of fraudulent activities that take place on a day-to-day basis online.

According to Tagliavini, et al. (2001) and Day and Hubbard (2003) findings suggested that privacy and security concerns are very real among both customers and organisations. Subsequently, the power of internet technologies to proactively manage information is in part eclipsed by the increased risk of data manipulation and loss (Harrigan, Ramsey and Ibbotson, 2008). For SMEs, it is their closeness to customers that often provides them with their unique competitive advantage over competitors large and small (Zontanos and Anderson, 2004; Moreno and Casillas, 2008; O’Dwyer, et al., 2009; Jack, et al., 2010). Additionally, it is evidence within the interviews that some of the micro firms spend time providing services to customers through WhatsApp. These services are mainly information regarding products and a confirmation to customers for authenticity of the firm existence. The interviewee also confirmed the acknowledge of their additional communication requests since they further go ahead with the order which requires providing payment details. A firm reputation is grounded around the processes the firms use and the indication of how their information is interpreted (Sjovall and Talk, 2004; Bitektine, 2011). This assists customers to evaluate quality and trustworthiness of firms (Highhouse, Brooks and Gregarus, 2009; Mishina, et al., 2012).

It has been previously identified that SMEs tend to face a range of challenges, where they are characterised by lack of resources, expertise and impact (Doole, Grimes and Demack, 2006; O’Dwyer, et al., 2009). One of the firms (Firm A) faced an unexpected occurrence during the early development of their website. Where the developer of their website was headhunted and had to leave halfway, the firm had already invested a good amount and was not in a state to re recruited a new skilled employee. During this time of crisis their E-commerce partner approached and changed the way firm’s local operations to international. This collaboration for Firm A with their E-commerce provider impacted positively for the firm on their internationalisation process. Every morning the firm began
to receive international orders, orders from around the world. The extent the firm could now reach geographical locations was vast. Their first export happened to Cambodia, this massive opportunity for the small firm came just at a manageable service cost to their E-commerce provider. Additionally, this also applies to all the firms within the study working with a third-party E-commerce provider.

However, one of the challenges in most of the firms within the specialist and niche retailers was the difficulty in attracting skilled staff, considering the uniqueness of the products and services that the firms provide. However, a lack of skilled staff has not forced the firms to think differently or opt for different routes (digital). This has enabled firms to take responsible decisions to set the firms towards survival in a technologically advancing world of globalisation. Which has resulted in high impact on internationally targeted markets for the firms. However, one of the barriers that consistently remains within the micro and small businesses is limited financial resources. Analytics, search engines and social networks, can track visitors and referrers by pull marketing. They also track display advertising, pay per-click networks, email marketing and digital collateral such as links within PDF documents (Marston, et al., 2011) in order to collect valuable information based on tastes and orientation in the foreign market.

With regards to firms’ opportunities the findings focus on international pop-ups and international Brick and Mortar routes. Conventionally considering the size the firms operate, micro and small, research academics suggested limitations internationalising for these firms. Incentive for internationalising comes from possession of marketing competitive advantage like niche market specialisation (Leonidou, et al., 2007). Considering the fact, the firms seek to forecast opportunities for international B&M option is a key finding to the contribution of knowledge. However, some of the firm have already started work on international pop-ups, with plans for 2019.

The findings analysis on the perceived export barriers for SMEs have changed depending on the economic and political aspect of the country. Due to new political changes, new regulations come in place which need to be complied by businesses. However, these changes are forecasted by businesses considering the fact of economic changes are bound to happen. The outcomes of this study show the use of various applications such as email, networking, storing and audio-visual communications to facilitate the duties of before
and after-sales services (Hosseini, et al., 2019). These findings showed that the new challenges may delay the internationalisation process for certain firms.

6.5.1 Contribution to Knowledge (RQ4)

Building on the works of Do, Cowling and Blackburn (2015), the studies focused on the barriers to exporting within UK SMEs with firms adopting the Resource-Based View. However, adding to their finding and results of Rahman, Uddin and Lodorfos (2017) on Economic barrier, this research contributed to knowledge, two new barriers of Brexit and GDPR for UK micro and small firms, in line with the changes in the external environment for their internationalisation processes. This, however, has a small impact on the firms in the initially. Additionally, works of Wąsowska (2016) suggested internal constraints such as smallness of the firm prevent international expansion but the findings from this showed otherwise for all nine micro and small firms.

6.6 SUMMARY

Digitalisation has become a part of the daily routine for micro and small firms (Taiminen and Karjoluoto, 2015). Hence, the case study evidence illustrated that the main facilitators of their internationalisation were organisational (decision-making), informational (digital technology) and marketing-related (multiple digital entry mode). Specifically, the recruitment of local skilled employees with cultural, industry-specific knowledge and who used digital media enabled firms to target markets abroad. The Resource-Based View within the Network Theory proved to be particularly valuable in entering the key international markets.

In today’s developed digital world where smart phones are constantly in use, firms even of the micro and small sizes are able to reach out to their customers. This customer reach is possible through Social Media sites such as: Facebook, Instagram, Twitter, WeChat and LinkedIn. Apart from these sites, E-commerce sites have their strategic features within their sites to track customers, provide them with chatbots for live communication of products and services and generate reports through data analytics which help micro and small firms to manage their decisions effectively. However, this key importance was identified within research conducted in Information Technology or high-technologically
enabled firms only. Within the retail industry identification of data usage has not been identified.

The empirical results also suggest that although these firms face issues of scale due to their size, they learn from international activities, become more innovative and expand their enterprises (Boermans and Roelfsema, 2016).

It is a direct gateway to globalisation. So, Social Media is four out of the six routes of the highest driving force for international customers. Hence, Social Media has open doors for micro and small specialist and niche retailers. This has changed the way export works for micro and small retail firms, just in the past five years. However, all nine firms began with a website, but this is not what lead them to internationalise.

The difference is that micro and small firms would rather exploit existing equilibrium opportunities and optimise supply and demand in established markets. Experiencing business, no matter what its form, is part of learning the tools of the trade. The trust that some micro and small business ventures will push through the barrier while for others, they will be a steppingstone to something more ambitious. According to some authors who state that ‘small is all’ and that the experience leaves them with no desire to manage a larger venture (Casillas, Acedo and Moreno, 2007). But given the prodigious opportunity of the internet and their visions for the firm’s future, there is a higher possibility of these firms growing from micro to small and then to medium sized firms. There has been evidence of firm A, G and I growth and success over the years with this pattern.
CHAPTER 7 CONCLUSIONS AND RECOMMENDATIONS

The diagram 7.1 below provides a diagrammatic representation of the chapters flow of information.

Diagram 7.1: Structural Representation of Chapter 7

7.1 Introduction 7.2 Summary of Research Objectives against Findings 7.3 Contribution of Theory

7.4 Contribution to Practice and Policy 7.5 Steps for Firms to Adopt Digital Internationalisation

7.6 Limitations 7.7 Future Research Recommendations 7.8 Conclusions

Source: Author’s own

7.1 INTRODUCTION

The final chapter begins by summarising how the research met its objectives, with key findings. This then leads to the contributions to theory and practice and policy identified from this study before considering both research limitations and suggestions for future research. The next section is arranged in line with the research questions following the template from previous chapters.

7.2 SUMMARY OF RESEARCH OBJECTIVES AGAINST FINDINGS

The main objective of the study was to recognise if there is a change in the internationalisation process of micro and small specialist and niche retailers with the advancement of technology through the use of the internet.
Research Question 1:

How has the Internet changed internationalisation for UK’s high-end micro and small - specialist and niche retail sectors? (RQ1)

Previous research within the UK SME specialist and niche retailer has proven to be limited. Having said that, this research focused on the firm’s internationalisation process using internet with regards to export entry modes to countries outside of UK. This research evidenced firms adopting multiple platforms to target wider international customers through the internet.

One of the new trends that micro and small businesses have is that, customers are more independent shoppers, they review the firms and the products they are interested to shop for and then approach firms for any further clarifications. Majority of the time these further clarifications never happened and has progressed with a successful checkout by the customers. Which indicate the advancement in the use of digital technology within the retail sector.

Research Question 2:

How do existing SME internationalisation theories / models fit within the UK’s high-end micro and small - specialist and niche retailer’s internationalisation processes? (RQ2)

Research findings revealed that all nine firms were categorised within the Resource-Based View of the Network theory and Dynamic Capability Theory. The Technology Acceptance Model followed with seven out of the nine firms. However, the Stage or Uppsala model, Born-again Global and Diffusion of Innovation theory of internationalisation was the next highest for the micro and niche specialist and niche retail firms within UK. Among the others, International New Ventures and Rapid Internationalisation showed four out of nine with the least resemblance was for Born Global.

Hence, to have a common internationalisation process for all firms digitally enhanced and enabled, a Theory for digital internationalisation process is recommended. This research evidenced with new insights contributes to the development of possible theory with
regards to digital internationalisation within academics. Additionally, another highlight of this study would be the owner/founders multi-ethnic background (six out of the nine) which has triggered rapid internationalisation.

In the first case, the results of this study showed that the all nine firms have adopted the Resource-Based View theory. Additionally, six of the nine firms also used the Stage / Uppsala model of internationalisation. Since their main focus was to gain local market experience before they entered the international markets. In the second case, this study also identified that these six firms transitioned from the Stage / Uppsala model of internationalisation to RBV, BAG, TAM and DOI to efficiently and strategically use assets for their internationalisation process.

**Research Question 3:**

**How have SMEs used digital modes for internationalisation? (RQ3)**

The impact of digitalisation has enabled micro and small firms with the opportunity of Globalisation within the specialist and niche retail businesses. This has enabled the firms to adopt different digital modes of entry such as Social Media, E-commerce and at some point, even though having their firm website. The firm website usually takes place for customers to reach directly once the firm has developed a brand identity through their Social Media followers mainly and in some occasions through E-commerce.

The variable considered within this study highlights the contribution to knowledge in the structural factor of – micro and small sized firms. The study identified firms different digital export entry mode tools. The study’s evidence highlighted all nine firms adopting multiple digital export entry tools with highest priority on Social Media platforms and then followed by E-commerce platforms. This has intern impacted on globalisation for all nine firms evidencing each firm entering multiple markets at the same time.
Research Question 4:

Do these SMEs face new barriers to internationalise through digitalisation? (RQ4)

Considering the size of the firm’s the specialist and niche retailer have adopted. Their main barrier remains finance, however, the newly identified barrier with relation to the existing political situations is Brexit which has been common through to all firms. The other barrier identified within this sector is finding skilled staff specialised within the sector.

The results of this study identified new barriers such as: Brexit and GDPR. As, Brexit formed uncertainty on the economic value for businesses and GDPR involves additional scrutiny and careful use of customer data through their digital export mode tools. However, other more familiar barriers identified within this research are finance and language. The table 7.1 below provides the two new barriers identified by the firm’s, however, they also highlighted that these barriers might or can be addressed as challenges when addressed.

<table>
<thead>
<tr>
<th>Firms</th>
<th>A</th>
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<th>D</th>
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<th>F</th>
<th>G</th>
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<tbody>
<tr>
<td><strong>Barriers</strong></td>
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<td>Finance</td>
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<td>Brexit</td>
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<td>Language</td>
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<td>GDPR</td>
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Source: Author’s Own

The study has shown that the different digital entry modes adopted by the nine firms indeed show a change in the traditional internationalisation process of the Stage / Uppsala model based on Resource-Based View theory.
Table 7.2: List of research questions against their key conclusions

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Key Conclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>RQ1: How has the Internet changed internationalisation for UK’s high-end micro and small - specialist and niche retail sectors?</td>
<td>All nine firms confirmed the internet as a cost-efficient tool which has supported micro and small firms to adopt internationalisation.</td>
</tr>
<tr>
<td>RQ2: How do existing SME internationalisation theories / models fit within the UK’s high-end micro and small - specialist and niche retailer’s internationalisation processes?</td>
<td>With all nine firms characterised to follow RBV and DC; Uppsala, BAG and DOI (6); INV (4); BG (3); TAM (7). Study found Theory development for Digital Internationalisation necessary.</td>
</tr>
<tr>
<td>RQ3: How have SMEs used digital modes for internationalisation?</td>
<td>All nine firms have digitally entered to a minimum of seven international markets and a maximum of twelve. According the various definitions of globalisation this evidence indicates globalisation among micro and small firm retailers taking the advantage of Social Media tools.</td>
</tr>
<tr>
<td>RQ4: Do these SMEs face new barriers to internationalise through digitalisation?</td>
<td>Four out of the nine firms confirmed Brexit as a new barrier which will need to be considered moving forward. Additionally, two out of the nine highlighted the complexity in embedding GDPR within their digital processes.</td>
</tr>
</tbody>
</table>

Source: Author’s own

7.3 CONTRIBUTION TO THEORY

There are different theories and models underpinning the internationalisation practices of SMEs, as can be seen from the table 7.2. The contribution to theory that this study makes is micro and small firms are able to generate new internationalisation idea of their business enhancement. The firms have considered multiple export digital modes of entry which demonstrates against the literature. It is clear that although there is much written about E-commerce, much less is written about how firms start this process. Hence, theory building for a digital internationalisation need to be considered. This is one of the areas of new knowledge that this research has added.

However, the identification of a new barrier within the study's findings would bring concerns on how long a customer’s data would be preserved within a firm. The new
regulations GDPR allows firms to gain consent from customers to use data for the firms to make strategic decisions.

### 7.4 CONTRIBUTION TO PRACTICE AND POLICY

Digital technologies have opened up new opportunities for micro and small firms. This has enabled these firms to access global markets and make better decisions through analytic reports generated from their digital tools at low costs. Cross-border data transfer restrictions are rising in number and complexity. Considering from this study's findings majority of the micro and small firms are now actively using customer data for tracking their shopping behavioural pattern. Additionally, from the literature it is evident most of the micro firms are using the internet.

There are trust and commitment issues for customers shopping online. Additionally, specialist and niche firms have high-end products and services which are highly priced. Building a policy to identify genuine quality of firms and their products and services becomes mandatory. Hence, a policy that would reinstate the authenticity of shopping online for firms would build confidence for consumers to shopping online at government recognised or ranked firms.

In line with the previous discussion, research showed the importance of recognising a firm’s reputation. Additionally, the conceptual framework (Appendix 9 – Etter, Ravasi and Colleoni (2019) shows how a firm’s can be affect through unethical practices by firms on Social Media. Therefore, specialist and niche micro and small firms also have the possibilities of experiencing any of the legal consequences and must take additional measures. Additionally, the marketing communication aspects (for example: products and services that are advertised on social media platforms) for the firms would affect the firm reputation (for example: reviews, comments that might affect the firm’s overall reputation) likewise.

Hence, policy makers are advised to design regulations and benchmark for firms. By setting standard grading system to rank firms based on the quality of the products which will allow authenticity to customers before sharing personal information’s used either
prior or after online transactions. This will initiate a safer and confident online shopping experience for customers.

7.5 STEPS FOR FIRMS TO ADOPT DIGITAL INTERNATIONALISATION

From the study it is evident how rapidly the micro and small firms are internationalising. The consideration of the following requirement would help central/local government to enhance the export activities for SMEs.

- Government promoting customers to shop online by offering shipping cost waiver for their international shopping can help firm expand export activities.

- A stronger, safer and secure payment method policy for customers and to identify authentic firms either through firm rating or standards set. This would enable firm’s recognition within the foreign markets.

Additionally, considering the following steps can speed-up digitalisation for micro, small and SMEs in general.

Step 1: Creations of a user-friendly website.
Step 2: Adopt multiple digital platforms such as Facebook, Instagram and WeChat.
Step 3: Create omni-channel to interlink multiple platforms.
Step 4: Posting regular updates on Social Media platforms to generate brand awareness.

7.6 LIMITATIONS

This is a small qualitative study which provides an insightful exploratory “scoping of the landscape”. The first and most important limitation of the research is therefore that this is a small purposive sample which does not allow for a great deal of generalisation. This limitation is linked to the chosen methodology: qualitative research with in-depth multiple case study research composed from a criterion-based sample.
According to scholars, the ideal strategy for obtaining answers to question of how and why is through qualitative research approach (Perry, 1998; Creswell, 2007; Saunders, et al., 2007; Yin, 2009). A detailed discussion on the justification of the choices made can be found in Chapter 4. The typical choice for the selection criteria of sampling has been through purposeful sampling, as research has suggested with the use of phenomenological research and generalisability is not an aim of qualitative research (Yin, 2009). Considering the qualitative data collection approach has enabled identify information rich findings to reach theoretical conclusions and not statistical representativeness. Transparency and reliability of the case study data both in its collection and in its analysis has been considered carefully.

Secondly, the research findings are location-bound. The sample focused on one country, the United Kingdom and in three different regions of Cambridge, Hertfordshire and London which fall within England rather than the UK. The study is also limited to micro and small firms to conceptually approach the study in a more manageable context. Hence, medium sized firms have a higher level of organisational complexity were not considered for this study. Research within the micro and smaller firms began through works of Kelliher and Reinl (2009). Looking into other areas within UK and outside of UK would bring additional value this research.

Thirdly, considering the selection of a retail sector with selective heterogeneous industries for this study. This could be applied to identify either similarity or differences in the digital internationalisation processes for generalisability among other industries within micro and small firms. Similarly, there were no medium-sized firms within this sample and would add additional value towards the study to see if they would have variations from this study finding.

This study was routed using the phenomenological aspect of interpretation for the micro and small firm digital internationalisation process. This approach had to cope with multiple realities (Denscombe, 2007). Hence, an alternative approach to this study can shed light in line with this study finding.
7.7 RECOMMENDATIONS FOR FUTURE RESEARCH

There are four possible routes for future research within this study:

First, comparison of how UK SME’s within the specialist and niche retail sector from different county operate. Would they choose to operate differently based on their location or this research could be generalisable considering the trend in which technology has been exploding constantly.

Second, does owner/founders background matter, considering majority of them within this research were from international backgrounds.

Third, the limitation of this methodology might be countered by taking alternative approaches.

Fourth, with the help of this study as a base, digital internationalisation processes within other counties can be conducted for either similar pattern or understanding their best practices.

7.8 CONCLUSION

The research explores the place of digitalisation and the impact it has on the firm’s business activities. This further contributes to how digitalisation acts as an opportunity or still remains as a barrier for internationalisation of specialist and niche retailers in the UK, business creation and current status with the use of internet, modes of digitalisations incorporated and how they plan to move forward. However, one of the barriers that consistently remains within the micro and small businesses is limited financial resources. This has enabled firms to take responsible decisions to set the firms towards survival in a technologically advancing world of globalisation.

This research investigated how the Internet has changed the playing field for internationalisation among micro and small specialist and niche retail firms. The study also focused on the internationalisation processes theories and models within the literature to identify the need for theory-building. Digital internationalisation theory /
model development has been identified within this study. Much is said about firm’s usage of E-commerce as a mode of entry into the international markets.

However, the study identified other modes of entry such as Social Media sites which have also enabled micro and small firms within specialist and niche retail sector to not only enter global markets but for globalisation. Three key conclusions from the findings of the study with internal barrier resulting from accumulation of resources as key for internationalisation.
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Appendices

Appendix 1: Letter to Potential Case Firms

07 March 2017

Name
Position
Firm
City

Re: HOW SMALL and MEDIUM-SIZED FIRMS INTERNATIONALISE THROUGH DIGITALISATION

Dear,

As per my email, please find in this letter further information about my doctoral research.

The aim of this research is to explore how small and medium-sized enterprises (SMEs) adopt the process of exporting and expanding into overseas markets. To achieve this aim, I am conducting case studies of UK SMEs that are internationalised through digitalisation. A case study normally includes interviews with company members who have been involved with the internationalisation of the firm and the collection of relevant documents. A typical interview takes between 60 and 80 minutes. There may also be a shorter, follow-up, conversation to clarify any issues raised.

Apart from the PhD thesis, the other main outputs of this research will be a brief case history (on your company) and a report summarising the research findings across cases. If you agree to participate, I will send you copies of these upon their completion. Also, you will be asked to review the draft case history of your company to ensure accuracy.

There is no systematic understanding of the digitalisation used by UK specialist and niche retail firms as they build businesses offshore, so I believe that these reports will be of interest and potential benefit to your organisation. In addition, the combined experience of participating firms will make an important contribution to other firms success and to UK’s economic growth.
With regards to ethical issues, the data collected through the interviews will be kept confidential, and only unidentified data will appear in the research. In addition, organisations and individuals will not be identified in the output. More information about these issues is presented in the Information Sheet sent to participant organisations.

If you need more information about this research, please do not hesitate to contact me (my contact details are as shown below). My research is being supervised by Professor Lester Lloyd-Reason, email: lester.lloyd-reason@anglia.ac.uk.

I will be contacting you in a few days to establish whether your company is willing to participate in this research. I understand that you have a very busy schedule but considering the potential benefits of this research to you and other UK organisations (and the economy), I hope that this request will be considered favourably.

Yours sincerely,

Brenda Patil

Doctoral Researcher
Departments of Marketing, Enterprise and Tourism
Anglia Ruskin University
Appendix 2: Participant Information Sheet

Section A: The Research Project

1. **Title of project:**
   SME Internationalisation through Digitalisation: UK Specialist and Niche Retailers

2. **Brief summary of research:**
   The purpose of this research is to assess how small and medium-sized enterprises (SMEs) internationalisation has changed over the years and what trend is followed in the current era with regards to internationalisation. The research would also assess the place of E-commerce within these SMEs and how they play a part in the contribution of internationalisation process.

3. **Purpose of the study**
   This is part of my:
   - PhD at Anglia Ruskin University

4. **Name of your Supervisor**
   Professor Lynn Martin

5. **Why have I been asked to participate?**
   You have been approached because you are an owner/founder of a particular organisation which matches my research criteria.

6. **How many people will be asked to participate?**
   I will be asking 6 different owner/founder to participate for this particular research.

7. **What are the likely benefits of taking part?**
   The participant organisations will be offered a summary of the findings in appreciation of their participation. Also, the draft case history will be sent to each case organisation for their review. The combined experience of participating firms will make an important contribution to other firms success and to UK economic growth.

8. **Can I refuse to take part?**
   You may withdraw from participation in the project at any time and without any disadvantage to yourself of any kind.

9. **Has the study got ethical approval?**
   The study has ethical approval from an ethics committee at Anglia Ruskin University.
10. **Has the organisation where you are carrying out the research given permission?**
   Yes, the permission from them was obtained for this research. This constituted general permission to approach participants and it is the decision of each person whether they would like to take part in my research.
   If your research falls under specific legislation e.g. the Human Tissue Act (2004), you need to state that your research complies with it. N/A

11. **Source of funding for the research, if applicable.**
    N/A

12. **What will happen to the results of the study?**
    The results of the study will be written up for my thesis and used to present at conferences.

13. **Contact for further information**

**Section B: Your Participation in the Research Project**

1. **What will I be asked to do?**
   Should you agree to take part in this project, you will be asked to grant permission for me to interview owner/founder of your firm about the internationalisation process of your organisation and person responsible for the firm’s international business operations, as well as access to relevant documents (such as annual reports, business plans, brochures and other relevant materials). Interviews will be at a mutually agreed venue and time. The duration of each interview will vary between 60 and 90 minutes approximately. There would be another interview to clarify information from the previous interview. Any further access will be based on mutual agreement.

2. **Will my participation in the study be kept confidential?**
   With regards to ethical issues, the data collected through the interviews will be kept confidential, and only unidentified data will appear in the research. In addition, organisations and individuals will not be identified in the output. More information about these issues is presented in the Information Sheet sent to participant organisations.
   My Supervisor will have access to participant data and will be in anonymised format wherever possible.
   The results will be written up in anonymised format. Every attempt will be made to ensure anonymity, but it may not be possible to guarantee complete anonymity.
   Use of quotes from participants in dissemination will be presented in the final written document.
   Use of recording equipment will be used to carry out interviews and will be recorded.

3. **Will I be reimbursed travel expenses?**
The participants will not be offered incentives to take part in the research.

4. **Are there any possible disadvantages or risks to taking part?**

   N/A

5. **Whether I can withdraw at any time, and how.**

   Participants can withdraw from the study at any time and without giving a reason. If the participants may not feel comfortable telling you directly that they would no longer like to take part in your research and give them other options (e.g., emailing you) to let me know. Also, the data you have collected from the participant up to that point be useful? I must have permission from participants to use this data. Therefore, participants have the option to withdraw from the study and have their data removed or to withdraw, any anonymised data that I have collected up to that point will be used. The last approximate time it will be possible to withdraw their data would be 08th September 2017. The participants do not have to answer any interview questions they do not wish to.

6. **Whether there are any special precautions you must take before, during or after taking part in the study.**

   N/A

7. **What will happen to any information/data/samples (delete as applicable) that are collected from you?**

   This project aims to collect data regarding processes implemented by your organisation to learn about its internationalisation and international markets. The data are collected to form the basis of a PhD thesis to be submitted at Anglia Ruskin University. The data collected will be securely stored, will only be used for the purpose of this study, and in addition to the researcher, only the supervisors involved will have access to them. The interviews will be structured through interview questions and audio taped (where permitted) to ensure accurate data collection. This project involves an open-questioning technique where the precise nature of some questions which will be asked to have not been determined in advance but will depend on the way in which the interview develops. Consequently, although the Research Ethics Committee is aware of the general areas to be explored in the interview, the Committee has not been able to review some of the precise questions to be used. In the event that the line of questioning does develop in such a way that you feel hesitant or uncomfortable you are reminded of your right to decline to answer any particular question(s) and also that you may withdraw from the project at any stage without any disadvantage to yourself of any kind. Results of this research will be published and available in the library, but any data included will in no way be linked to any specific participant so that your anonymity is preserved. At the end of the project any personal information will be destroyed immediately except that, as required by the University's research policy, any raw data on which the results of the project depend will be retained in secure storage for five years, after which it will be destroyed.

   The participant organisations will be offered a summary of the findings in appreciation of their participation. Also, the draft case history will be sent to each
case organisation for their review. The combined experience of participating firms will make an important contribution to other firms success and to UK economic growth.

8. **Contact details for complaints.**
If participants have any complaints about the study, they should be encouraged to speak to you or your Supervisor (for students) in the first instance. They should also, however, be given access to details about Anglia Ruskin University’s complaints procedure.
Email address: complaints@anglia.ac.uk
Postal address: Office of the Secretary and Clerk, Anglia Ruskin University, Bishop Hall Lane, Chelmsford, Essex, CM1 1SQ.

Date 06.07.17
V1.0
Appendix 3: Participant Consent Form

12 June 2017

NAME OF PARTICIPANT:

Title of the project: SME Internationalisation through digitalisation of UK Specialist and Niche Retailers

Main investigator and contact details:
Name:
Email:
Mobile:

Members of the research team:

1. I agree to take part in the above research. I have read the Participant Information Sheet 06/07/2017, V1.0 for the study. I understand what my role will be in this research, and all my questions have been answered to my satisfaction.

2. I understand that I am free to withdraw from the research at any time, without giving a reason.

3. I am free to ask any questions at any time before and during the study.

4. I understand what will happen to the data collected from me for the research.

5. I have been provided with a copy of this form and the Participant Information Sheet.

6. I understand that quotes from me will be used in the dissemination of the research.

7. I understand that the interview will be recorded.

Data Protection: I agree to the University processing personal data which I have supplied. I agree to the processing of such data for any purposes connected with the Research Project as outlined to me*

Name of participant (print)……………………Signed……………..….Date………………

Name of person

* "The University" includes Anglia Ruskin University and its Associate Colleges.
witnessing consent (print) ........................Signed..................
Date..................

------------------------------------------------------------------

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I WISH TO WITHDRAW FROM THIS STUDY.

If you wish to withdraw from the research, please speak to the researcher or email them at brenda.patil@student.anglia.ac.uk stating the title of the research. You do not have to give a reason for why you would like to withdraw. Please let the researcher know whether you are/are not happy for them to use any data from you collected to date in the write up and dissemination of the research.

Date 06.07.17
V1.2
## Appendix 4: Interview Checklist

### Interview Questions:

<table>
<thead>
<tr>
<th>Background of the owner/founder and the firm’s business journey:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Give me a brief background about yourself.</td>
</tr>
<tr>
<td>2. Tell me your business journey so far.</td>
</tr>
<tr>
<td>- When did you start?</td>
</tr>
<tr>
<td>- How many staff?</td>
</tr>
<tr>
<td>- How many store/s?</td>
</tr>
<tr>
<td>- How would you term/define your product range?</td>
</tr>
<tr>
<td>- How did you start? (Is it with one small store or online only or both)</td>
</tr>
<tr>
<td>- Where are you now?</td>
</tr>
<tr>
<td>- What challenges did you face? How did you get over your challenges?</td>
</tr>
<tr>
<td>- What opportunities did you take on? How did you come across the opportunity?</td>
</tr>
</tbody>
</table>

### Internet:

3. What do you think about internet with regards to your business?
   - How would you say your business was before in cooperating internet?
   - Would you term internet as an opportunity for your business? Why?
   - Has the internet given you an opportunity to internationalise? Why do you think so?
   - Where there any challenges when you adopted internet? What are they?

4. Could you tell me your experience adopting the online platform? (So, you started with a store and now you have an online platform)
   - So how did online platform happen?
   - When did this happen?
   - Internet, digitalisation, online platform are terms:
     - [ ] I was aware before adopting
     - [ ] Completely new to me
     - [ ] Have no clue how it works
   - When u say online platform what options do you use from the list below:
     - Website
     - Social media (Facebook, Instagram, WeChat)
     - E-commerce
     - M-commerce
     - Others.
   - Did you start all the above options at the same time?
   - If No, what did you start with? Why? What was next?
   - How long have you been using the following for?
     - Website
     - E-commerce
     - Social media (Facebook, Instagram, WeChat)
     - M-commerce.
   - From the list below which E-commerce provider approached you?
     - [ ] Facebook
     - [ ] Amazon
     - [ ] Net-a-porter
     - [ ] Others
   - What would you say about your E-commerce provider?
     - Efficient
     - Easy to replace
     - Important as a reference customer
     - A source of knowledge
     - A source of innovation
     - Convenient
     - All of the above
• From the list below can you choose the reason to digitalise?
  □ Competition
  □ Shutdown store
  □ Cost effective
  □ Globalisation

**Internationalisation:**

5. Tell me your experience entering the international market through the online platform.
  □ Do you have previous experience selling internationally?
  □ Can you choose an option that fits right for your business as to how many countries you have international activity with?
    □ 1-10
    □ 11-20
    □ 21-30
    □ 31 and above.
  □ How often do you receive an international order? (from the following list choose appropriately)
    □ Everyday
    □ Weekly
    □ Monthly
    □ Varies.
  □ Which of the following would you say has the highest business activity?
    □ Store
    □ E-commerce
    □ Website
    □ Social media (Facebook, Instagram, WeChat)
    □ M-commerce.
  □ What percentage of your international business activity would you give for the following: website e-commerce social media m-commerce.
  □ On a scale of 1 to 5 how would you rate your international activity? (1 is the highest and 5 the lowest)
    1 2 3 4 5
  □ And why do you think so?
  □ What international business activity challenge/s are you facing?
  □ And why do you think that might be?

6. How has digitalisation impacted on your business? How is the response on the online platform when compared to your store's business activity?

7. When you had a store and not yet involved with the internet, do you think selling to international market was a possibility for you? (If yes, how would you have approached the international market).

**Future Business Plans:**

8. Where do you see your business in the next 5 years?
  • Do you have innovative plans to track customers?
  • What do you think might be the next step in digitalisation of your business?
  • Would you invest in a physical store or a virtual platform? Why?
Appendix 5: ARU Ethical Approval

Date 27/11/17

Dear Brenda Patil

*Principal Investigator: Professor Lynn Martin*
*DREP number: November 2017*
*Project Title: SME Internationalisation through Digitalisation: UK Specialist and niche retailers*

I am pleased to inform you that your ethics application has been approved by the Departmental Research Ethics Panel (DREP) under the terms of Anglia Ruskin University’s Research Ethics Policy (Dated 8 September 2016, Version 1.7). Approval by DREP is subject to ratification by the FREP.

Ethical approval is given for a period of 1 year for undergraduates from 27/11/17. If your research will extend beyond this period, it is your responsibility to apply for an extension before your approval expires.

It is your responsibility to ensure that you comply with Anglia Ruskin University’s Research Ethics Policy and the Code of Practice for Applying for Ethical Approval at Anglia Ruskin University available at [www.anglia.ac.uk/researchethics](http://www.anglia.ac.uk/researchethics) including the following:

- The procedure for submitting substantial amendments to the committee, should there be any changes to your research. You cannot implement these amendments until you have received approval from DREP for them.
- The procedure for reporting accidents, adverse events and incidents.
- Any other legislation relevant to your research. You must also ensure that you are aware of any emerging legislation relating to your research and make any changes to your study (which you will need to obtain ethical approval for) to comply with this.
- Obtaining any further ethical approval required from the organisation or country (if not carrying out research in the UK) where you will be carrying the research out. This includes other Higher Education Institutions if you intend to carry out any research
involving their students, staff or premises. Please ensure that you send the DREP copies of this documentation if required, prior to starting your research.

- Any laws of the country where you are carrying the research and obtaining any other approvals or permissions that are required.
- Any professional codes of conduct relating to research or requirements from your funding body (please note that for externally funded research, where the funding has been obtained via Anglia Ruskin University, a Project Risk Assessment must have been carried out prior to starting the research).
- Completing a Risk Assessment (Health and Safety) if required and updating this annually or if any aspects of your study change which affect this.
- Notifying the DREP Secretary when your study has ended.

Please also note that your research may be subject to monitoring.

Should you have any queries, please do not hesitate to contact me. May I wish you the best of luck with your research.

Yours sincerely,

DREP Chair
Date 6.10.17
V1.2

Appendix 6: Case Study Log

<table>
<thead>
<tr>
<th>Firm</th>
<th>Key Informant &amp; Interviews Round 1</th>
<th>Key Informant &amp; Interviews Round 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>With Owner for 85 minutes on 26/07/2017</td>
<td>With Owner for 95 minutes on 08/02/2018</td>
</tr>
<tr>
<td>B</td>
<td>With Owner for 75 minutes on 26/08/2017</td>
<td>With Owner for 75 minutes on 22/11/2017</td>
</tr>
<tr>
<td>C</td>
<td>With Owner for 65 minutes on 26/09/2017</td>
<td>With Owner for 65 minutes on 19/01/2018</td>
</tr>
<tr>
<td>D</td>
<td>With Owner for 70 minutes on 22/12/2017</td>
<td>With Owner for 85 minutes on 06/03/2018</td>
</tr>
<tr>
<td>E</td>
<td>With Owner for 75 minutes on 14/12/2017</td>
<td>With Owner for 90 minutes on 10/03/2018</td>
</tr>
<tr>
<td>F</td>
<td>With Owner for 95 minutes on 24/10/2017</td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>With Owner for 75 minutes on 16/01/2018</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>With Owner for 65 minutes on 27/11/2017</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>With Owner for 85 minutes on 01/05/2018</td>
<td></td>
</tr>
</tbody>
</table>

Appendix 7: Interview Time Scale

<table>
<thead>
<tr>
<th>CASES</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro (1-9); Small (10-49)</td>
<td>Jul</td>
<td>Aug</td>
</tr>
<tr>
<td>Firm A (20) B2C</td>
<td>R1</td>
<td></td>
</tr>
<tr>
<td>Firm B (3) B2C</td>
<td></td>
<td>R1</td>
</tr>
<tr>
<td>Firm C (1) C</td>
<td></td>
<td>R1</td>
</tr>
<tr>
<td>Firm D (5) B2C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm E (6) B2B</td>
<td></td>
<td></td>
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<tr>
<td>Firm F (5) B2C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm G (5) B2B&amp;B2C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm H (7) B2C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Firm I (6) B2C</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 8: Themes from Qualitative Interviews

- We have Global Opportunities
- Online platform has the majority of sales
- We have Global Opportunities
- Helps to expand internationally
- Given us an advantage over other business
- The impact actually has been significant
- There is a good profit margin annually
- Cost efficient marketing opportunity
- Data, analytics, reports
- Helps take better decisions
- Tracking customer report
- 365/24/7 Store - Online

Source: Author’s own

Appendix 9: Current Assumptions About Media Reputation and Its Influence on Collective Judgments

Source: Etter, Ravasi and Colleoni, 2019