

Selecting International Business Opportunities

Profile: YPlan

Named as one of the “Hottest Global Startups of 2013,” YPlan is a mobile app developed for spontaneous customers looking for a fun night out. The app allows customers in San Francisco, London, and New York to browse through a list of events that are happening that same evening, pay for their tickets securely, and use the information provided by the app to redeem their ticket at the venue: No printing of tickets is required. The list of events is compiled by YPlan’s team of entertainment experts, who “only work with the best venues, artists, and promoters. Partners include Beyoncé, The Royal Albert Hall, and Southbank Centre. YPlan currently works with over 550 event partners in London alone.

YPlan aims to develop such a reputable brand that its “YPlan stamp of approval” becomes trustworthy to a global audience. By offering its customers a unique deal, YPlan hopes to become the entertainment specialist. The app also offers unique “YPlan perks such as: access to a sold-out show, invitation-only events, free something with your booking, or a mouth-watering discount.” Customers are offered safe checkout, can pay with various credit cards, and can purchase their event tickets from the well-known STAR (Society of Ticket Agents and Retailers).

Since its foundation, the company has received much attention from various media, including *The Wall Street Journal*, London’s *Evening Standard*, and *Business Insider*. The firm’s team claims that the app has a presence on one in every five smart phones in London and had over 500,000 users globally only one year after its launch in London in November 2012. Founded by two Lithuanian finance-workers-turned-entrepreneurs, Rytis Vitkauskas and Viktoras Jucikas, YPlan raised \$13.7 million in funding. With London as its hub for European expansion, YPlan initially targeted the North American market, Chicago and Austin in particular. These entrepreneurs have brought some new technology to Silicon Valley and have reinforced London’s position as “the digital capital of Europe.”

With this exciting new business model, YPlan is a textbook example of why global companies must localize to satisfy local customers’ needs and wants. It may seem obvious to a company such as YPlan that events, audience tastes, and trends are different in different locations. Companies for whom this seems less obvious, though, might benefit from the realization that tailoring products or services to local

markets is essential and does take a great deal of time. Yet these localized details are precisely what make entrepreneurial ventures such as YPlan so successful: The customer feels understood and can therefore develop a connection with the brand.

SOURCES: Williams-Grut, O. (2014, February 25). London goes to Silicon Valley as YPlan launches in San Francisco. Retrieved April 28, 2014, from <http://www.standard.co.uk/business/business-news/london-goes-to-silicon-valley-as-yplan-launches-in-san-francisco-9151077.html>

YPlan [website]. (n.d.). Retrieved February 11, 2015, from <http://yplanapp.com/>

YPlan. (2013). *Forbes*. Retrieved April 28, 2014, from <http://www.forbes.com/pictures/emjl45himf/yplan/>



CHAPTER OBJECTIVES

1. To develop an understanding of how to select the most appropriate foreign market for each venture
2. To determine the best indicators for entry into a foreign market
3. To identify primary and secondary sources of information on foreign market industries or consumers
4. To understand how to collect country market data
5. To learn how to assess competitive strengths and weaknesses in foreign markets and determine a strategy to establish a competitive market position

Introduction

With so many potential markets and prospective countries available, a most critical issue for the global entrepreneur is foreign market selection (the focus of this chapter) and the entry strategy (the focus of Chapter 8). Should the global entrepreneur enter the top prospective country or should he or she employ a part of a country or multicountry approach? Should he or she choose the largest market possible or one that is easier to understand and navigate? Is a more-developed foreign market preferable to one that is developing?

These are just some of the questions confronting the global entrepreneur when deciding which market to enter. The market selection decision should be based on past sales and competitive positioning as well as assessment of each foreign market alternative. Data need to be systematically collected on both a regional and a country basis. A region can be a collection of countries, such as the European Union, or an area within a country, such as the southeastern part of China.

A systematic process is needed to select the best market in terms of market potential, ease of entry, and ease of doing business. This allows the global entrepreneur to avoid

relying on assumptions and gut feelings. Any statistical data should be collected for at least a three-year period so any trends are evident. This collected data will also be used to develop the marketing plan and appropriate entry strategy.

Foreign Market Selection Model

Although there are several market selection models available, a good method employs a five-step approach: (1) develop appropriate indicators, (2) collect data and convert into comparable indicators, (3) establish an appropriate weight for each indicator, (4) analyze the data, and (5) select the appropriate market from the market rankings.

In Step 1, appropriate indicators are developed based on past sales, competitive research, experience, and discussions with other global entrepreneurs. Specific indicators for the new company are needed in three general areas: overall market indicators, market growth indicators, and product indicators in the business to business (BtoB). Market size indicators in the business to consumer (BtoC) generally center on population, per capita income, market for the specific product for consumer products and sales, and profits of particular companies for industrial products. In terms of market growth, the overall country growth should be determined as well as the growth rate for the particular market of the venture. Finally, appropriate product indicators, such as existing exports of the specific product category to the market and the number of sales leads and interest, should be established.

In Step 2, data for each of the indicators are collected and converted to facilitate comparison. Both primary data (original information collected for the particular requirement) and secondary data (published data already existing) need to be collected. Typically, secondary data are gathered first to establish what information needs to be collected through primary research. When collecting international secondary data, there are several problems that vary to some extent based on the stage of economic development of the country. These problems include (a) comparability (the data can be grouped differently in each country), (b) availability (some countries have much more country data than others, usually reflecting the stage of economic development), (c) accuracy (sometimes the data have not been collected using rigorous standards or are biased due to the interests of the government of the country; the latter is particularly a problem in nonmarket-oriented economies), and (d) cost of the data. The United States, with its Freedom of Information Act, makes all government-collected data that do not pertain to security or defense available to all. This is not the case in all countries. For example, one global entrepreneur was interested in opening the first Western health club in Moscow. He was going to charge two rates: a higher hard currency rate to foreigners and a lower ruble rate to Russians and other citizens of countries in the former Soviet Union. In determining the best location, he was interested in finding areas of the city where most foreigners lived. After significant searching to no avail and a high degree of frustration, he finally was able to buy the data needed from the former KGB (Soviet Union security branch).

When researching foreign markets, you will usually want economic and demographic data such as population, gross domestic product (GDP), per capita income, inflation rate, literacy rate, unemployment rate, and education levels. There are many sources for this and other foreign information at government agencies, websites, and embassies. One important source of data is the government of the country. There are also a large number

of international reports—country reports, country analysis briefs (CABs), country commercial guides (CCGs), food market reports, international reports and reviews, Department of State background notes, and import/export reports. Other good sources of country data are trade associations and embassies.

The data for each selected indicator are then converted to point scores so each indicator from each country can be numerically ranked against the others. Various methods can be used to assign these values, each of which involves some judgment by the global entrepreneur. Another method is to compare country data for each indicator against global standards.

Step 3 establishes appropriate weights for the indicators that reflect the importance of each in predicting foreign market potential. For one company manufacturing hospital beds, the number and types of hospitals, the age of the hospitals and their beds, and the government expenditure on health care were the best country indicators in selecting a foreign market. This procedure results in each indicator receiving a weight that reflects its relative importance. The assignment of points and weights as well as the selection of indicators varies greatly from one global entrepreneur to another and, indeed, is somewhat arbitrary. Regardless, this requires intensive thinking and internal discussion, which results in better market selection decisions.

Step 4 involves analyzing the results. When looking at the data, the global entrepreneur needs to evaluate them carefully. A “what if” analysis can be conducted by changing some of the weights and seeing how the results vary.

Step 5 is the selection of a market to enter and follow-up markets so that an appropriate entry strategy can be determined and a market plan developed. China, India, Ireland, and Germany are countries that ICU Global, a videoconferencing provider, is targeting, according to founder and chief executive Stephen McKenzie. McKenzie feels it is easy to expand into other countries even when you are a small business as long as you can provide “the same quality assurance to end users” (Woods, 2008). He adds, “Technology allows you to provide full-support, virtual operations in other countries.” The countries in question have been selected because they offer the greatest opportunities for ICU Global. “It’s good to have a base in Germany because you can easily access the rest of Europe,” McKenzie says. “Meanwhile, Ireland has a large number of companies from continental Europe and the United States investing in it, so there is good opportunity in the context of new technology. Then, there’s a thriving technology center in India.”

Developing Foreign Market Indicators

While some global entrepreneurs, especially those who have had success in their domestic markets, have an idea of the best foreign markets to enter based on sales or past experience, most do not. Thus, for those in this latter group, it is important to identify some indicators for potential success in foreign markets to assist in the selection process.

Internal Company Indicators

Several internal company indicators can be used to develop foreign market indicators, including competitive information, information from fellow global entrepreneurs, previous

leads and sales, and trade show information. Foreign markets with good potential are ones that a company's competitors are entering.

Another good internal way to establish foreign market indicators is to discuss the various markets with noncompeting global entrepreneurs. These individuals can provide significant information based on their experience in specific foreign markets and advice on the potential of your company's product success in those markets. Sometimes you can even establish a mentoring relationship with a more experienced global entrepreneur.

A third source for developing marketing indicators is your company's past sales and leads. Leads and actual sales, while doing business domestically, from out-of-country markets are by far the best indicators of foreign market potential. Care needs to be taken to ensure that potential leads really are meaningful and not just distributors trying to establish product lines for their country. A sale in a foreign country signifies that at least for one customer, your product can compete.

The final sources for developing foreign market indicators are leads from domestic and foreign trade shows. These gather firms and buyers in a particular product area and provide a great opportunity to gather market information to determine market potential in various countries. They also provide an opportunity to gather competitive information on both domestic and foreign products.

Primary Versus Secondary Foreign Market Data

One of the most important aspects of any market selection decision is market and demographic information on the foreign country. This can be secondary data (data that are already published) or primary data (original data gathered specifically for the particular decision). Although primary data are generally more accurate, they are also more costly and time consuming to collect versus data that already exist and have been collected by third parties. It is usually best for the global entrepreneur to start the data-gathering process by first identifying the secondary data available about the foreign country.

Secondary Data

The first step in obtaining secondary data is to identify the classification codes associated with the company's product/service. These include the Standard Industrial Classification (SIC), the North American Industry Classification System (NAICS), the Standard International Trade Classification (SITC), and the International Harmonized Commodity Description and Coding System (International Harmonized Commodity Code), each of which will be discussed in turn.

The SIC code is appropriate for an initial appraisal of the extent and nature of the need in a foreign market, particularly for industrial products. SIC codes—the means by which the U.S. government classifies manufacturing industries—are based on the product produced or operation performed. Each industry is assigned a 2-, 3-, or, where needed for further breakdown, 4-digit code.

To determine the primary market demand using the SIC method, first determine all potential customers that have a need for the product/service being considered. Once the

groups have been selected, the appropriate basis for demand determination is established and the published material on the industry groups obtained from the Census of Manufacturers. Then, the primary demand can be determined based on the size of the group and the expenditure in the product area. The website for using the SIC code is <http://www.osha.gov/oshstats/sicser.html>.

The NAICS is a newer system replacing the SIC system. This newer system is based on a 6-digit code versus the 4-digit code of the SIC system and has new industries, particularly in the service and technology sectors, that were not included in the SIC system. The NAICS system is used in the United States, Canada, and Mexico, allowing for greater country comparisons than previously available. The website for the NAICS system is <http://www.census.gov/eos/www/naics/>.

Once the global entrepreneur has obtained the codes for his or her product/service, these can be converted to the code system used in the European Union. Each NAICS Rev. 1.1 code is shown with its corresponding International Standard Industrial Classification (ISIC) Rev. 3.1 code on an easily accessible website (<http://unstats.un.org/unsd/cr/registry/regso.asp?Ci=26&Lg=1>).

The final two coding systems are more useful for international data. The SITC, developed by the United Nations in 1950, is used to report international trade statistics. It classifies products and services based on a 5-digit code, but frequently, data are available at only the 2- or 3-digit code level. Each year, approximately 140 countries report their import and export trade statistics to the United Nations. The data are compiled and printed in the United Nations' *International Trade Statistics Yearbook*. The data are also available at their website (<http://unstats.un.org/unsd>).

The final and perhaps best system for obtaining international data is the Harmonized Commodity Description and Coding System, better known as the International Harmonized Commodity Codes. Each product or service is identified by a 10-digit number that is broken down by chapter (first two digits), heading (first four digits), subheading (first six digits), and the commodity code (all 10 digits). Here are some sample codes:

Name	International Harmonized Commodity Code
Peanut butter	2008.11.1000
Grand pianos	9201.20.0000
Farmed Atlantic salmon	0302.12.0003

Care must be taken when using the International Harmonized Commodity Codes because there may be differences between countries as well as variance within a country, depending on whether the codes are used for exporting or importing products. In the United States, for example, the purpose of the commodity codes is different for importing and exporting. For importing, the code is used to determine the import duty (if any); for exporting, the primary use of the code is for statistical reporting. This results in two sets of commodity codes in the United States: one set for importing and one set for exporting.

The exporting system of classification is labeled *Schedule B*, and the importing system of classification is called the *Harmonized Tariff Schedule*, maintained by the Office of Tariff Affairs and Trade Agreements.

Problems in Collecting Secondary Data

There are several problems in collecting international secondary data. The first, and perhaps the most troublesome one, is accuracy. Often, countries are not particularly rigorous in their data collection, resulting in data not reflective of the true situation in a country. Sometimes, particularly in more controlled countries, the data are collected to satisfy a political agenda rather than statistical reliability.

The second problem is comparability—the data available in one country may not be comparable to the data collected in another country. This may be due to the different methodologies used, errors in the data collection, or differences in applying the commodity coding system.

Lack of current data in a country is a third problem. In many growing countries, the frequency of data collection is much more sporadic than in more developed countries. In dynamically changing economies, four- to five-year-old data are obsolete and not very valuable in decision making.

The final problem in secondary data is the cost. In many countries, the data may only be available at a fairly high price.

Sources of Country Market Data

Finding useful, accurate data for your country selection decision can sometimes be challenging. Even for the global entrepreneur who has had experience collecting data in the United States, the process of collecting data in other countries is much more difficult and usually more expensive. There are several sources for both country market and industry data, discussed in the following sections.

Country Industry Market Data

Economic and country data on such things as age, population, GDP, inflation, literacy, and per capita income is often available from a variety of sources, depending on the country. The Central Intelligence Agency's *World Factbook* provides data on various aspects of a country, such as demographics of population, economic indicators, geography, military, politics, and resources available. CCGs are produced for most countries on a yearly basis. Each guide contains the following information on a country: executive summary, economic trends and outlook, political environment, marketing U.S. products and services, leading sectors for U.S. exports and investments, trade regulations and standards, investment climate, trade and project financing, and business travel. It also has numerous appendices in such areas as country data, domestic economy, trade, investment statistics, U.S. and country contacts, market research, and trade event schedules. These are invaluable to the global entrepreneur in understanding the numbers and trade possibilities in a country. Even though these data are

mainly focused on the United States, the reports contain valuable information for global entrepreneurs regardless of country. The National Trade Data Bank (NTDB), maintained by the U.S. Department of Commerce, is also an important database available to the global entrepreneur at virtually no cost. The NTDB database comprises international reports, trade statistics, research, and leads on trading opportunities.

Another source of country market data is STAT-USA (Statistics USA). This international data source, managed by an agency of the U.S. Department of Commerce, is enormous and includes the just-discussed NTDB, Global Business Opportunities (GLOBUS) database, and the State of the Nation database. Contributed to by many governmental agencies, the STAT-USA has a multitude of international and national reports available, including the following:

- African Development Bank Business Opportunities
- Asia Commerce Overview
- Bureau of Export Administration (BXA) Annual Report
- Computer Markets
- CABS
- Directory of Feasibility Studies and Projects
- Fish and Fishery Product Imports and Exports
- Food Market Reports
- Foreign Labor Trends
- International Automotive Industry
- Latin American/Caribbean Business Bulletin
- Minerals Yearbook
- Steel Monitoring Report
- Telecommunications Information and Reports
- Trade Associations and Publications
- U.S. Foreign Trade Reports
- U.S. International Trade in Goods and Services
- World Agricultural Production Reports
- World Bank International Business Opportunities

Because this is just a small sampling of the reports and data available, it is important that every global entrepreneur look into STAT-USA when collecting the needed international data. Each country also has data on its STAT-(country name), such as STAT-Brazil.

One of the best sources of information is the World Bank, which uses various criteria to rank every country on the ease of doing business there. The index ranks countries (economies) from 1 to 178 and is calculated by averaging the percentile rankings on each of the 10 topics covered in *Doing Business: Economy Rankings* (2014). The criteria being ranked include ease of doing business, ease of starting a business, dealing with licenses, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business. The rankings for selected countries are shown in Table 5.1. Singapore, Hong Kong SAR China, New Zealand, and the United States were ranked 1, 2, 3, and 4, respectively, on the ease of doing business. New Zealand, Canada, Singapore, and Australia were ranked 1, 2, 3, and 4, respectively, on the ease of starting a business.

Table 5.1 Rankings of Countries on Various Business Criteria

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Singapore	1	3	3	6	28	3	2	5	1	12	4
Hong Kong SAR, China	2	5	1	5	89	3	3	4	2	9	19
New Zealand	3	1	12	45	2	3	1	23	21	18	12
United States	4	20	34	13	25	3	6	64	22	11	17
Denmark	5	40	8	18	7	28	34	12	8	32	10
Malaysia	6	16	43	21	35	1	4	36	5	30	42
Korea, Rep.	7	34	18	2	75	13	52	25	3	2	15
Georgia	8	8	2	54	1	3	16	29	43	33	88
Norway	9	53	28	17	10	73	22	17	26	4	2
United Kingdom	10	28	27	74	68	1	10	14	16	56	7
Australia	11	4	10	34	40	3	68	44	46	14	18
Finland	12	55	36	22	26	42	68	21	9	8	3
Iceland	13	52	41	1	12	42	52	37	50	3	11
Sweden	14	61	24	9	38	42	34	41	6	25	20
Ireland	15	12	115	100	57	13	6	6	20	62	8
Taiwan, China	16	17	7	7	31	73	34	58	18	84	16
Lithuania	17	11	39	75	6	28	68	56	15	17	44
Thailand	18	91	14	12	29	73	12	70	24	22	58
Canada	19	2	116	145	55	28	4	8	45	58	9
Mauritius	20	19	123	48	65	42	12	13	12	54	61
Germany	21	111	12	3	81	28	98	89	14	5	13

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Estonia	22	61	38	56	15	42	68	32	7	26	66
United Arab Emirates	23	37	5	4	4	86	98	1	4	100	101
Latvia	24	57	79	83	33	3	68	49	17	21	43
Macedonia, FYR	25	7	63	76	84	3	16	26	89	95	52
Saudi Arabia	26	84	17	15	14	55	22	3	69	127	106
Japan	27	120	91	36	66	28	16	140	23	36	1
Netherlands	28	14	97	70	47	73	115	28	13	29	5
Switzerland	29	104	58	8	16	28	170	16	35	20	47
Austria	30	138	94	28	36	28	98	79	19	6	14
Portugal	31	32	76	36	30	109	52	81	25	24	23
Rwanda	32	9	85	53	8	13	22	22	162	40	137
Slovenia	33	38	59	32	83	109	14	54	48	52	41
Chile	34	22	101	43	55	55	34	38	40	64	102
Israel	35	35	140	103	151	13	6	93	10	93	35
Belgium	36	49	100	90	180	73	16	76	28	16	6
Armenia	37	6	79	109	5	42	22	103	117	112	76
France	38	41	92	42	149	55	80	52	36	7	46
Cyprus	39	44	86	108	103	55	34	33	27	110	24
Puerto Rico (U.S.)	40	18	172	38	131	13	16	110	87	101	21
South Africa	41	64	26	150	99	28	10	24	106	80	82
Peru	42	63	117	79	22	28	16	73	55	105	110
Colombia	43	79	24	101	53	73	6	104	94	155	25

(Continued)

Table 5.1 (Continued)

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Montenegro	44	69	106	69	98	3	34	86	53	136	45
Poland	45	116	88	137	54	3	52	113	49	55	37
Bahrain	46	99	4	52	32	130	115	7	81	122	27
Oman	47	77	69	58	21	86	98	9	47	107	72
Qatar	48	112	23	27	43	130	128	2	67	93	36
Slovak Republic	49	108	53	65	11	42	115	102	108	65	38
Kazakhstan	50	30	145	87	18	86	22	18	186	27	54
Tunisia	51	70	122	55	72	109	52	60	31	78	39
Spain	52	142	98	62	60	55	98	67	32	59	22
Mexico	53	48	40	133	150	42	68	118	59	71	26
Hungary	54	59	47	112	45	55	128	124	70	15	70
Panama	55	25	62	16	74	55	80	175	11	127	112
Botswana	56	96	69	107	41	73	52	47	145	86	34
Tonga	57	42	35	30	146	55	115	51	63	48	118
Bulgaria	58	65	118	135	62	28	52	81	79	79	92
Brunei Darussalam	59	137	46	29	116	55	115	20	39	161	48
Luxembourg	60	103	37	66	124	170	128	15	41	1	53
Samoa	61	33	73	37	39	130	34	86	58	77	139
Fiji	62	141	74	81	63	55	52	88	111	63	50
Belarus	63	15	30	168	3	109	98	133	149	13	74
St. Lucia	64	57	11	31	129	130	34	45	104	170	56
Italy	65	90	112	89	34	109	52	138	56	103	33

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Trinidad and Tobago	66	67	77	10	178	28	22	97	73	174	114
Ghana	67	128	159	85	49	28	34	68	109	43	116
Kyrgyz Republic	68	12	66	180	9	13	22	127	182	70	132
Turkey	69	93	148	49	50	86	34	71	86	38	130
Azerbaijan	70	10	180	181	13	55	22	77	168	28	86
Antigua and Barbuda	71	92	21	20	128	130	34	151	93	65	80
Greece	72	36	66	61	161	86	80	53	52	98	87
Romania	73	60	136	174	70	13	52	134	76	53	99
Vanuatu	74	126	50	129	110	55	80	30	119	72	57
Czech Republic	75	146	86	146	37	55	98	122	68	75	29
Mongolia	76	25	107	162	27	55	22	74	181	30	133
Dominica	77	51	22	64	119	86	34	75	88	172	105
Moldova	78	81	174	165	19	13	80	95	150	23	91
Guatemala	79	145	61	34	23	13	157	85	116	97	109
Seychelles	80	118	68	147	69	170	68	19	29	82	65
San Marino	81	155	120	10	158	186	52	40	75	34	49
St. Vincent and the Grenadines	82	68	6	25	153	130	34	72	38	90	189
Zambia	83	45	57	152	102	13	80	68	163	120	73
Bahamas, The	84	83	75	45	182	86	115	45	72	125	32
Sri Lanka	85	54	108	91	145	73	52	171	51	135	59

(Continued)

Table 5.1 (Continued)

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Kosovo	86	100	136	121	58	28	98	43	121	138	83
Morocco	87	39	83	97	156	109	115	78	37	83	69
Uruguay	88	43	154	23	167	73	98	146	90	105	51
Croatia	89	80	152	60	106	42	157	34	99	49	98
Albania	90	76	189	158	119	13	14	146	85	124	62
Barbados	91	77	56	83	142	86	170	112	30	110	28
Russian Federation	92	88	178	117	17	109	115	56	157	10	55
Serbia	93	45	182	85	44	42	80	161	98	116	103
Jamaica	94	23	52	132	114	109	80	168	118	131	31
Maldives	95	71	18	131	161	109	80	115	138	90	40
China	96	158	185	119	48	73	98	120	74	19	78
Solomon Islands	97	82	81	130	172	86	52	30	78	109	127
Namibia	98	132	31	72	178	55	80	114	141	69	85
Vietnam	99	109	29	156	51	42	157	149	65	46	149
Palau	100	129	45	78	20	86	178	84	96	141	96
St. Kitts and Nevis	101	73	15	19	169	130	34	145	66	112	189
Costa Rica	102	102	82	47	46	86	170	136	44	130	124
Malta	103	161	163	115	77	180	68	27	34	122	64
Kuwait	104	152	133	59	90	130	80	11	112	119	94
Nepal	105	97	105	98	24	55	80	126	177	139	125
Belize	106	167	16	57	143	130	128	48	101	173	30
Grenada	107	72	9	71	157	130	34	90	61	166	189

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Philippines	108	170	99	33	121	86	128	131	42	114	100
Paraguay	109	113	71	50	71	86	68	125	154	102	152
Pakistan	110	105	109	175	125	73	34	166	91	158	71
Lebanon	111	120	179	51	112	109	98	39	97	126	93
Ukraine	112	47	41	172	97	13	128	164	148	45	162
Papua New Guinea	113	101	165	24	87	86	68	116	134	168	128
Marshall Islands	114	56	32	77	189	86	157	96	62	61	138
Guyana	115	94	33	155	111	170	80	110	71	73	141
Brazil	116	123	130	14	107	109	80	159	124	121	135
Dominican Republic	117	144	121	127	115	86	98	106	33	81	159
El Salvador	118	148	144	154	59	55	170	165	64	68	90
Jordan	119	117	111	41	104	170	170	35	57	133	113
Indonesia	120	175	88	121	101	86	52	137	54	147	144
Cabo Verde	121	66	135	151	64	109	138	80	95	35	189
Kiribati	122	156	133	159	73	165	52	10	77	74	189
Swaziland	123	172	51	163	130	55	128	59	127	176	68
Nicaragua	124	123	152	114	135	109	138	163	82	47	84
Ethiopia	125	166	55	91	113	109	157	109	166	44	75
Argentina	126	164	181	80	138	73	98	153	129	57	97
Honduras	127	162	83	125	94	13	170	144	84	182	136
Egypt, Arab Rep.	128	50	149	105	105	86	147	148	83	156	146

(Continued)

Table 5.1 (Continued)

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Kenya	129	134	47	166	163	13	98	166	156	151	123
Bangladesh	130	74	93	189	177	86	22	100	130	185	119
Bosnia and Herzegovina	131	174	175	164	96	73	115	135	107	115	77
Uganda	132	151	143	178	126	42	115	98	164	117	79
Yemen, Rep.	133	114	101	116	61	170	138	129	128	85	126
India	134	179	182	111	92	28	34	158	132	186	121
Ecuador	135	176	64	138	91	86	138	91	122	99	143
Lesotho	136	89	145	136	88	159	98	101	144	144	104
Cambodia	137	184	161	134	118	42	80	65	114	162	163
West Bank and Gaza	138	143	131	87	122	165	80	62	123	88	189
Mozambique	139	95	77	171	152	130	52	129	131	145	148
Burundi	140	27	126	161	52	170	34	143	175	177	164
Bhutan	141	86	132	91	86	109	147	104	172	37	189
Sierra Leone	142	75	176	179	170	86	22	128	140	149	158
Tajikistan	143	87	184	186	78	159	22	178	188	39	81
Liberia	144	31	129	142	181	86	147	42	142	165	161
Tanzania	145	119	177	102	146	130	98	141	139	42	134
Uzbekistan	146	21	159	173	136	130	138	168	189	40	63
Nigeria	147	122	151	185	185	13	68	170	158	136	107
Madagascar	148	29	157	187	155	180	68	61	115	160	157
Sudan	149	131	167	113	41	170	157	108	155	154	89
Gambia, The	150	130	104	120	117	165	178	184	99	60	108

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Iraq	151	169	20	39	108	180	128	63	179	142	189
Iran, Islamic Rep.	152	107	169	169	168	86	147	139	153	51	129
Algeria	153	164	147	148	176	130	98	174	133	129	60
Burkina Faso	154	125	60	141	123	130	147	160	174	108	117
Mali	155	136	113	118	99	130	147	157	160	140	131
Micronesia, Fed. Sts.	156	106	54	106	189	130	178	94	103	152	168
Togo	157	168	114	96	159	130	147	172	110	153	111
Comoros	158	163	44	109	79	159	138	123	146	159	189
Lao PDR	159	85	96	140	76	159	187	119	161	104	189
Djibouti	160	127	157	144	133	180	182	66	60	163	147
Suriname	161	181	49	40	173	170	186	50	105	184	160
Bolivia	162	180	136	128	144	130	138	185	126	131	67
Gabon	163	153	71	138	166	109	157	152	135	157	153
Afghanistan	164	24	167	104	175	130	189	98	184	168	115
Syrian Arab Republic	165	135	189	82	82	180	115	120	147	179	120
Equatorial Guinea	166	185	125	99	109	109	147	177	137	50	189
Côte d'Ivoire	167	115	162	153	127	130	157	173	165	88	95
Cameroon	168	132	127	62	159	109	128	180	159	175	151
São Tomé and Príncipe	169	98	103	73	165	186	157	156	102	183	166
Zimbabwe	170	150	170	157	93	109	128	142	167	118	156

(Continued)

Table 5.1 (Continued)

Economy	Ease of Doing Business Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
Malawi	171	149	173	183	85	130	80	81	176	145	150
Timor-Leste	172	154	128	44	189	165	115	55	92	189	189
Mauritania	173	173	123	124	67	170	147	181	152	75	189
Benin	174	139	95	160	137	130	157	179	119	181	140
Guinea	175	146	155	91	140	159	178	186	136	134	145
Niger	176	159	164	123	80	130	157	162	178	143	154
Haiti	177	187	141	67	138	165	170	132	151	96	189
Senegal	178	110	165	182	174	130	170	182	80	167	122
Angola	179	178	65	170	132	130	80	155	169	187	189
Guinea-Bissau	180	159	119	188	170	130	138	153	125	148	189
Venezuela, RB	181	157	110	167	95	130	182	187	173	92	165
Myanmar	182	189	150	126	154	170	182	107	113	188	155
Congo, Dem. Rep.	183	185	90	142	133	159	147	176	171	177	167
Eritrea	184	188	189	95	184	186	115	150	170	67	189
Congo, Rep.	185	182	142	175	164	109	157	183	180	164	142
South Sudan	186	140	171	184	183	180	182	92	187	87	189
Libya	187	171	189	68	189	186	187	116	143	150	189
Central African Republic	188	177	156	177	141	109	138	188	185	180	189
Chad	189	183	139	149	146	130	157	189	183	171	189

SOURCE: Doing Business. (2013). *Economy rankings*. Retrieved April 29, 2014, from <http://www.doingbusiness.org/rankings>

Trade Associations

Trade associations in the United States and throughout the world are also a good source for industry data about a particular country. Some trade associations do market surveys of their members' international activities and are strategically involved in international standards issues for their particular industry.

Trade Publications and Periodicals

There are numerous domestic and international publications specific to particular industries that are also good sources of information. The editorial content of these journals can provide interesting information and insights on trends, companies, and trade shows by giving a more local perspective on the particular market and market conditions. Sometimes trade journals are the best and often the only source of information on competition and growth rates in a particular country.

Competitive Positioning

One aspect of success in both international and domestic markets is competitive positioning—knowing the competition very well and being able to position your company and product in that product/market space. In positioning your company internationally, it is even more important to identify the strategy of each competitive company. The strategy will significantly affect the manner and commitment of a company in an international market, which in turn affects the nature and degree of its competitive behavior in that market. A competitive company's international strategy may not be the same as yours. If the global entrepreneur emphasizes the competitive analysis too much without taking into account the competitive company's strategy, then he or she can create a reactive strategy that can be totally ineffective and inappropriate. This is particularly important in developing economies where some companies use a “hit or miss” strategy, realizing that many of the markets will lose money and will not be viable over a long period of time.

The global entrepreneur should begin competitive positioning by first documenting the current strategy of each primary competitor. This can be organized by using the form method indicated in Table 5.2. Information on competitors can be gathered initially by using as much public information as possible and then by complementing this with a marketing research project. Newspaper articles, websites, catalogs, promotions, interviews with distributors and customers, and any other marketing or company information available should be reviewed. Articles that have been written on competitors can be found by using a computer search in any university or local library. These articles should be analyzed for information on competitor strategies and should identify the names of individuals who were interviewed, referenced, or even mentioned in the articles. Any of these individuals, as well as the author of the article, can then be contacted to obtain further information. All the information can then be summarized in the form in Table 5.3. Once the competitors' strategies have been summarized, the global entrepreneur should begin to identify the strengths and weaknesses of each competitor, as shown in the table.

Table 5.2

An Assessment of Competitor Market Strategies and Strengths and Weaknesses

	Competitor A	Competitor B	Competitor C
Product or service strategies			
Pricing strategies			
Distribution strategies			
Promotion strategies			
Strengths and weaknesses			

SOURCE: Hisrich, R. D., Peters, M. P., & Shepherd, D. A. (2013). *Entrepreneurship: Starting, developing, and managing a new enterprise* (9th ed., p. 212). New York, NY: McGraw-Hill.

The information in Table 5.2 can then be used to formulate the market positioning strategy of the new venture. Will the new venture imitate a particular competitor or will it try to satisfy needs in the market that are not being filled by any other company? This analysis will enlighten the global entrepreneur and provide a solid basis for developing the market entry plan for the international market.

One method for analyzing a market opportunity and determining your competitive position is indicated in Table 5.3. Using this evaluation process, various elements of the opportunity are evaluated, such as (1) the creation and length of the opportunity, (2) its real and perceived value(s), (3) its risks and returns, (4) its competitive environment, (5) its industry, and (6) its fit with the personal skills and goals of the entrepreneur.

It is important that the global entrepreneur understand the nature and root cause of the opportunity. Is it technological change, market shift, government regulation, or competition? These factors and the resulting opportunity result in a different market size and time dimension. The market size and the length of the window of international opportunity form the primary basis for determining the risks and rewards involved. The amount of capital needed determines the returns and rewards.

In this evaluation, the competition is carefully analyzed. Features and potential price for the product/service need to be evaluated against those of competitive products presently in the product/market space in the country. If any major problems and competitive disadvantages are identified, modifications can be made or a new market investigated.

The relative advantages of the product/service versus competitive products can be determined through use of the following questions: How does the new idea compare with competitive products in terms of quality and reliability? Is the idea superior or deficient compared with products currently available in the market? Is this a good market opportunity? These questions and others can be used in a conversational interview. Here, selected individuals are asked to compare the idea against products presently filling that need. By comparing the characteristics and attributes of the new idea, some uniqueness of the idea can be determined.

To accurately evaluate the idea, it is helpful to define the potential needs of the market in terms of timing, satisfaction, alternatives, benefits and risks, future expectations, price-versus-product performance features, market structure and size, and economic conditions (see Table 5.3). These factors need to be evaluated in terms of the idea's competitive strength relative to each factor. This comparison with competitive products will indicate the strengths and weaknesses of the idea.

Table 5.3 Determining the Company's Competitive Position

Factor	Your Idea/ Capability	Competitive Company A's Idea/Capability	Competitive Company B's Idea/Capability	Differential Advantage	Unique Selling Proposition
Type of Need Continuing need Declining need Emerging need Future need					
Timing of Need Duration of need Frequency of need Demand cycle Position in life cycle					
Competing Ways to Satisfy Need Doing without Using present way Modifying present way					
Perceived Benefits/Risks Utility to customer Appealing characteristics Customer tastes and preferences Buying motives Consumption habits					

(Continued)

Table 5.3 (Continued)

Factor	Your Idea/ Capability	Competitive Company A's Idea/Capability	Competitive Company B's Idea/Capability	Differential Advantage	Unique Selling Proposition
Price Versus Performance Features Price-quantity relationship Demand elasticity Stability of price Stability of market					
Market Size Potential Market growth Market trends Market development requirements Threats to market					
Availability to Customer Funds General economic conditions Economic trends Customer income Financing opportunities					

SOURCE: Adapted from Hisrich, R. D. (1991). *Marketing decisions for new and mature products* (2nd ed.). Copyright 1991. Upper Saddle River, NJ: Prentice Hall.

Once the idea has been evaluated in terms of the need and the market, an initial value determination should be done. Financial issues such as cash outflow, cash inflow, contribution to profit, and return on investment need to be evaluated versus similar numbers and returns for other ideas. Using the form in Table 5.4, the dollar amount of each of the aspects can be determined as accurately as possible so that a quantitative evaluation can be performed. These figures will be revised many times as new information becomes available.

Table 5.4 Determining the Value of the Product/Service in the International Market

Value Consideration	Cost (in dollars)
<p>Cash Outflow Research and development costs Marketing costs Capital equipment costs Other costs</p>	
<p>Cash Inflow Sales of new product Effect on additional sales Salvageable value</p>	
<p>Net Cash Flow Maximum exposure Time to maximum exposure Duration of exposure Total investment Maximum net cash in a single year</p>	
<p>Profit Profit from new product Profit affecting additional sales of existing products Fraction of total company profit</p>	
<p>Relative Return Return on shareholders' equity (ROE) Return on investment (ROI) Cost of capital Present value (PV) Discounted cash flow (DCF) Return on assets employed (ROA) Return on sales</p>	
<p>Comparisons Compared to other investments Compared to other product opportunities Compared to other investment opportunities</p>	

SOURCE: Hisrich, R. D. (1991). *Marketing decisions for new and mature products* (2nd ed.). Copyright 1991. Upper Saddle River, NJ: Prentice Hall.

Finally, the product/service/international market must fit the personal skills and goals of the global entrepreneur. It is particularly important that the global entrepreneur be culturally sensitive to make the venture succeed. The global entrepreneur also needs to have the desire to go global. A global entrepreneur must believe in the idea so much that he or she will make the necessary sacrifices to develop the idea into a sound business model that will be the basis for a successful new venture in the international market.

International Competitive Information

There are many good international sources for competitive information. These include company information, databases, journals, newspapers, trade associations, and personal interviews.

Company Information

Particularly with publicly traded companies, the competitive companies provide a significant amount of data useful to the global entrepreneur. This is often the best and easiest source of competitive information and is usually very accurate, particularly for companies in developed economies. All company literature and information regarding their international activities should be collected. Sometimes this is very easily obtained at international trade shows, where more detailed information is available from the individuals staffing the company's booth. The website of the company should be thoroughly explored as well as the websites of overseas customers and distributors. Companies continually put more and more important information on their websites.

CULTURAL STORY

I was living in Colombia and one of the vice presidents from the Argentina headquarters had just arrived. It was just 10:00 a.m. and an assistant offered him a *tinto*.

In Spanish, *vino tinto* means "red wine." The VP was confused and could not understand how Colombians could start drinking so early, not to mention at work! He later discovered that *tinto* is the slang for "coffee"—at least in the city of Medellin.

SOURCE: Alanis, B. (2011, March 30). Tinto time! Retrieved January 22, 2015, from <http://culturalconfusions.com/2011/03/30/tinto-time/>

The international advertising of each competitive company should also be examined. This will help develop the market entry strategy and marketing campaign. This is also particularly helpful in providing much-needed pricing information. When possible, be sure to determine whether the advertisement was placed by the company or the distributor in the international market. If the advertisement mentions only one distributor as the contact and

provides no details on how to reach the company or if there are products featured from more than one manufacturer, the advertisement was probably placed by the distributor. This is important because the manufacturer's direct involvement in the placement of the advertisement suggests that this particular market is a priority. Direct placement of advertisements in a market indicates a higher level of commitment and involvement in the particular market. The advertisements also provide insight into how the competitive company is competing in the particular market; a company's competitive strategies may vary from one international market to the next.

International Databases

Four primary databases provide good sources of international competitive information. These are the Directory of United States Exporters, Port Import-Export Report Service (PIERS), United Nations' *International Trade Statistics Yearbook*, and United States Exports by Commodity.

The Directory of United States Exporters, published each year by the *Journal of Commerce*, is a combination of some information from PIERS and company responses to a questionnaire. The data for each company include the following:

- Address
- Telephone and fax numbers
- Number of employees
- Year established
- Bank SIC code
- Modes of transportation used
- Contact names and titles
- Commodity code and description of products exported
- Destination countries
- Annual 20-foot equivalent units (TEUs) of containers
- Annual number of shipments
- Company PIERS identification numbers

Sometimes one of the most important pieces of information—destination country—is not reported directly but simply indicated as “worldwide.” The Directory of United States Exporters is available in both print and CD-ROM versions directly from the *Journal of Commerce* and can often be used at the state trade assistance center.

The second useful database is the PIERS. The information in this database comes from the manifests of vessels loading international cargo outbound from the United States as well as the manifests of all inbound shipments (imports). Although not every item is available in every situation, the information in the PIERS database includes the following:

- Product description
- PIERS product code
- Harmonized tariff code and description
- U.S. and overseas port name

- Container size, quantity, TEU count, and cubic feet
- Steamship line and vessel name
- Manifest number
- Cargo quantity and unit of measure
- Cargo weight
- Voyage number
- Estimated cargo value
- Payment type
- Bank name
- Shipment direction
- U.S. and overseas origins and destinations
- Marks and numbers
- Name and address of U.S. importer (imports only)
- Bill of lading number
- Name and address of U.S. exporter
- Container number
- Name and address of foreign shipper (imports only)
- Customs clearing district (imports only)
- Name and address of notify party
- Arrival and departure dates in U.S. ports

The PIERS database has been expanded to include the shipping activities of most ports of Latin American countries and Mexico.

Other good databases for industry, market, and competitive analysis are indicated in Table 5.5.

Table 5.5 Some Example Databases

- Industry Analysis
 - IBISWorld (<http://www.ibisworld.com>)
 - Business Source Complete (<http://www.ebscohost.com/academic/business-source-complete>)
 - Datamonitor (<http://datamonitor.com>)
 - Plunkett Research (<http://www.plunkettresearch.com>)
 - Hoovers (<http://www.hoovers.com>)
- Competitive Landscape and Trends
 - Mint Global (<http://mintglobal.bvdinfo.com>; best for private firms)
 - Frost & Sullivan (<http://ww2.frost.com/>)
 - Gartner (<http://www.gartner.com/>)
 - Trade journals
 - Trade Show News Network (<http://www.tsn.com>)

- Economist Intelligent Unit (<http://www.eiu.com/>; country database)
- ISI Emerging Markets
- Market Analysis
 - SRDS (<http://next.srds.com/home>; local market analysis)
 - Euromonitor (<http://www.euromonitor.com/>; consumer data by country)
 - Corporate Affiliations (<http://www.corporateaffiliations.com/>)
 - Census reports
 - <http://www.factfinder.census.gov>
 - <http://www.census.gov/econ/cbp/> (country business patterns)
 - D&B Million Dollar database (<http://www.mergentmddi.com/>; supplies and distribution)
 - Kompass (<http://kompass.com/>; suppliers and databases)
- Financial Ratios
 - RAM E-statement
 - Bizstats (<http://bizstats.com>)
 - IBIS World (<http://ibisworld.com/>)

Journals, Newspapers, and Trade Associations

Journals, newspapers, and trade associations provide another very valuable source of information on competition. Most trade journals are very industry specific and can focus on international activities in that industry. There are also industry trade journals in foreign markets. From these, competitive product and other competitive information, distribution lists, advertisements, and other industry data can be easily obtained at little or no cost through the various search and retrieval options available. Many are available on the Internet.

While not usually as valuable, newspapers can also provide competitive information, particularly the local newspaper in the city where the competitive company is headquartered. The local newspaper often provides information not found anywhere else in its coverage of the company and interviews with company managers.

Finally, trade associations in the industry often have summary data on sales and pricing in the industry. Most trade associations track international trends and data. Even just a list of association members provides information about the companies interested in a particular industry.

Personal Interviews

Probably the best and most comprehensive source of competitive information comes from personal interviews with individuals who really know the competitor company and international market. By interviewing these individuals and staff writers of journals and newspapers, the global entrepreneur can obtain up-to-date information. Even though

sometimes they are not company specific, government contacts in a particular country can provide information about competitive trends and challenges. Industry experts can provide detailed information on the industry and usually on companies in that industry. And, best of all, foreign customers and distributors can provide detailed information about the local market and the activities of competitors.

While you need to analyze foreign markets and the competition and adapt your product/service to meet local market needs to expand internationally, you will also need a person to run the operation. No one knows this better than Bruce McGaw, president of Bruce McGaw Graphics, a West Nyack, New York, fine-arts poster publisher. “As smart as I am about the American market, my knowledge doesn’t necessarily apply abroad,” admits McGaw (Fenn, 1995). Rather than sending one of his U.S. employees to establish a London distributorship, he decided to search for a local manager to run his United Kingdom operation. Because he did not want to “run over there every other week,” he began searching for “someone talented, who would take the ball and run with it.” The individual needed the following:

- Significant industry experience and real marketplace intelligence
- An understanding that customer service was central to the company’s success
- The ability to take charge and run the business as if it were “his own little business”

McGaw found the right individual—a customer whose business was struggling. McGaw Graphics bought the company and the individual became the UK manager. Five years later, European sales accounted for \$3.5 million of the company’s total \$15 million in revenue; the UK operation was considered a market leader. McGaw used a similar strategy in France when he acquired a business run by an American. “Where you set up your business is not as important as finding the right person to run it,” says McGaw. Although his strategic plan includes expansion into Germany, Italy, and Spain, McGaw will not move until he finds the right managers.

SUMMARY

This chapter discusses researching and selecting the best foreign market(s) to launch a company internationally. Finding the best market is only possible with thorough research using multiple resources. The chapter describes an effective five-step foreign market selection process: (1) develop appropriate indicators, (2) collect data and convert into comparable indicators, (3) establish an appropriate weight for each indicator, (4) analyze the data, and (5) select the appropriate market from the market rankings. A global entrepreneur must determine the best indicators for whether or not the company will do well in the foreign market and then collect information based on those indicators from federal and international commerce and trade institutions as well as from competitors and other global entrepreneurs that are working in the same market. At least three years of detailed information needs to be collected and analyzed to develop a trend. The information will be either from primary sources, which is a more costly and time-consuming process, or secondary sources, which normally take much less time to access. The main problems that a global entrepreneur will find with secondary data are the

comparability between countries/regions and lack of specificity. Analyzing the strengths and weaknesses of the competitors' strategies can provide guidelines for developing the best strategy and determining the most appropriate market.

QUESTIONS FOR DISCUSSION

1. What types of information should global entrepreneurs seek out before deciding which foreign market to enter?
2. What are the different types and sources of information that are available?
3. What are some potential problems with data collected in another country?
4. Jean-Marie is considering expanding her bakery business from France into Croatia. What information would help her determine a good location to start her business there?

CHAPTER EXERCISES

1. Pick a business and create the key indicators that you will use to analyze the new market.
2. Using the same business you chose for Exercise 1, outline the information that you will need to collect about the new market.
3. Finally, create a list of competitors in the new market and identify primary sources to interview about these competitors.

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- Woods, C. (2008, April 8). ICU Global grabs international opportunities. *Real Business*. Retrieved January 21, 2015, from http://realbusiness.co.uk/article/737-icu_global_grabs_international_opportunities

SUGGESTED READINGS

- Butler, J. E., Doktor, R., & Lins, F. A. (2010). Linking international entrepreneurship to uncertainty, opportunity discovery, and cognition. *Journal of International Entrepreneurship*, 8(2), 121–134. *Business Source Complete*. Web. 29 Oct. 2013.

This article presents a cognitive model for realizing opportunities and dealing with uncertainty in international entrepreneurial ventures. Cognitive processes of international entrepreneurs, along with cultural differences, are described in terms of how they influence the global entrepreneur's ability to identify opportunities as well as to tolerate risk.

Chandra, Y., Styles, C., & Wilkinson, I. F. (2012). An opportunity-based view of rapid internationalization. *Journal of International Marketing*, 20(1), 74–102. *Business Source Complete*. Web. 29 Oct. 2013.

The authors suggest using an “opportunity-based view” (OBV) rather than a firm-based view to better comprehend rapid internationalization patterns. They describe historical patterns of dynamic entrepreneurial processes to show how path-dependent opportunity developments are influenced by international and domestic networks.

Liesch, P., Welch, L., & Buckley, P. (2011). Risk and uncertainty in internationalisation and international entrepreneurship studies. *Management International Review (MIR)*, 51(6), 851–873. *Business Source Complete*. Web. 29 Oct. 2013.

This article explains risk and uncertainty in international expansion. In international entrepreneurship literature, high levels of risk and uncertainty restrain forward momentum. The article aims to describe concepts of “risk accommodation and uncertainty acclimatization” in order to appreciate how uncertainty and risk change over time.

Reuber, A. R., & Fischer, E. (2011). International entrepreneurship in Internet-enabled markets. *Journal of Business Venturing*, 26(6), 660–679. *Business Source Complete*. Web. 29 Oct. 2013.

The article describes the latent potential for using the Internet to pursue global opportunities. It explains how online reputation, technological capabilities, and Internet-brand communities are correlated to success in the pursuit of global opportunities in online markets.

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