

DETERMINANTS OF THE INTERNATIONALIZATION OF THE FIRM: THE ACCELERATED MODEL VS THE SEQUENTIAL MODEL

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ABSTRACT

The aim of this paper is to analyze the internationalization strategies followed by enterprises in the world, distinguishing between big enterprises and other firms (SMEs). In particular, we want to delve into determinants of internationalization and processes that allow companies to perform in international markets according to their resources. We developed an analytical framework based on the resources-based view of the firm and on two internationalization models, the Uppsala and Born-Global models, with the purpose of allowing the analysis of different typologies of internationalized firms. By the use of Probit, Logit and Linear regression models, the empirical results provide evidence supporting both theoretical models proposed. One group of firms presents a gradual internationalization, as suggests the Uppsala model. A second group follows an accelerated internationalization, consistent with the born-global approach. An interesting finding is that sequential internationalization is more common and that the structural factors explain international strategy better for SMEs than internal factors.

JEL: F23, M16

KEYWORDS: Resource-Based View, Intangible Assets, Internationalization, Born-Global Companies, Uppsala Model

INTRODUCTION

This paper is part of a larger research project “Competitiveness and internationalization of SMEs” (Competitividad e internacionalización de la PYME in Spanish), supported by the National Council of Science and Technology of Mexico (Consejo Nacional de Ciencia y Tecnología –CONACYT- in Spanish). This paper studies the internationalization of Mexican SMEs. We identify theoretical anomalies with respect to what is stated in the international literature. These anomalies include the presence of born global firms in traditional and not very innovative sectors (Fong & Ocampo, 2010). In order to assess the implications of the anomalies found in Mexico about the behavior of companies in other regions, we look for evidence on internationalization strategies followed by firms in other countries. In Mexico, SMEs are an important sector with representing 99.3% of all companies. They generate 88.9% of all jobs. They represent considerable opportunities for internationalization. Currently they represent less than 1.4% of Mexican exports (INEGI, 2009; SIEM, 2013). For this reason, it is important to examine the theoretical and practical implications of internationalizing SME’s and identify those reasons that allow companies to succeed in foreign markets.

On average across the OECD area, SMEs represent a major share of firms (99%), employment (approximately two-thirds) and value added (over one-half). These proportions vary by country. SME activity ranges from a minimum of 47.2% of employment in industry in Slovak Republic, 52.6% of employment in services in the UK and 49.9% of value added in Ireland. In contrast, SME’s account for 85.4% of employment in industry, 88.8% of employment in services and 75.2% of value added in Greece, where SME are particularly significant (OECD, 2010).

It is clear the statistical relevance of SMEs is global. The present enterprise environment, characterized by a constant evolution in technologies of production, information, communications and transportation, the openness and homogenization of markets and a greater mobility of human and financial capital, affects methods of doing business. These factors force companies, to identify ways to take advantage of the prevailing conditions to survive, preserve their market position, diversify risks and grow. In the following section, we present the theoretical framework for the study, which includes a brief description of the enterprise success, the resource-based view of the firm (RBV) and models of accelerated and sequential internationalization. In the empirical section, we describe the econometric methodology used and discuss the reached results. The paper closes with some concluding comments.

LITERATURE REVIEW

We define internationalization as the process of increasing commitments of a company outside its origin country and transferring services, products or resources beyond the borders of their home country. In a broader sense, an internationalized company is one that conducts any operation of its value chain in a country that is not local (Welch & Luostarinen, 1988). Internationalization includes diverse phenomena, because international economic relations that a company establishes differ according to their nature.

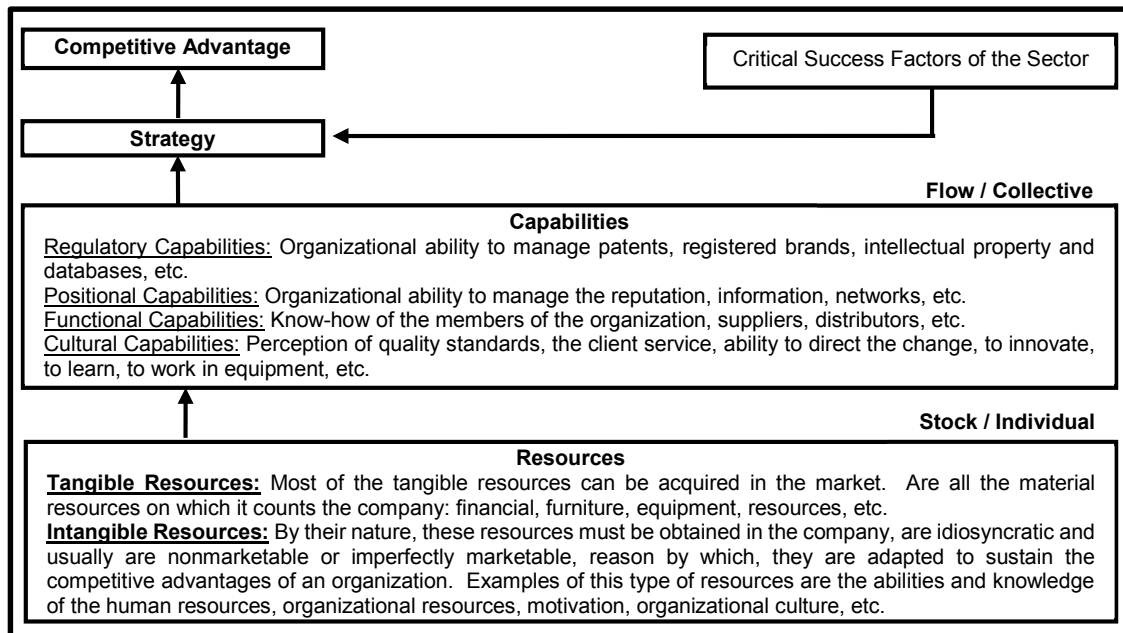
For more than three decades the academic community has studied internationalization and its implications for the firm performance (Aaby & Slater, 1989; Bilkey, 1978; Chetty & Hamilton, 1993; Peng, 2001; Fong & Ocampo, 2010; Roxas & Chadee, 2011; Jiang, Yang, Li & Wang, 2011), pointing out that export activity could be seen as a firm strategy to achieve better financial and economic performance. We discuss two themes that allow us to expand our conceptual map. We first discuss determinants of the success or failure in companies. Later we discuss how internationalization of a company takes place.

Enterprise Success and Exporting Performance

The subject of enterprise success is not new in strategic management literature. Like a first approach and individual scale, we can see the success of the company in its survival. A successful company can remain in its productive activity. Thus, competitive success is associated with enterprise capability to secure a favorable competitive position, to hold and improve its position in the market and to get superior results to those of its competitors (Sierraalta, 2004). From the eighties, literature has emphasized that enterprise success is in holding a competitive advantage that makes possible achieving abnormal returns. A competitive advantage is the ability of the company to equip its products or services of key qualities that their competitors cannot imitate. This allows the company to earn a surcharge without losing market share or to enjoy lower costs. In both cases, the company earns income over the average of its industry because of its ability to respond to market demands efficiently. However, to count on a competitive advantage is not enough to guarantee success. In addition, it needs to be sustainable in the long term. In this sense, a competitive advantage must own certain characteristics.

It needs to be valuable, rare, difficult to imitate and difficult to replace (Barney, 1991) and must match the preferences of objective market consumers. We ask, how can the company build and preserve its competitive advantage, and how can it use this advantage in foreign markets? A suitable base to respond to these questions is the RBV. This theory suggests that, in turbulent times and times of great changes, in technology and client needs, sustainable competitive advantage must rely on resources and capabilities the company owns. Under this theoretical framework, Grant (1998) conceptualized the company combines internal elements with those of their environment to gain a competitive advantage. In this perspective, the company combines its tangible and intangible resources to form organizational capabilities, which preserve the strategy, considering the factors that have lead to the success to other companies of the sector (See Figure 1). Thus, exporting performance, like an expression of enterprise success, can be conceptualized like a strategic answer, conditioned by internal elements which the company possesses (its resources and capabilities) (Valenzuela, 2000).

Figure 1: Resources, Capabilities and Competitive Advantage



Source: Fong & Ocampo, 2010. Figure 1 shows the route towards competitive advantage according to the RBV. Particular combinations of resources create capabilities (regulatory, positional, functional and cultural) needed to sustain a specific strategy. This strategy must be designed to specific resources and capabilities of the firm and to critical success factors of the sector, to produce a competitive advantage.

Internationalization of the Company

Many researchers have studied the phenomenon of internationalization during several decades from different theoretical perspective. Nevertheless, there does not exist consensus on the most important characteristics to analyze and to explain internationalization (Welch & Luostarinen, 1988). This is the reason we find manifolds theories that approach this phenomenon, each centered on one or several partial aspects of internationalization (Galan, Galende & Gonzalez, 1999; Vazquez & Vazquez, 2007). We present a tentative classification of these theories in Table 1.

Table 1: Main Theories of the Internationalization of the Firm

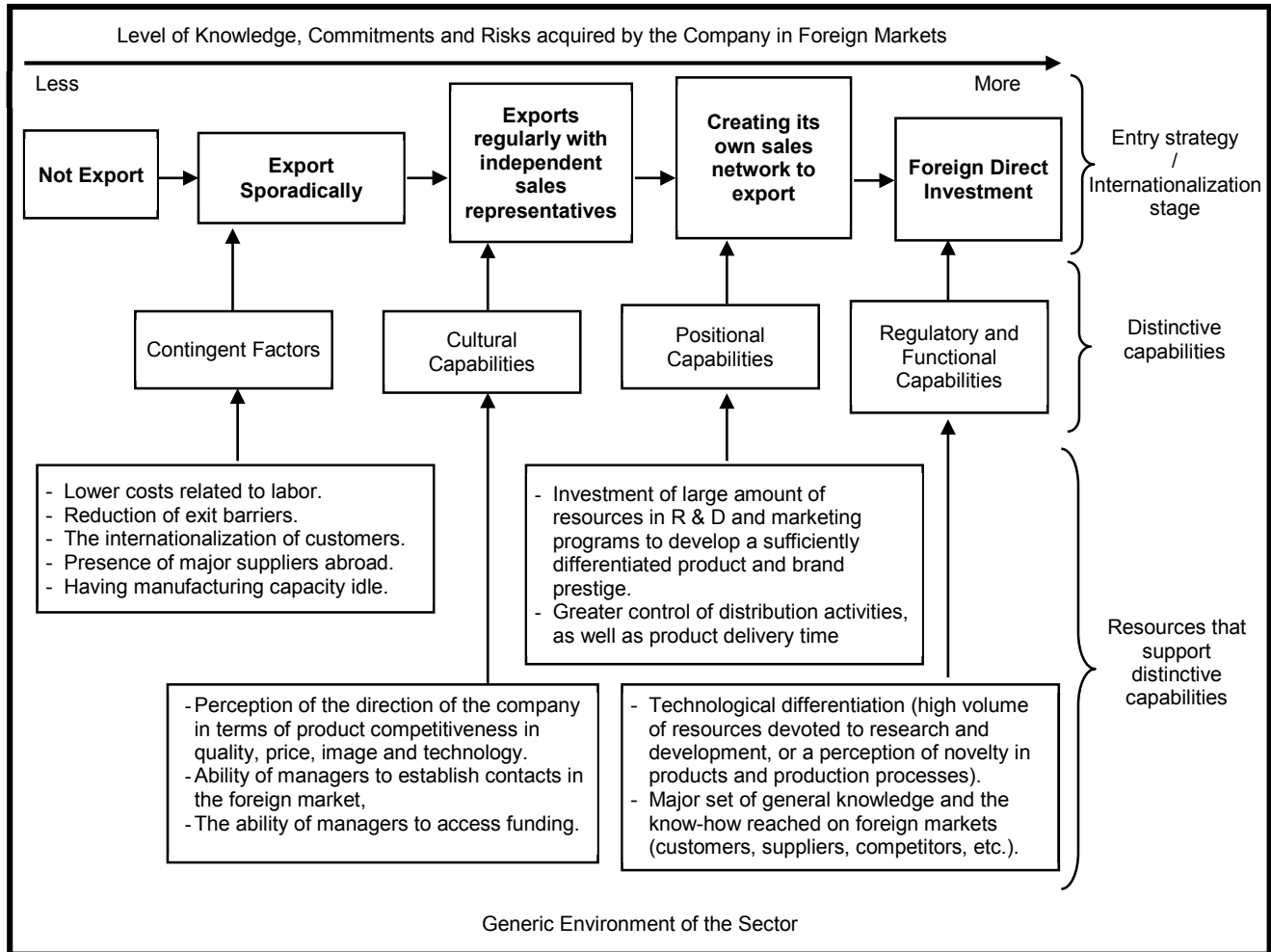
Perspective	Description	Theory
Economic	The internationalization is seen as a phenomenon purely based on the costs and the economic advantages.	Monopolistic Advantage Theory (Hymer, 1976), Internalization Theory (Buckley & Casson, 1998), Eclectic Paradigm (Dunning, 1980), Organizational Capabilities Theory (Madhok, 1997).
Sequential	Internationalization is conceived like a process of incremental commitment based on the learning, the knowledge accumulation and in the increase of resources placed in the outer markets.	Uppsala Model (Johanson & Wiedersheim-Paul, 1975), Product's Cycle Life Theory (Vernon, 1966), Innovation Models (Bilkey & Tesar, 1977), Networks Theory (Johanson & Mattson, 1988)
Accelerated	Raises the possibility the companies, despite being of recent creation, export a significant part of total sales.	Born-Global or INVs companies (Knight & Cavusgil, 1996; Oviatt & McDougall, 1994).

Source: Fong & Ocampo, 2010. This table shows a tentative classification of the most important theories of the internationalization of the firm; they are group in three categories, according to the characteristics used to analyze and to explain the internationalization.

For the present investigation we explored two possible answers of why and how the internationalization of companies occurs: the Uppsala model and born global. We examine these theories because most theories

only examine internationalization by the route of direct investment. The Uppsala model and born-global models are both compatible with the RBV (Fong & Ocampo, 2010). The Uppsala model, as can be seen in Figure 2, presents internationalization like a gradual and evolutionary process that follows the stages: not to export, export of sporadic form, export regularly by agents, organize a commercial network to export and settle down abroad. Each of these stages supposes a greater implication and commitment of the company (Johanson & Wiedershein-Paul, 1975). From this perspective, companies look first for psychically near markets, where the psychic distance is the set of factors that make difficult the flow of information between a market and the company, for example: language, culture and education.

Figure 2: Model of Internationalization of the Uppsala Approach



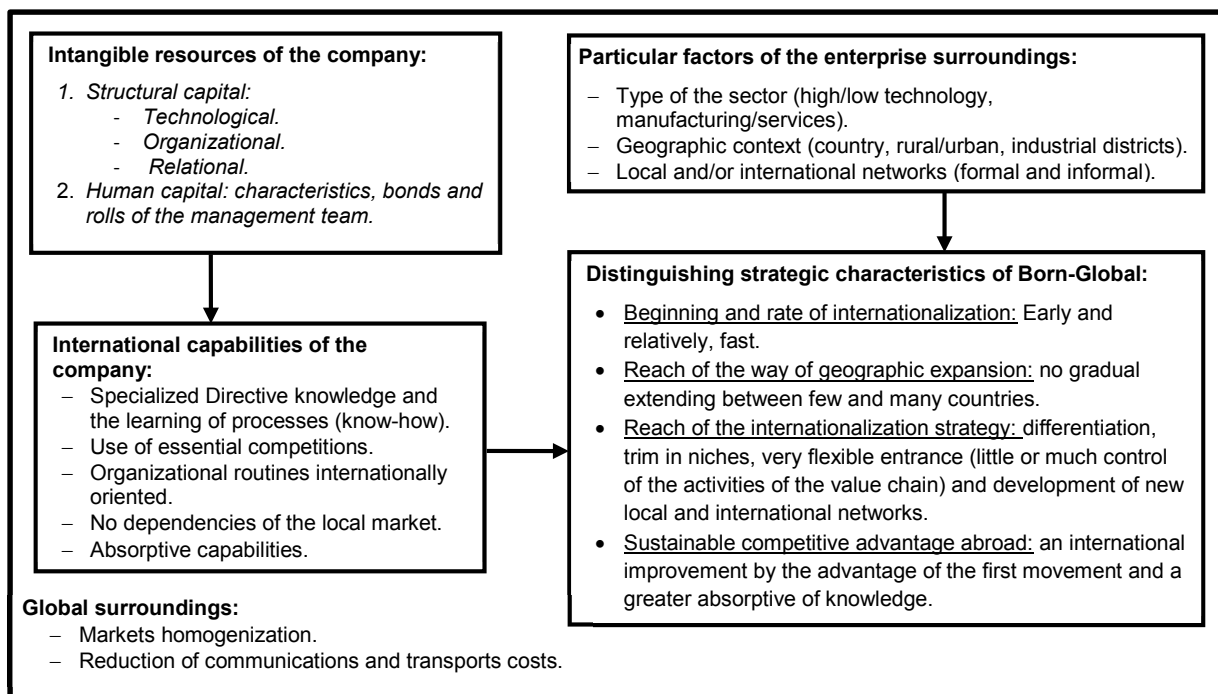
Source: Own elaboration based on the extant literature. This figure shows the route of internationalization described by the Uppsala model, cradle in resources and capabilities. Here we describe how, after a process of accumulation of certain resources results in international capabilities of the company, which combined with the characteristics generic environment of the sector and the general economic context, allow sprouting the internationalization of the company.

The Born-Global approach arises out of the existence of an increasing number of companies, mainly SMEs, which begin international activities not in a gradual way, as suggest traditional models but risking an important amount of resources (Oviatt & McDougall, 1994; Rialp, Rialp & Knight, 2005). A fundamental difference between a traditional company and the born-global firm is in the role-played by resources and capabilities. Born-global companies, being by definition of recent creation, do not count on an extensive grant of financial or human resources. They can also lack of properties, equipment and other physical

resources. This is important because these resources, mainly tangible, are those that traditional companies have used to be successful in foreign market. However, the born-global company uses a set of intangible resources to get and preserve an international competitive advantage (Rialp et al., 2005).

Rialp et al. (2005) propose the following factors, related to one another although not necessarily in this order of importance, which model the path of international development of companies: (1) count on a management team with a global vision from its foundation. (2) Have an enterprising manager with previous experience in international businesses. (3) Have a greater commitment and directive dedication with the international activity. (4) Make a more significant use of networks, personal and between companies' relations. (5) Have greater knowledge of the foreign markets. (6) To more deeply integrate intangible, unique or singular and hardly imitable resources, based on the strategic management of knowledge. (7) To get a greater value added through differentiating the product or innovating technology. (8) To follow a proactive international strategy, focused on spreading geographical niches of the global market. (9) Have identified and focus towards segments of the outer market with a greater direct relation with the final client. (10) Have a greater strategic and organizational flexibility to adapt to changing conditions of the international environment. Rialp, Rialp & Knight (2005) propose a theoretical model for the analysis of internationalization. This model arises by combining several contributions that consider managing intangible resources a critical element to create a competitive advantage in a certain context (See Figure 3).

Figure 3: Model of Internationalization of the Born-Global Approach



Source: Fong & Ocampo, 2010. This figure shows the route of accelerated internationalization cradle in resources and capabilities. Here we describe how combining certain resources results in the international capabilities of the company, which combined to the characteristics of a particular context of the sector and the general economic context, allow to sprout a born global company.

According to the present theoretical frame, presented in an earlier investigation (Fong & Ocampo, 2010) we develop the following testable hypotheses.

H1: Holding unique and valuable resources, mainly intangible, that support the competitive advantage will settle the internationalization strategy and exporting performance of the company.

On the other hand, of specific form, following the theoretical models presented, we have the following hypothesis:

H2: The company reaches internationalization following an evolutionary path, characterized by an increase in resources the firm puts at risk. It is characterized by needs of time and learning, where the first steps towards the internationalization of the company are driven by contingents factors, derived from the business environment.

H3: The firm is able to export a significant part of its products to diverse countries since its foundation due to its initial endowment of both tangible and intangible resources. This occurs mainly because of an ability to identify opportunities, networks and relational capital and the knowledge of its manager about foreign markets.

The empirical results show the internationalization strategies of SMEs follow two main trends. The first presents a gradual internationalization, as suggests the Uppsala model and the second follows an accelerated internationalization, as suggested by the born-global approach. An interesting finding is that accelerated internationalization is not an exclusive behavior of intensive technology or innovating companies. It is possible to find born-global SMEs even in mature and traditional sectors. This is possible thanks to control of strategic intangible resources like experience and relational capital of managers.

These findings were for case studies conducted with a limited set of companies located in western Mexico. We want to look for evidence to describe the internationalization strategy of companies in other regions of the world. We wish to identify whether the detected anomaly is a behavior associated with the local context or a more general behavior associated with the nature of the SME. Next we present the methodology and a discussion of the data used to test our contentions.

DATA AND METHODOLOGY

Economic performance is the major reason academic literature justifies exports as a strategy of the firm. However, most studies lack statistical evidence related to this performance of the firm in relation to the export activities. We present a set of econometric models for estimating the probability of exporting with the determinant variables described in the literature. The goal is to increase knowledge about the specific weight resources and capabilities of the company have on reaching company internationalization. The variables selected in this study may at least partially allow us to demonstrate the relationship between performance and internationalization of SMEs. The data was taken from the World Business Environment Survey (WBES) that is a unique firm-level survey conducted in 1999 and 2000 for over 10,000 firms in more than 80 countries. The study was completed by the World Bank. This survey has variables measuring corruption between firms, but also has many other variables like sales, fixed assets and other variables relevant for the present study. The data is in annual frequency (The World Bank, 2003). For the present work, we make some adjustments to the database. There are two main reasons for these adjustments: missing values of the variables and atypical data. For the first problem, missing values were eliminated from the database. Atypical data was identified with the inter-quartile box methodology and then was eliminated. After these treatments, the number of observations was reduced from 10,032 to 3,690 companies in 80 countries for use in this research. After a first revision of the data, we confirm the decision to export is positively related to economic performance of the firm, as can be seen in Figure 4. Table 2 shows same data presented in statistic.

Estimating the hypothesis whether the average sales are larger or equal to the no-exporting firms with a Z test, we compute the $Z = -4.855^{***}$. This implies that the hypothesis is not rejected at the one percent of significance level. This test shows the relevance of the study. Export activities could be seen as a strategy of the firm to succeed in different markets.

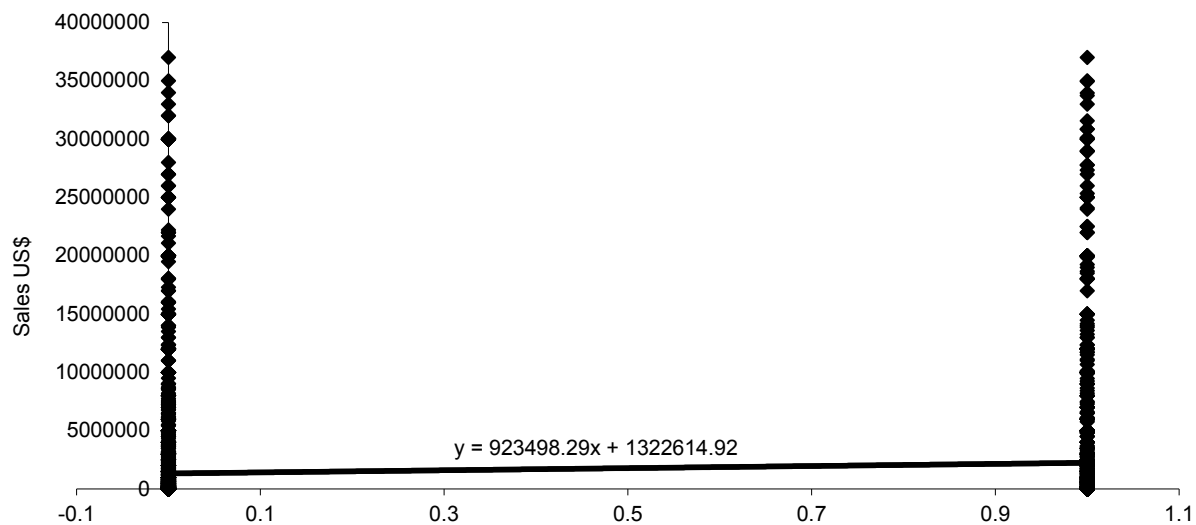
Table 2: Sales and Exports

	Not exporting	Exporting
Average in Sales	1,322,615	2,246,113
Standar deviation	4,409,889	5,739,087
Number of firms	2,536	1,155

Data from the WBES, it is show the firms that export have a greater volume of sales.

As was described in the literature review section, the Uppsala and the born global model present an important difference between variable relevant to starting internationalization of the firm. On one hand the sequential Uppsala model considers that, to start exporting, contingent factors, associated to the structure of markets, are determinant. To approach these structural factors, in our regression model we use the number of competitors and intensity of price competition, which can inhibit or motivate firm to compete in international markets. On the other hand, accelerated internationalization described by the born global model, takes into account a more modern firm, where the most important factors for exporting are mainly intangible resources of the company. The culture of the firm, the brand that has been constructed and networks of collaborations can be a good approach to these intangible resources, while tangible resources can be seen as the total of fixed assets of the firm.

Figure 4: Sales and the Decision to Export



The Figure took data from the WBES. The X axis shows the decision to export, where 1 means that the firm exports and 0 means that the firm does not export. The Y axis shows the level of sales in the firms measured in dollars.

To estimate intangible resources we use the Tobin’s Q methodology, which has proven to be useful in other similar studies (Hall, 1993; Lev, 2001; Sougiannis, 1994; Kumar, 2010; Villalonga, 2004; Jiang, Yang, Li and Wang, 2011). The logic behind the use of this methodology is the following: 1.) We estimated the total value of a firm, V, which is estimated subtracting total debt of the firm in year t, from total sales of the firm in year t. If total debt exceeds assets, for simplification we take the total value of the firm as zero. 2.) We assume that V is constituted by tangible assets (TA) and intangible assets (IA), so it can be described as $V = TA + IA$. 3.) We divide all by the TA, producing the result $(V/TA) = 1 + (IA/TA)$, where (V/TA) is Tobin’s Q. The bigger is the estimated value, the more important are intangible resources. Additionally, we use control variables like the age of the firm, sector, total debt of the firm and the size of the firm. Size of the firm is particularly important in an economy like Mexican, where most of the industrial structure is formed by non-exporting SMEs and large exporting companies that are usually foreign manufacturing companies. The resume of the variables used for estimating the models is shown in Table 3 and some summary statistics of the data are included in Table 4.

Table 3: Description of the Variables

Variable	Description	Model of Reference
EXPORT	1 if the firm export 0 in other case	Dependent variable
LOG(TOBIN'S Q)	Log of Tobin's Q	Accelerated
LOG(FIXED ASSETS)	Log of Fixed Assets	Accelerated
LARGE	1 if the firm is large 0 in other case	Control
AGE	Age of the firm in years	Control
SECTOR_MANU	1 if the firm is in the manufacturing sector 0 in other case	Control
SECTOR_SERV	1 if the firm is in the Services sector 0 in other case	Control
NUM_OF_COMP	Number of Competitors	Sequential
DOM_PRICE	1 if there is a huge intensity of competing in domestic prices 0 if not	Sequential
FOR_PRICE	1 if there is a huge intensity of competing in foreing prices 0 if not	Sequential
TOT_DEBT	Total debt of the firm	Control

The Table 3 has a description of the variables and also the kind of measure of the variable and at the final the type of model in which it is used.

Internationalization of the firm can be explained by variables mainly associated with the Uppsala model or by variables related with the born global approached or even by the control variables. The models estimated are a non-linear Probit model, a non-linear Logit model and a linear model of probability (LMP). We use three models to better explain and observe the effects of the variables on internationalization of the firm. The model is shown by equation 1:

$$EXPORT = F(TOBIN'S Q, FIXED_ASSETS, LARGE, AGE, SECTOR_MANU, SECTOR_SERV, NUM_OF_COMP, DOM_PRICE, FOR_PRICE, TOT_DEBT) \tag{1}$$

The reason for this kind of models consist of the nature of the variable 'Export', as shown in Table 2. It is a binary response variable and the Probit, Logit and LMP are made to estimate the probability of getting exports = 1, given the values of the independent variables. On the other hand, these kinds of models (Probit and Logit) have a better response on these kinds of variables over the LMP.

Table 4: Summary Statistics of the Variables

	EXP ORT	LOG (TOBIN'S Q)	LOG (FIXED ASSETS)	LARGE	AGE	SECTO R_MA NU	SECTO R_SER V	NUM OF_CO MP	DOM _PRI _CE	FOR PRIC _E	TOT_DEBT
Mean	32.66	1.98	750,022.50	0.11	15.41	0.34	0.45	2.48	0.45	0.33	346,640
Median	20	0	4	0	7	0	0	3	0	0	5
Maximum	100	366.67	23,000,000	1	414	1	1	9	1	1	15,000,000
Minimum	0	0	1	0	0	0	0	0	0	0	0
Std. Dev.	32.39	10.83	2,526,344	0.32	22.25	0.48	0.50	0.71	0.50	0.47	1,309,109
Skewness	0.820	20.200	5.060	2.420	4.600	0.650	0.180	-0.870	0.190	0.710	6.010
Kurtosis	2.300	553.620	32.140	6.880	50.040	1.430	1.030	5.200	1.030	1.500	46.790
Jarque-Bera Probability	156 0	46,877,138 0	146,365 0	5,924 0	353,256 0	643 0	615 0	1,207 0	615 0	654 0	317,124 0
Observations	3,691	3,691	3,691	3,691	3,691	3,691	3,691	3,691	3,691	3,691	3,691

The Table 4 has summary statistics of the variables used in the econometrics models.

RESULTS AND DISCUSSION

As we described in the literature review section, the Uppsala and the born global model present an important difference between the variables relevant to starting internationalization of the firm. The sequential Uppsala model considers that, in order to start exporting, contingent factor, associated with the market structure, are determinant. Accelerated internationalization described by the born global model, takes into account a more modern firm, where the most important factors for exporting are the tangible and mainly the intangible resources that the company has from the moment of creation. The regression models were run and the results of the models are shown in the Table 5.

In Table 5 we observe, that all the variables are significant except the Sector_serv. With respect to the LR statistic or the F statistic, we have enough arguments to include this variable in the model. For making the different coefficient comparable, we apply the methodology proposed by Wooldridge (2010) whos suggests dividing the slope of Probit by 2.5 and dividing the slope of Logit by 4, to make the Probit and Logit comparable with Linear Regression. The results of the partial effects are shown in Table 6.

Table 5: Result of the Probit, Logit and LMP Regressions

Variable	Probit		Logit		LMP	
	Coefficient	Significance Level	Coefficient	Significance Level	Coefficient	Significance Level
C	-0.318	0.070*	-0.520	0.073*	0.386	0.000***
LOG(TOBIN'S Q)	-0.043	0.088*	-0.074	0.077*	-0.015	0.082*
LOG(FIXED ASSETS)	-0.036	0.000***	-0.059	0.000***	-0.012	0.000***
LARGE	0.339	0.000***	0.560	0.000***	0.116	0.000***
AGE	0.006	0.000***	0.010	0.000***	0.002	0.000***
SECTOR_MANU	0.887	0.000***	1.451	0.000***	0.317	0.000***
SECTOR_SERV	0.146	0.153	0.246	0.153	0.046	0.176
NUM_OF_COMP	-0.134	0.012**	-0.221	0.012**	-0.047	0.008***
DOM_PRICE	-0.239	0.001***	-0.390	0.001***	-0.078	0.001***
FOR_PRICE	0.534	0.000***	0.877	0.000***	0.182	0.000***
TOT_DEBT	0.001	0.008***	0.001	0.009***	0.001	0.008***
Number of obs		1769		1769		1769
Sum squared resid		358.07		358.20		357.82
Log likelihood		-1043.84		-1044.33		-1096.54
Akaike info criterion		1.19		1.19		1.25
Schwarz criterion		1.23		1.23		1.29
	McFadden R-squared	0.14	McFadden R-squared	0.14	R-squared	0.18
	LR statistic (10 df)	337.49	LR statistic (10 df)	336.52	F-statistic	38.15
	Probability (LR stat)	0.00***	Probability (LR stat)	0.00***	Prob (F-statistic)	0.00***

The executed model is as follows $Export = C + \beta_1(Log(tobin's\ Q)) + \beta_2(Log(fixed\ assets)) + \beta_3(Large) + \beta_4(AGE) + \beta_5(Sector_manu) + \beta_6(Sector_serv) + \beta_7(Num_of_comp) + \beta_8(Dom_price) + \beta_9(For_price) + \beta_{10}(Tot_price) + \beta_{11}(Tot_debt)$. The results of the three models show that accelerated variables are not important in the decision to export. The sequential variables are determinant to take this kind of decisions. The control variable are still significant except the Sector_serv variable. The second figure in each cell is the Significance level, ***, ** and * indicate significance at the 1, 5 and 10 percent levels, respectively.

With regard to the control variables, we note that the larger the firm, the higher the probability for internationalization of the firm. Age of the firm implies higher probability of export. This results are relevant, suggesting that exporting companies followed an internationalization process consistent with the Uppsala model. The probability of export in manufacturing sectors is higher than in the services sector. Total debt is important factor to motivate the exporting activities of the firm.

The results show that variables coming from the accelerated internationalization model are not positively related with internationalization of firms. In fact, accumulating a large amount of fixed assets and intangible assets are factors that, at least in this set of companies, discouraged export activities of the firm. This situation can be explained because intangible assets are expensive or maybe because the effects of that kind of assets must be reflected in some or a few periods latter than they were acquired.

On the other hand, structural factors like the number of competitors are important to inhibit internationalization of the firm. The microeconomics literature tells us the larger the number of competitors the more perfect information markets are. So, it is difficult in this kind of markets to establish a differentiation strategy. That may be the reason for decreasing probabilities of this variable. The impact of the domestic prices intensity also diminishes probability of internationalization. When there is intensity in prices the microeconomics literature tells us there are imperfect information markets. Because of this, there may be a monopolistic structure that is more rentable in the interior of the region than in the exterior. The impact of foreign price intensity has a positive impact on internationalization of the firm because there may

exist the possibility to establish a differentiation strategy in the exterior and hence the possibility to succeed in export activities.

Table 6: Comparing the Coefficient of the Probit and Logit Models with the Linear Regression

Comparison between the regression models			
Variable	Probit	Logit	LMP
C	-0.127	-0.130	0.386
LOG(TOBIN'S Q)	-0.017	-0.018	-0.015
LOG(FIXED ASSETS)	-0.014	-0.015	-0.012
LARGE	0.135	0.140	0.116
AGE	0.002	0.002	0.002
SECTOR_MANU	0.355	0.363	0.317
SECTOR_SERV	0.058	0.062	0.046
NUM_OF_COMP	-0.054	-0.055	-0.047
DOM_PRICE	-0.096	-0.097	-0.078
FOR_PRICE	0.214	0.219	0.182
TOT_DEBT	0.000	0.000	0.000

Three kind of coefficient are interpreted like a linear regression. We use the methodology proposed by Wooldridge (2010), dividing the coefficient of Probit by 2.5 and dividing the coefficient of Logit by 4.

The previously described results are consistent with our Uppsala internalization model based on resources. In the first stages of the internationalization of the firm, contingent factors are more important than internal variables of the company. Hypothesis H1 is rejected. We conclude this variable, while significant, does not have the expected magnitude over the decision to export. H2, it is not rejected as the variable Age signals the process of internationalization is a gradual phenomena, that must be taken into account for the internationalization path of the firm. As both variables of intensity of competition in prices domestic and foreign are statistically significant, this means the firm is using information about the structure of the markets to export a larger volume of products. Hypothesis H3 is rejected, because, at least for the sample, factors related to intangible assets of the company did not have a positive impact on the probability of internationalization.

CONCLUDING COMMENTS

Internationalization is a natural destiny for companies in the present economic context. This is a process that affects, positive or negative, all firms without regard to their size, geographic location or even if they are conscious of the impacts. Our objective was to analyze internationalization determinants of companies contained in the World Business Environment Survey (WBES). The first step was to construct a suitable explanatory theoretical model. To accomplish these aims, a model for the analysis of organizations that combines the postulates of a model of evolutionary internationalization (Uppsala) and one of accelerated internationalization (born global) were considered. We use an approach based on the RBV. We conclude that internationalization of the firm is a rentable strategy that can improve firm performance. However, this strategy is not easy and can be developed in more than one way. We explore two kinds of models of internationalization, the born global and the Uppsala models. From the regression models, we see the sample was composed primarily of companies whose internationalization has followed a route as described by the Uppsala model. According to that result, variables associated with the sequential internationalization model were statistically more significant than the accelerated variable.

Export activities are more motivated by structural factors of the market (such as the number of competitors and intensity of competing in prices) than internal factors of firms (intangible resources). For the correct application of quantitative strategy described here, it was necessary to remove outliers. This may be partially responsible for the results. It is worth noting that, because outliers were removed, there are some companies who achieved accelerated internationalization, because it's innovative nature. Some limitations of this study are temporal effects. Intangible assets could be important in latter stages of the firm but in our sample we only have one period. Additionally, some variables must be including in later investigations to

improve the analysis of intangible variables. Future research might study the performance of the accelerated internationalization model versus the sequential and evolutionary Uppsala model.

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