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„Determinants of the International Strategy of Austrian Companies in the CEE Region“

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ABSTRACT ENGLISH

This thesis aims to investigate what determines an international strategy in case of Austrian companies with presence in the CEE region. Drawing from contingency theory, both internal and external factors have an influence on international strategies and therefore a conceptual framework model is created in order to test the independent variables. The empirical objective is to find the impact between the factors of *firm context* and *host country context* on the level of adaptation within a sample of 167 Austrian companies with subsidiaries in the CEE. The data for the empirical project was obtained by Advantage Austria, where 969 questionnaires were sent.

The firm context factors include *firm size* and *international experience*. The host country context factors consist of *cultural differences, institutional uncertainty, market uncertainty,* and *the level of competition*. Moreover, the statistical tools used in this thesis are factor analysis and regression analysis. The findings of the regression rounds support partially those of the literature review. However, statistical significance between independent and dependent variables is rare the case. In the main regression round, international experience and market uncertainty show to have an impact on the level of adaptation. The other remaining hypotheses are not statistically significant.

ABSTRACT GERMAN

Ziel dieser Arbeit ist es zu untersuchen, welche internationale Strategie bei österreichischen Unternehmen mit Präsenz in der CEE-Region relevant ist. Ausgehend von der Kontingenztheorie haben sowohl interne als auch externe Faktoren einen Einfluss auf internationale Strategien und daher wird ein konzeptionelles Rahmenmodell erstellt, um die unabhängigen Variablen zu testen. Das empirische Ziel ist es, den Einfluss der firmen- und gastlandspezifischen Faktoren auf den Anpassungsgrad innerhalb einer Stichprobe von 167 österreichischen Unternehmen mit Tochtergesellschaften in der CEE Region zu ermitteln. Die Daten für das empirische Projekt wurden von Advantage Austria entnommen und es wurden 969 Fragebögen verschickt.

Zu den firmenspezifischen Faktoren gehören *die Unternehmensgröße* und *die internationale Erfahrung*. Die gastlandspezifischen Faktoren bestehen aus *kulturellen Unterschieden, institutioneller Unsicherheit, Marktunsicherheit* und *Wettbewerbsintensität*. Darüber hinaus sind die statistischen Werkzeuge in dieser Arbeit die Faktoranalyse und die Regressionsanalyse. Die Ergebnisse der Regressionsrunden unterstützen teilweise die der Literaturrecherche. Statistische Signifikanz zwischen unabhängigen und abhängigen Variablen ist jedoch selten der Fall. In der Hauptregressionsrunde zeigen internationale Erfahrungen und Marktunsicherheiten einen Einfluss auf den Grad der Anpassung. Die übrigen Hypothesen sind statistisch nicht signifikant.

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LIST OF ABBREVIATIONS

ANOVA	Analysis of Variance
CEE	Central Eastern Europe
CEO	Chief Executive Officer
FDI	Foreign Direct Investment
I-R	Integration-Responsiveness Framework
MNC	Multi-National Corporations
MNE	Multi-National Enterprises
SME	Small-Medium Enterprises
SPSS	Statistical Package for the Social Sciences

1. INTRODUCTION

1.1 Background

In a globalized world a company needs to understand what the appropriate international strategy is when entering a foreign market, as well as when already being present outside its country borders. This understanding considers elements and advantages of both standardization and adaptation. The question whether to standardize or to adapt is an ongoing debate of over four decades that concerns authors of the international business literature and practitioners of the same field. However, Buzzell (1986) was the first to address the question to what extent should a company standardize or adapt. This approach takes into account the advantages of both strategies, which in the literature is defined as the contingency theory (Jain, 1989). Accordingly, this thesis will build upon internal and external contingency factors which are related to the level of adaptation as an international strategy.

The motivation to investigate the key determinants of Austrian companies for their international strategy in the CEE region goes back to Austria's great positioning as a foreign investor especially in Slovenia, Bosnia, Croatia and Macedonia, which holds the first place as a foreign investor. Further, within the top three is in Hungary, Serbia, Czech Republic, Bulgaria, Romania, and Slovakia. This dedication has doubled Austrian exports in the last 25 years (WKO, 2017).

The relevance of Jain's (1989) work motivated many researchers to build upon the proposed framework model and empirically investigate internal and external factors that determine the degree of standardization or adaptation. In this case no preferences regarding adaptation and standardization will be expressed, since both will be considered as two different perspectives within the same continuum and therefore high level of adaptation will imply low level of standardization. Consequently, the most common grouping concerning the determinants of the international strategy according to previous researches could look as in the following: firm factors, product factors, industry factors, and export market factors (Cavusgil & Zou, 1994; Chung, 2002; Shoham, 1999; Park, 2006 etc.).

This thesis with cases of Austrian companies in the CEE incorporates determinants that fall into firm and host country factors. The former includes firm characteristics that are related directly to

the company itself such as: international experience and firm size. The latter incorporates basically the external factors or those that are caused by the environment itself such as: cultural differences, institutional uncertainty, market uncertainty and level of competition. Thus, the proposed framework is graphically illustrated later in Chapter 2.

There are some issues to be encountered regarding the research on this topic, even though sufficient empirical evidence is available in the international business literature. However, most of these empirical studies on international strategies are concentrated in the US market, which raises the question of how applicable such conclusions in case of European companies are, specifically for Austrian companies in the CEE. Also, the targeted focus on empirical studies with internal and external factors from contingency perspective is limited and doesn't allow sufficient room for comparisons. Therefore, the results this thesis is going to provide could serve as basis for future research on international strategies of European companies and in the European context.

1.2 Research Questions and Hypotheses

This thesis attempts to answer the following research questions with the help of the empirical project:

1. Which firm and host country context determinants are affecting the international strategies of Austrian companies in the CEE?

2. How are these determinants related to the level of adaptation?

In order to answer the research questions, based on the international business literature and its review the below outlined hypotheses were developed:

FIRM CONTEXT:

H1: The greater the firm's international experience in host countries, the higher the degree of adaptation.

H2: The larger the firm size, the lower the degree of adaptation.

HOST COUNTRY CONTEXT:

H3: The greater the cultural differences between home and host country, the higher the degree of adaptation.

H4: The greater the institutional uncertainty in the host country, the higher the degree of adaptation

H5: The greater the market uncertainty in the host country, the higher the degree of adaptation.

H6: The higher the level of competition in the host country, the higher the degree of adaptation.

1.3 Organization of the Thesis

The first Chapter of the thesis includes the introduction of this topic in order to get insight what motivated us to choose this particular topic. The same chapter outlines the main research questions and the hypotheses developed by the literature.

Following this, the second Chapter reviews the international business literature with respect to international strategies, with emphasis on the level of adaptation. In this respect, the literature review identifies the factors associated with the international strategy and therefore develops the hypotheses that should be investigated later empirically.

The third Chapter deals with the methodology of the empirical project and explains in detail the empirical procedure, starting from the research design, where qualitative methods were used only, continuing with the sampling frame and response rate, and concluding with the operationalization of the independent and the dependent variables.

The fourth Chapter analyzes and interprets the statistical results, which were obtained by using SPSS. Sample characteristics are presented in detail by using SPSS graphs. Descriptive statistics is also undertaken and summarized in a single table for a better overview. Further, reliability and validity results are presented for every single construct. Finally, correlation analysis is

undertaken in order to check for multicollinearity and is followed by regression analysis, which will test the hypotheses and identify the statistical significances between the independent and the dependent variables.

Finally, the fifth and the sixth Chapter, are the ones where conclusions are drawn, and the results are discussed in terms of their theoretical and practical implications. Also, limitations regarding the empirical project and the thesis in general, and implications for future research are discussed.

2. LITERATURE REVIEW

2.1 Introduction

The following section will serve as basis for understanding international strategies in general and for reviewing the corresponding literature with the objective to develop the research hypotheses. The chapter is divided into five parts. Starting from the first part, a review on international strategy perspectives will be undertaken with emphasis on the contingency approach with respect to proposed conceptual frameworks consisting of internal and external factors. The second part reviews theoretical foundations on the integration-responsiveness framework (IR) as well as the corresponding pressures for the respective strategies. The third part consists of defining and discussing firm context and host country context factors that are associated to the level of adaptation. In the fourth part a conceptual framework with internal and external factors is proposed. And finally, in the last part a summary of the chapter is provided.

2.2 Review of International Strategy Perspectives

For over four decades the dilemma on whether to standardize or to locally adapt has been a big issue that concerns both business scholars and practitioners. Nevertheless, when dealing with the international strategy of a company, one should be aware that there are many approaches to be taken into account. According to Zou and Cavusgil (2002) the international business literature recognizes the following international strategy perspectives:

- ***standardization / adaptation***,
- *concentration / dispersion*,
- and *integration / independence*.

The theory suggests that no matter the size of the company which will be operating abroad, the internationalization itself should bring several advantages, although many challenges are to be faced. However, by having an overview and by outlining the theory perspectives mentioned above, one should be able to define his goal concerning international strategies as well as be able

to make decisions upon the plausibility whether to adapt or not, and lastly be able to find out what influences the degree of the corresponding strategy.

Nevertheless, the thesis' focus will be mostly placed on the standardization/adaptation approach as the most relevant perspective, which has the power to answer the research questions through the empirical project. The following paragraphs will briefly discuss the importance of concentration/dispersion and integration/independence as well as their contribution to the international business literature. Further, in the next chapter a huge emphasis through detailed and comprehensive description will be placed on the standardization/adaptation debate, which will lead to the contingency approach as well as the understanding of the strategy determination by internal and external factors.

The *concentration/dispersion* approach hasn't gotten much of attention in the business literature, even though it goes back to Porter's (1986) framework on value chain activities. The author argues that internationally active firms should first nationally gain a successful position and be able to locally respond in an effective way. Basically, the main idea behind this approach is to configure value chain activities and decide if these have to be concentrated in specific markets or dispersion in the sense of spreading the activities would be advantageous or of better use.

The *integration/independence* approach dates almost same as the one mentioned previously. The main focus of this perspective is the competitive advantage. Hamel and Prahalad (1985) are the one of the first authors who dealt with this categorization. They argue that in terms of competitive advantage, the international company should be able to succeed in one country, by using the maximum advantage of their competitive position in the other country. Another essential point in this categorization is the way of how a subsidiary is treated. That is, whether as an independent entity or as such that is almost fully integrated in every strategy process of the parent company.

In the field of integration, a huge role plays the integration-responsive framework (I-R) by Prahalad and Doz (1987). To sum up, all theories mentioned above have connections with each other and shouldn't be treated as complete separate entities. The I-R framework together with the adaptation/standardization approach have found their applicability and development in the contingency approach. The causal effects of the internal and external factors should serve for determining particular international strategy.

2.3 Standardization vs. Adaptation Debate

However, this thesis will place emphasis almost only on standardization (integration) and local adaptation strategy, as well as their relationship with each other and the factors that are associated to a particular strategy. Therefore, this section will describe the evolution of these concepts up to the point when the degree of the international strategy becomes the key element.

In this respect, the international business literature differentiates between the following literature streams or schools of thought:

- *standardization approach,*
- *adaptation approach*
- and ***the contingency approach***.

The first two approaches are seeking to outline the advantages that the respective strategies or theories bring with them, where the last literature stream suggests that the international strategy is dependent on internal and external factors, which play a huge role in its determination as well. Also, a brief introduction about the contingency approach will follow later in order to gain better understanding of its importance and to justify our main focus and concentration on this approach.

2.3.1 The Standardization Approach

Companies that are adopting *standardization* strategies are pursuing a single marketing plan regardless of the country they are operating, or they are planning to enter. This means that the elements of the marketing mix (the so-called 4 P's) such as price, product, place, and promotion are applied not differently across regions (Jain & Haley, 2009). Nevertheless, it is hard to look into this concept only by using distinct theoretical definitions. This therefore motivates and calls for a closer look with inclusion of practical examples.

Thus, Buzzell (1968) was one of the pioneers that studied to what extent an international company should standardize its activities. This question will later motivate researchers to look beyond the absolute nature of either standardization or adaptation and pay attention to the degree of their driving forces. Moreover, Buzzell (1968) argued and defined that the standardization

process involves identical application of the marketing mix in every country, regardless of the differences in terms of culture, market, industry or environment, even though it is almost impossible to identically operate in different countries. For this reason, this definition is a bit harsh in itself and allows for confusion.

Sorenson and Wiechmann (1975) argued two aspects of standardization, which happen to be process and program standardization. On the one hand, program incorporates aspects of the marketing mix such as positioning, brand name, price, advertising, promotion, management, middlemen etc. Where on the other hand, process involves the tools that serve for developing and implementing the program.

As far as the drivers for standardization are concerned, Levitt (1983) argues the homogenization phenomenon about how customer needs and preferences around the world are becoming similar. The author expects the vanishing of customer tastes as well. Furthermore, this approach should allow the global company to enjoy advantages through the achievement of economies of scale, which in return will enable the delivery of high quality products. Hence, there is a win-win situation for both the international company and the customer.

Apart from scale economies as main driver for standardization, Douglas and Craig (1986) include know-how and experience transferring, uniform or standardized image, and coordination and control, as main drivers of standardization as well. The literature in this case identifies also easier market entry as a benefit associated with standardization.

2.3.2 The Adaptation Approach

A generic differentiation marketing strategy corresponds to the adaptation strategy. The idea behind this concept is simply to focus on different markets and therefore to apply marketing mix elements differently in order to meet and exceed consumer needs and wants (Kotler, 1986).

Contrary to the standardization concept, which tends to homogenize the world markets or to adopt a universal approach, the proponents of the adaptation approach argue that the so-called homogenization trend is just a special case and hardly applicable (Douglas & Wind, 1987). Further, Whitelock and Pimblett, (1997) argue that it is very difficult to employ a uniform

international strategy due to differences in aspects of infrastructure, preferences, environment, etc. However, both strategies are huge indicators of success or failure for companies that decide to enter foreign markets.

According to Kotler (1986) there are three main drivers of adaptation, such as: different customer requirements around the world, differences in customer resources and in buying behavior, and environmental differences in host countries. Walters (1986) argues the difficulties of achieving a standardized strategy and points out the relevant reasons for adapting. Due to lack of information and evidence about the host country characteristics, adaptation would be more preferable to standardization in this case.

Douglas and Craig (1986) made a great point by introducing a hybrid strategy, followed by pure standardization and pure differentiation. By adopting this strategy, companies would enjoy benefits of both standardization and adaptation, which will enable them at the same time to achieve economies of scale as well as respond to local needs.

As far as the biggest contributors to the standardization approach are concerned, the following authors are worth mentioning: Bartels (1968), Buzzell (1968), Ohmae (1985), Levitt (1983), Yip (1989) etc. Although many reasonable points were brought by these authors, there was obviously and will always be room to criticize and disagree their opinions and findings.

This led to a huge number of authors that resulted in supporting the adaptation approach. The most prominent proponents of this approach among others are Quelch and Hoff (1986), Wind (1986), Douglas and Wind (1987), Fournis (1962), Kotler (1986), O'Cass and Julian (2003) etc.

2.3.3 The Contingency Approach

In this sense, every author involved with this topic was basically supposed to pick sides which led to discussions and endless debates around both international strategy aspects. This debate plays still a significant role and continues until present day to be a crucial part concerning researches in the international business literature.

Nevertheless, the contingency approach considers both strategies and focuses on the determination of these strategies. Furthermore, it also allows to take into account both

advantages and drawbacks of the two international strategies. Basically, this perspective gives us the opportunity to find a middle ground between standardization and adaptation, instead of just stand by one and support only one strategy (Cavusgil & Zou, 1994; Shoham, 1999).

Therefore, this thesis will be dealing only with the contingency approach, as the main source of literature review, with the purpose of building a conceptual framework with the most relevant determinants and of being able to test the model empirically. This will finally allow for comparisons with other findings as well as give us the opportunity to draw our own conclusions.

The point behind this concept is that there is no right or wrong strategy, but instead, the international strategy is represented as two extremes within the same continuum. Meaning that a high degree of adaptation will imply a low degree of standardization. In this respect, the recent research is focusing mostly on the level of adaptation, that is, the extent to which a firm standardizes/adapts its activities in the host country. Dealing with the level of adaptation will give us insight of what actually influences the international strategy, rather than to question ourselves whether to adapt or to standardize (Lages & Montgomery, 2004; Jain, 1989).

Analyzing the theory background of the corresponding factors will serve as main indicator to proposing a framework model of international strategy composed by internal and external factors, which should determine the degree of adaptation. In this case, on the one hand internal factors refer to specificities related directly to the firm itself, where on the other hand, the external factors are related to the host country and therefore caused basically by environmental differences (Cavusgil & Zou, 1994).

The presented framework below in one of the next chapters regarding the level of adaptation/standardization is an adapted version which was previously proposed by several authors in different but similar models.

Accordingly, a great contributor and a pioneer to the field of contingency theory is Jain (1989), who proposed a framework which included the standardization degree and what determines such degree. The factors included *target market, market position, nature of product, environment,* and *organizational factors*. Target market includes the dimensions of geographic area and economic factors. Market position among others considers market development and condition, as well as competition. The nature of product in this case was operationalized by type of product and

product positioning. The environmental factors included physical, legal, political environments as well as marketing infrastructure. Finally, organization factors considered corporate orientation, relationship between headquarter and subsidiary, and delegation of authority.

Lastly, after the consideration of the above-mentioned factors and their impact on program standardization, there was also their overall influence on financial performance taken into account, which is supposed to be the basis upon standardization decision.

Nevertheless, the only drawback with this model was the fact that it was not empirically tested. Thus, the model later served as motivation for many authors to develop these propositions and perform empirical tests.

The figure below shows the model graphically for a better overview of the causal impacts:

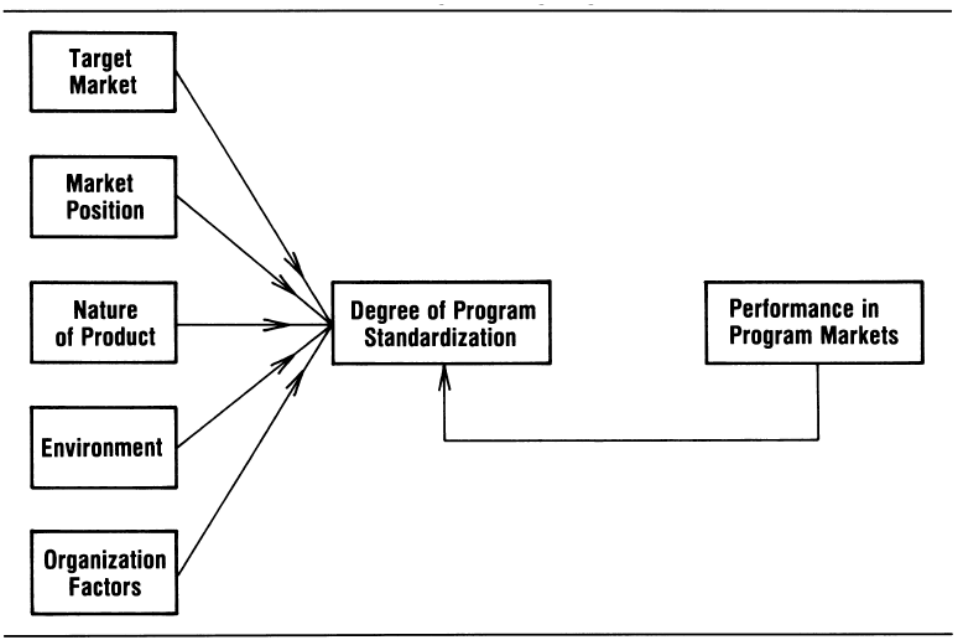

Figure 1 A Framework for Determining Marketing Program Standardization

Source: Jain (1989)

In this sense, Cavusgil, Zou and Naidu (1993) propose a similar model of product and promotion adaptation. The authors argue that the dependent variables are moving in different directions and that's the reason of not treating them as a single construct. The two dimensions are empirically

tested, and the findings support the influences of company, export market, and product/industry characteristics. The variables included in company characteristics are international experience, export sales goal and entry scope. The second group of the variable characteristics namely the export market characteristics include variables in the model, such as: legal regulation, competitiveness and product familiarity. The last group of the independent variables called product/industry considers four variables, such as: technology orientation, product uniqueness, cultural specificity and type of product. Nevertheless, the drawback of this model was the fact that almost every construct was measured by a single item. However, we must mention that the authors were one of the first to test such model empirically, which for this reason it deserves all the credit.

For a better overview, the model is illustrated in the figure below:

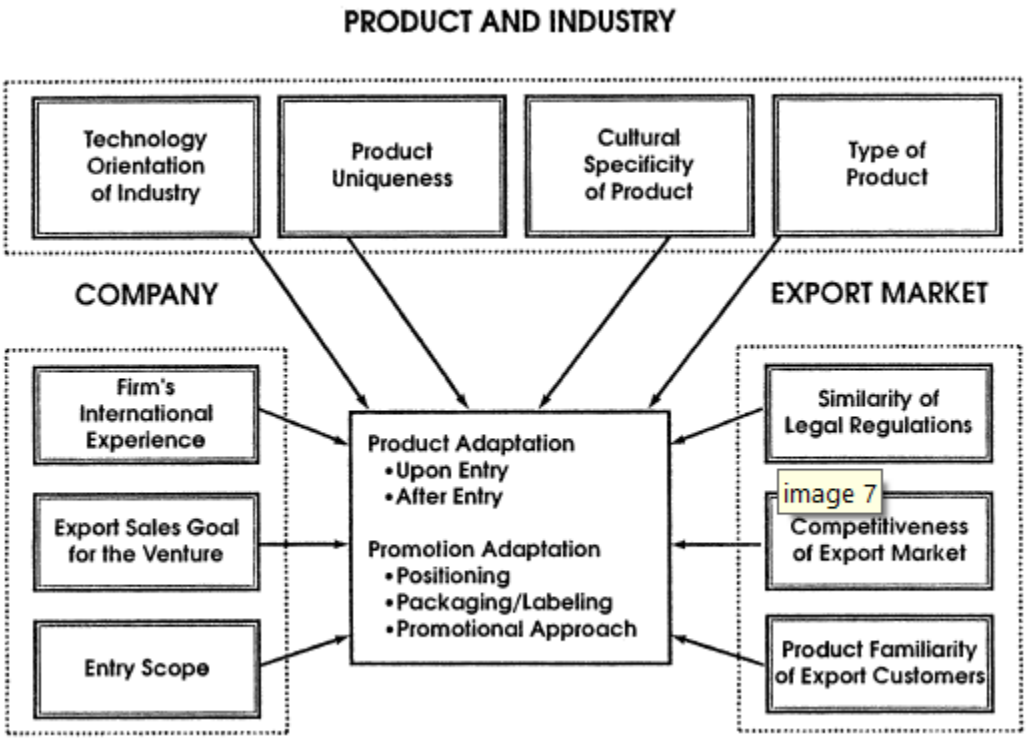

Figure 2 Framework of Product and Promotion Adaptation

Source: Cavusgil, Zou and Naidu (1993)

In this respect, Fuchs and Köstner (2015) indicate in their conceptual model that both internal and external factors, such as international experience and competitive intensity, respectively, are related to adaptation dimensions, which the latter determines sales growth and profitability. The companies that are used and surveyed in this sample are Austrian SMEs, which will be the same case in this thesis as well. This similarity will allow for plausible comparisons between thesis' results and the results delivered by the study mentioned previously.

2.4 The Integration-Responsiveness Framework

Another way of succeeding as an international enterprise is by pursuing the integration-responsiveness model (IR-Framework) which is in accordance with the contingency perspective as well, due to the framework's development over time. This framework has found a tremendous importance in the international business literature with the objective to explain the variety of international strategies adopted by multinational enterprises, such as standardizing or adapting, as well as to explain the choice between centralization and autonomy.

This concept was introduced by Prahalad and Doz (1987) as well as further extended and developed by many other authors until present day. The authors never stopped publishing articles and books by trying with case studies to improve the framework. Also, Barlett and Ghoshal (1989) are considered among the pioneers and huge contributors regarding this topic as well.

Therefore, the main idea behind this concept is to find out how to deal with the pressures for global integration and local responsiveness while going international, by taking into consideration the industry characteristics which basically determine the path of the corresponding strategy.

At first, this literature stream identified three different approaches, such as:

- *global integration,*
- *global coordination*
- and *local responsiveness.*

Firstly, *global integration* takes into account the centralization of the management and the dispersion of the value chain activities in different regions. These activities can involve cost reduction incentives such as outsourcing in low labor countries and the ability to relocate production anytime. Another important characteristic of this approach is the tendency to build large plants and to give the opportunity to a single location to serve different markets in the world, as a result of high specialization and the ability of achieving economies of scale.

Secondly, *global coordination* focuses only on management activities that are dispersed regionally, basically the only characteristic the global integration wasn't taking into account. Hence, global coordination involves activities such as the coordination of R&D activities, human resources practices, pricing etc. However, these two concepts are complementing each other, even though many authors see them as identical. Nevertheless, a combination of these approaches leads to a better understanding of both processes. For this reason and for sake of simplicity, the thesis with treat both of them as one from now on.

Finally, the third approach *local responsiveness* is shifting its focus mostly on local subsidiaries, rather than headquarters in the home country. This approach makes subsidiaries responsible for decision-making as well as less dependent on the headquarters. Therefore, a level of independence is achieved in this case. The reasons why to follow this strategy are the cases when there are local specificities that make global integration not attractive, more expensive, not able to respond locally as well as losing the local presence.

2.4.1 Pressures for Global Integration and Local Responsiveness

As far as the pressures for global integration and local responsiveness are concerned, Prahalad and Doz (1987) identify seven for both integration and coordination, and four that correspond to local responsiveness. These are related to the business characteristics, which happen to be economic, political, technological and competitive.

However, numerous authors of the international business field until present day have dealt with the pressures proposed by Prahalad and Doz (1987) and therefore have added more to the list. An

actual categorization between pressures for global integration and local responsiveness looks like the following:

Pressures for global integration:

- Cost reduction opportunities due to scale economies
- Meeting customer trends and universal needs
- Global sourcing
- Multinational customers and their universal service
- Investment and technology intensity
- Reachable media across nations
- Monitoring competitors and compliance.

Pressures for local responsiveness:

- Different customer needs
- Different channels of distribution
- Legal and political differences
- Cultural differences
- Competition anticipation and response.

Many of the pressures listed above are similar to the determinants of international strategy which will be outlined in detail later in the thesis. No doubt that there are slight differences to be found. Again, as mentioned already earlier, the emphasis will be placed only on those characteristics that will be able to be empirically tested. The incorporation of the pressures with the determinants for international strategy will follow in the later stages, where a comprehensive introduction of each component will be made.

2.4.2 Basic Industry Types and Related MNC Strategies

Going back to the initial model proposed by Prahalad and Doz (1987), one can see that it basically focuses only on the dimensions of global integration and local responsiveness within a single global industry as well as distinguishes between the following multinational corporation types: *global, local* and *multifocal*.

This typology is based upon the application of the pressures for the corresponding dimensions, putting it differently, the pressures characterize and determine a particular strategy. For instance, the global corporation is characterized by having high pressures for global integration and low pressures for local responsiveness. Further, the local corporation is representing the opposite, that is, low pressures for global integration and high pressures for local responsiveness. Finally, the multifocal corporation is the middle ground, which incorporates elements of both dimensions and results into a differentiated strategy as well as into being able to respond to integration pressures.

However, Barlett and Ghoshal (1989) extended this typology by adding another business environment, namely the transnational businesses. Unlike the classification by Prahalad and Doz (1987), the authors referred to the strategies as:

- *global,*
- *multinational,*
- *international*
- and *transnational.*

For a better overview, this classification is graphically shown in the figure below with a brief description in every quadrant for each strategy:

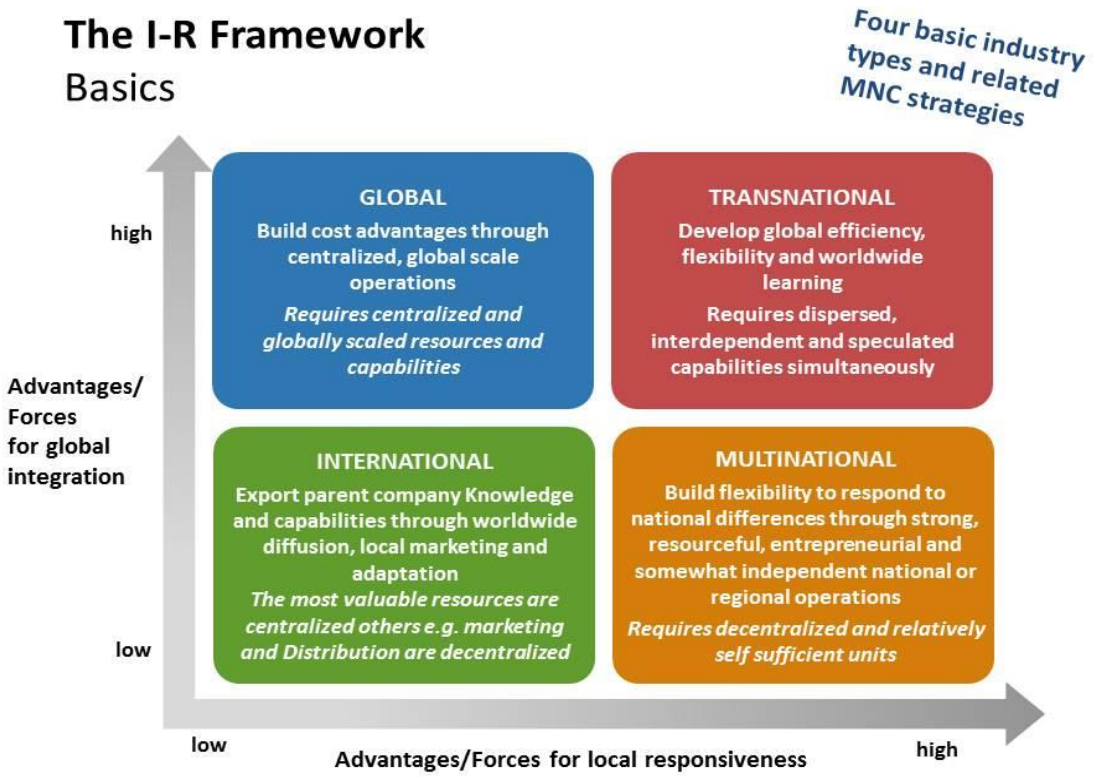

Figure 3 Basic Industry Types and Related MNC Strategies

Bartlett, Ghoshal and Birkinshaw (2004)

The biggest difference between the latter and the former framework does not lie only in the strategy categorization, but it lies also in the industry consideration. As already mentioned, the former takes into account a single industry model, whereas the latter allocates industry types within the international strategies.

However, as far as the connection between the two concepts is concerned, it is more than obvious that Barlett and Ghoshal's multinational strategy is related to or overlaps with the locally responsive strategy of Prahalad and Doz (1987). The same holds between the international and multifocal strategies, where the global types have the same characterization in both models.

Nevertheless, the transnational approach is seeking to combine the advantages and strengths of all three original business environments, which could be basically suitable only for large

corporations. The idea behind this new concept was that the companies in the 80s started following a similar trend where they would incorporate dominant elements of all three strategies and therefore would slightly differentiate from each other (Rugman & Verbeke, 2008).

Moreover, Barlett and Ghoshal's typology was suggesting that every international company must consider the following three objectives with the aim of achieving success and gaining competitive advantage, those include: *developing global efficiency, international flexibility* and *world-wide learning simultaneously*.

The relevance, as well as the objective of this typology was not to show that the transnational strategy is dominating and therefore is more effective than other MNE strategies, but instead, to treat all other strategies in an equal manner and to balance out the other three strategies. However, some of the key differences between the MNE types are shown in the figure below, in terms of strategy orientation and dispersion capabilities:

MNC type	Strategic orientation	Assets and capabilities
Multinational type	Building flexibility to respond to national differences through strong, resourceful and entrepreneurial operations	Decentralization and rational self-efficiency
International type	Taking advantage of knowledge and capabilities of the managing mother company through world-scale expansion and adaptations	Centralization of sources of competitive capabilities, the rest decentralized
Global type	Achieving cost advantages through centralized operations with global reach	Centralization and global reach
Transnational type	Developing global efficiency, international flexibility and world-wide learning simultaneously	Dispersion, interdependence and specialization

Figure 4 MNE Types

Source: Barlett and Ghoshal (2003)

Ghoshal and Nohira (1993) focused even deeper in the industry classification which was completely based on Barlett and Ghoshal's typology. The industries classification was done by taking into account the pressures for global integration and local responsiveness. The industries were placed to the corresponding strategies depending on how high a particular industry scored

in terms of pressures. That is, if an industry showed characteristics that belonged to the multinational strategy quadrant, then the respective industry would be treated as such.

Industry examples of global strategy industries would be in this case computer, car, construction industry etc. Further, the transnational approach grouped almost the same industries as the global environment with the addition of drugs and pharmaceuticals. Therefore, overlapping issues arise by the consideration of this classification. Moreover, the international strategy including industries such as metals, paper, textiles, machinery etc. And finally, the multinational environment included food and beverages, tobacco etc. Nevertheless, this classification didn't get support to be further developed by other authors, due to the fact that an industry is a broad concept and there is no need for it to be attached to single strategy (Dörrenbächer & Geppert, 2016).

Regarding company examples, the business literature considers the following companies under international environment strategy type: Walmart, McDonald's, Microsoft, Intel, Tabasco, Toys "R" Us etc. Further, most famous companies that follow a global strategy are: Sony, HP, Victorinox etc. Those following transnational strategy are overlapping with certain strategies as for example McDonald's, which is present in the international category too. In this sense, General Motors and Ford are considered to follow a transnational strategy as well. Finally, examples for multinational strategy companies are: Unilever, Schweppes, MTV, Carlsberg etc. (Dörrenbächer & Geppert, 2016).

It was often the case when it was not clear where a company belongs, due different approaches that were taken by various authors. Also, as mentioned earlier, linking company's strategy within a certain industry was not the right way to go.

Responding to this, Barlett and Ghoshal (1989) in a case study of Unilever identified the differences of pressures for global integration or local responsive at company levels, such as different pressures for business units, for business functions, as well as for various business tasks and various regions. These conceptual refinements allow for further extensions in terms of concepts that should be incorporated within the model. Also, this understanding will enable the consideration and application of further determinants, apart from the classic pressures introduced in the first model.

The I-R Framework following its initial introduction found empirical applicability by many authors. Drawing from contingency theory, many authors tested empirically what determines global integration or local responsiveness. The determinants were built upon the basis of the pressures discussed above (Kobrin, 1991; Birkinshaw et al., 1995; Johnson, 1995; Roth & Morrison, 1991; Luo, 2001). A combination of these factors with the ones of standardization and adaptation will be discussed in the chapter below.

2.5 Factors Associated with International Strategy

Since the main focus throughout the thesis will be on the contingency theory, it would be more reasonable to distinguish between factors of *firm context* and *host country context,* which in the international business literature correspond to internal and external factors, respectively. This differentiation is also to be found in studies by Loyka (2003), Cavusgil et al. (1993), Cavusgil and Zou (1994), Fuchs and Koestner (2015), O'Cass and Julian (2003), Chung (2003), Lages and Montgomery (2004), Sousa and Bradley (2008), Omar and Porter (2011) etc.

Also, the structure of the survey that will be introduced later enables and supports essentially this categorization.

As already mentioned in the section above about contingency theory, standardization (integration) and adaptation will be treated as similar entities that represent a certain degree of international strategy based on forces that are driving them, which could be internal or external. Basically, both strategies will belong within one single scope.

According to Cavusgil and Zou (1994), which followed and supported the previously described concepts, the degree of standardization is contingent on internal and external factors. The internal factors were grouped in firm and product factors, where the external factors included industry and export market characteristics. Almost the same approach was taken by Cavusgil et al. (1993) as well, where also a conceptual framework was proposed and tested, with only one difference, that is, the focus on only product and promotion adaptation as dependent variables.

In this sense, Chung (2003) proposes a framework shaped by internal and external factors. Those include the following: firm size, political environment, marketing infrastructure, consumer

behavior and product type. Moreover, Shoham (1999) points out the environmental dependencies on strategy determination. After potential literature review the author focuses on factors such as country image, competitor differences, competitive differences, legal and political differences.

The huge number of factors considered within the scope of international strategy motivates for further research and possible gaps in the theory. Hence, the consideration of all possible determinants is not possible and not necessary for every single research. Therefore, we decided to place emphasis only on some of the determinants that are tackled by the study questionnaire later in the thesis and those that are linked to the corresponding literature.

2.5.1 Firm-context

However, most of the studies are not only studying their effect on the level on adaptation, but also its relationship with the company's financial performance, which clearly won't be the case in this thesis.

Therefore, the most suitable variables to test for the empirical project that will be later introduced regarding Austrian companies with ties in the CEE market are:

- *international experience,*
- *firm size.*

In the section below will follow a detailed description of both determinants concerning their overall importance in the international business literature, as well as their relevance and contribution to the empirical project and to this topic.

The thesis wants to investigate their impact as independent variables, whereas in some international business researches these two are considered as control variables. Nevertheless, we argue that firm size and international experience of Austrian companies are related to a particular international strategy. A detailed explanation and the expectations are presented precisely below.

2.5.1.1 International Experience

The importance of international experience goes back to the work by Johanson and Vahlne (1977), where the internationalization process is explained. However, the consideration of this determinant as an independent variable in many studies has shown ambiguous results. Numerous studies have found a positive relationship between international experience and level of adaptation (Cavusgil & Zou, 1994; Cavusgil, Zou, & Naidu 1993; Hultman, Robson & Katsikeas, 2009; O'Cass & Julian, 2003; Fuchs & Köstner, 2015; Evans et al., 2008).

This determinant basically refers to company's experience in terms of the number of markets the firm is regularly present, and years involved in an export venture abroad. On the one hand, an international capable firm is more likely to recognize differences in environmental aspects and respond smartly by choosing the adequate entry mode adopting a differentiation strategy. Where on the other hand, internationally inexperienced firms find difficulties to cope with the host market and to understand the challenges that are to be faced, where as a result a minimal adaptation of their offerings is sought (O'Cass & Julian, 2003; Chung, 2002).

In this sense, Park (2006) shows support for this view by presenting two practical examples. The first one is a case of Korean exporters who used original equipment manufacturers in order to introduce their goods in host countries. Later, as the firm became more internationally experienced where they chose to respond to local needs by introducing their own brand which was very profitable and increased their market share. The second case is also a Korean exporter with less international experience which entered the French market. It was a cosmetics company which at first didn't choose to adapt their products locally and as a result led to sad performance.

However, according to Lages, Jap, and Griffith (2008) there was no relationship between international experience and the degree of adaptation. Moreover, negative relationship was shown in the literature as well (Sousa & Bradley, 2008; Chung, 2003; Omar & Porter, 2011; Douglas & Wind, 1987).

Thus, based on the discussion above, we can hypothesize the following:

> **H1:** The greater the firm's international experience in host countries, the higher the degree of adaptation.

2.5.1.2 Firm Size

Also, firm size shows ambiguity in results, but the majority of the studies have found negative relationship between independent and dependent variables (Chung, 2003; O'Cass & Julian, 2003; Omar & Porter, 2011). In most cases firm size was tested as independent variable, where its impact was measured on dependent variables such as level of adaptation/standardization, performance, as well as export intensity. Most of the researchers refer to this variable as numbers of employees and sales volume. Even though it was often the case that firm size delivered conflicting results, it is still believed that this variable is one the most important elements for determining the export decision, mode of entry, as well as the international strategy.

As already mentioned, the applicability of firm size and its relevance is to be found also in the choice of market entry. According to Terpstra and Yu (1988) larger firms choose FDI as an entry mode, due to its high resource commitment. Moreover, Katsikeas et al. (1996) finds a positive relationship between firm size and export performance in a case of Greek exporters.

Many researches were focused on the relationship between firm size and the decision to go international, where it is implied that larger firms manage this process easier, due to their higher possession of financial and human resources (Reid, 1982; Tookey, 1964).

Further, O'Cass and Julian (2003) highlight the importance of this variable in the context of international strategy by arguing that small size firms are more likely to choose adaptation strategies. Sorenson and Wiechman (1975) analyze this from other perspective, where they imply that larger firms tend to choose standardization strategies in order to gain competitive advantage among other big players in the host country. This is actually same approach as before just from the universal strategies point of view.

Thus, based on the discussion above, we can hypothesize the following:

H2: The larger the firm size, the lower the degree of adaptation.

2.5.2 Host-country context

However, due to limited empirical evidence within the scope of our empirical project about Austrian companies with presence in the CEE, our focus will be only on the following variables, since only these ones have the capacity to be empirically tested later through the survey and have demonstrated a huge presence in previous researches in terms of environmental determinants:

- *cultural differences,*
- *institutional uncertainty,*
- *market uncertainty,*
- *level of competition.*

Apart from the empirical capacity, their importance is related to the representation as external forces that drive a particular strategy as well. In our case, 14 CEE countries are included in the empirical project. Obviously, huge differences in terms of environmental characteristics are to be encountered. However, below follows a description of every single construct and discussion about their relevance.

2.5.2.1 Cultural Differences

Cultural differences as an independent variable has shown to impact the international strategy, as well as the performance of the exporting company (Roth, 1995; Katsikeas et al., 2006; Lim, Acito, & Rusetski, 2006; Sousa & Bradley, 2008; Chung, 2008; Calantone et al., 2006; Hultman et al., 2009; Ohmae, 1985; Quelch & Hoff, 1986; Whitelock, 1997; Omar & Porter, 2011).

However, Evans et al. (2008) argue that firms should standardize their international strategies regardless of cultural differences and psychic distance.

Culture is a broad concept where the following elements are incorporated in it, such as: norms, habits, language, religion, tradition, level of education, risk taking etc. Therefore, similarities between home and host countries in terms of customs and tradition lead to higher standardization degree. Analyzing it from the opposite perspective, it implies that distinctions of such would lead to higher adaptation degree (Katsikeas et al., 2006). Also, within the same country there are

subculture differences to be found, regardless of the homogenous nature that one could have expected (Omar & Porter, 2011).

Moreover, culture is one the of the external factors that is more likely to have an impact on the strategy determination of Austrian firms in the CEE, due to the expected presence of cultural differences between the countries. According to Buzzell (1968) the international strategy should be adapted to match cultural norms and habits, even though these are hard to measure or explain. Jain (1989) support this view by adding that customers buying behavior is a choice based on culture regarding products' attributes and characteristics.

Also, Cavusgil (1988) argues that culture of the host market is one the most important elements associated to international pricing strategy. Since in some cultures price negotiations are typical, Park (2006) introduces in this sense an example where a kitchen appliances manufacturer, called Regal Ware was consciously charging higher prices when they entered the Middle East market, where later a negotiation normally followed, and the price dropped. Also, as far as buying behavior is concerned, Turkish customers see it as unusual to buy soft drinks and potato chips in a drugstore.

Based on the discussion above, we can hypothesize the following:

> **H3:** The greater the cultural differences between home and host country, the higher the degree of adaptation.

2.5.2.2 Institutional Uncertainty

Institutional uncertainty is referred in the international business literature mostly to political risks and legal regulations, which have shown to have an influence on the degree of international strategy (Jain & Haley, 2009; Omar & Porter, 2011; Cavusgil & Zou, 1994; Cavusgil, Zou, & Naidu, 1993; O'Cass & Julian, 2003; Katsikeas et al., 2006; Sousa & Bradley, 2008).

There are legal requirements that need to be met in order to operate as a business such as standards about the product, taxes, tariffs etc. Therefore, an impact of these on adaptation degree should not be left behind. Further, the influence of the above-mentioned characteristics on price or product strategy determination varies from country to country. Cavusgil, Zou, and Naidu

(1993) support the previous argument and indicate that similarity of legal regulations between home and host country leads to high degree of standardization in terms of health, safety and technical standards.

Jain and Haley (2009) argue that there are two different political policies which have an influence on international strategy determination, such as: the invisible hand and the interventionist role. In the first policy the government is considered as a regulator, where the second policy is implicated with supplying market forces, which both are expected to have a certain effect on international strategies.

In unstable political situations there may arise conflicts of foreign asset control or international trade breakdown. Also, when in the host country the political environment is unstable, the internationals would tend to choose low control entry modes, as well as avoid high resource commitment (Omar & Porter, 2011). In this respect, according to Chaudhari (1988) the optimal entry mode would be joint venture, with the objective of not being highly committed financially. Further, this entry mode would give the international firm the opportunity to adjust and modify their international strategy to meet local needs.

Based on the discussion above, we can hypothesize the following:

> **H4:** The greater the institutional uncertainty in the host country, the higher the degree of adaptation.

2.5.2.3 Market Uncertainty

As far as the market uncertainty construct is concerned, the literature mostly distinguishes between market and industry characteristics. In this case, both elements with be incorporated into market uncertainty. To be more precise, the focus will be placed mostly on uncertainties in the sense of high variation of consumer demand, unpredictable turnover, as well as unreliable infrastructure in the host country.

The importance of this categorization goes back to Jain (1989), where market position is one of the main construct that is supposed to affect the degree of standardization, as well as aims to explain cultural differences, economic differences and customer differences. In addition, it is

built upon the basis of market development, market conditions and competition, as key determinants. However, in this case only propositions were made, and no empirical research was undertaken.

Cavusgil and Zou (1994) argue that industry and market characteristics have an impact on international strategy and performance. Apart from cultural differences and legal differences between home and host country, the authors also emphasize the following determinants within export market: demand potential, product and brand familiarity, competitive intensity, and marketing infrastructure. Further, the results indicate that more competitive environment and less technological intensity in the host country leads to higher adaptation.

However, market uncertainties are sometimes referred to *market turbulences* in the business literature, where a description of changes in markets and customers is the objective, which are associated with the level of adaptation (Kohli & Jaworski, 1990; Uscategui, 2000). Moreover, Kohli and Jarowski (1990) indicate that in case of a market turbulence in the sense of unstable customer demands there exists the possibility that customer needs won't be met. On the contrary, during stable times the companies have enough time to focus on customer needs and preferences and avoid any mismatching by using a higher level of adaptation in their international strategies.

Thus, based on the discussion above, we can hypothesize the following:

> **H5:** The greater the market uncertainty in the host country, the higher the degree of adaptation.

2.5.2.4 Level of Competition

The level of competition or competitive intensity is one of the most empirically tested factors in the international business literature. Its relevance is not only implicated in the relationship with the level of adaptation, but also in its connection with the financial performance. In this sense, Fuchs and Köstner (2016) argue that competitive intensity is in positive relationship with the level of adaptation and export success concerning Austrian firms with export ventures in the CEE. Moreover, Lages and Montgomery (2005) are also supporters of the previous findings regarding the relationship between competition and performance.

The importance of this construct is rooted to Jain's (1989) work, where the author points out the company's tendency to standardize in case there no competition in the host market. The same aspect is discussed by Cavusgil, Zou, and Naidu (1993), but from the opposite perspective, where the authors find out a positive relation between the level of competition and adaptation.

In this context, Park (2006) brings up a practical example of a Korean cosmetics company (AmorePacific) that had to face global companies such as Dior or Lancôme when they entered the French market. Therefore, due to not paying attention to the level of competition and not being able to perceive the importance and the power of their competitors or rivals at the time, the company had to face huge losses as a result of not modifying their strategy.

Finally, after reviewing the corresponding evidence and summarizing the outcomes of the above mentioned independent variables, one can expect positive relationship between the four independent variables mentioned above of host country context and the level of adaptation. A comparison of the findings shows consistency most of the time, and ambiguity rarely is the case, as was obvious with the results of internal characteristics. Hence, it would be challenging to find out the outcomes of the thesis regarding Austrian companies with ties in the CEE.

Thus, we can hypothesize the following:

> **H6:** The higher the level of competition in the host country, the higher the degree of adaptation.

2.6 Research Framework of International Strategy - Contextualization Model

Drawing from contingency theory the model below illustrates the causal relations between independent and dependent variables. One the one hand, the model indicates that the level of adaptation is determined by company size and international experience, as internal factors or firm-specific. On the other hand, the external influencers are cultural differences, institutional uncertainty, market uncertainty, and level of competition. Further, the level of adaptation in this model can be considered as either a single construct, or as e double construct consisting of product and non-product dimension.

The figure below presents the conceptual model graphically:

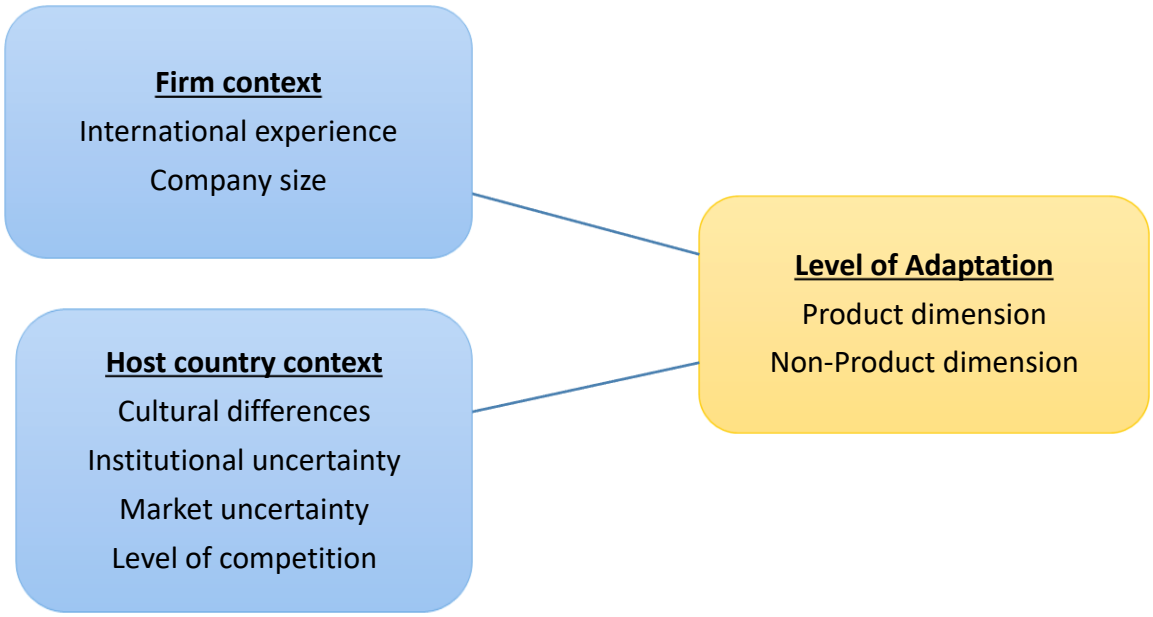

Figure 5 Framework Model of International Strategy

2.7 Hypotheses Developed from the Literature

Again, for a better understanding and overview, we repeat that based on the literature review and the factors discussed above, we can expect the following MAIN hypotheses as listed below. However, up to this point only one dimension of adaptation is taken into consideration within the hypotheses. It will obviously come to a hypothesis update when all the dimensions of the dependent variable will be taken into account, and eventually sub-hypotheses will be created during the process. Respectively, the sub hypotheses will treat single items as independent variables in order to check their relation to the dependent variable.

Naturally, this procedure will lead to numerous regression round until statistical significances will start to show up and therefore match our expectations.

FIRM CONTEXT:

H1: The greater the firm's international experience in host countries, the higher the degree of adaptation.

H2: The larger the firm size, the lower the degree of adaptation.

HOST COUNTRY CONTEXT:

H3: The greater the cultural differences between home and host country, the higher the degree of adaptation.

H4: The greater the institutional uncertainty in the host country, the higher the degree of adaptation.

H5: The greater the market uncertainty in the host country, the higher the degree of adaptation.

H6: The higher the level of competition in the host country, the higher the degree of adaptation.

2.8 Summary

This chapter reviewed the previous literature on international strategy perspectives and the determinants affecting the degree of adaptation. The main focus on contingency theory gives insight about key internal and external determinants that should be taken into account.

After identifying the key determinants, hypotheses are built, as well as a conceptual framework is proposed in order to explain the causal effects of the independent variables on the dependent variable, which in this case is the level of adaptation (in case of one-dimensional, in case of two-dimensional: product and non-product adaptation).

The independent variables of firm context included firm size and international experience. Those of host country context included cultural differences, institutional uncertainty, market uncertainty and the level of competition.

3. METHODOLOGY

3.1 Introduction

In this chapter the focus will be placed on the empirical project which was undertaken within the scope of the master thesis. It also discusses the research design which is used to test the hypotheses mentioned above as well as the sampling frame and the response rate of the empirical investigation. This followed by a discussion about the operationalization of each independent and dependent variable.

Also, a closer look will be taken on the statistical methods as well, in order to have an overview and make it easier to understand of what is to be expected in the statistical analysis and interpretation chapter.

3.2 Research Design

As already shown in the previous chapter, this thesis is trying to empirically investigate the factors that influence the international strategy of Austrian companies with presence in the CEE markets. To undertake the research and to test the hypotheses a quantitative model was chosen in this case. The research project was initiated and organized by Univ.-Prof. Mag. Dr. Josef Windsperger and Mag. Oksana Galak, PhD, followed by a contribution of other master students and myself included.

As far as the data collection is concerned, mostly used methods for primary data collection in the international business literature were self-administered mail surveys and personal interviews (Cavusgil & Zou, 1994; Chung, 2003; Lages & Montgomery, 2001; O'Cass & Julian, 2003; Shoham, 1999).

For this reason, also in our empirical project the mail surveys were chosen as main data source for primary collection, followed by e-mail surveys in the later stages, which is going to be explained in detail later. Another reason in this context would be the advantages when considering mailed questionnaires such as low costs, low facilities requirement, easier access

than telephone interviews or in person, as well as the time to answer the questions which is a lot more than in any other case (Fowler, 2002).

3.3 Sampling Frame and Response Rate

The obtained data for the sampling procedure was undertaken from Advantage Austria, a database that includes all Austrian companies with ties in foreign markets, regardless of whether they have subsidiaries abroad or are characterized only by having business interests and opportunities in a particular foreign country. Advantage Austria includes data of almost every Austrian company which is active abroad or has potential business opportunities outside its borders.

Unlike many other studies, which focus on single industries only, we decided to include all possible business industries that were related to and had ties in the CEE countries. The overall number of industry sectors the database features is 46.

However, our concentration was on the following CEE countries: Romania, Bulgaria, Bosnia and Hercegovina, Croatia, Serbia, Russia, Belarus, Poland, Slovakia, Czech Republic, Slovenia, Turkey, Ukraine, and Hungary.

Further, the research paid attention only to those companies that are represented at least once by a local subsidiary in the host country. Every student was assigned to a particular country in order to identify the companies and the corresponding subsidiaries in that country. For instance, me and a colleague of mine were responsible for those companies that were active in Bulgaria. Basically, we cleared out the data by not including those that weren't represented by subsidiaries in the CEE region. For those with subsidiaries, we added general information such as industry type, CEO, email, phone number, place of the subsidiary etc. The reason behind this was to make the contact easier to be reached, if we would need this approach to improve the response rate in a later stage.

Apart from the degree of adaptation, which is the objective of this thesis, the survey included questions regarding the mode of entry in the foreign country with the highest turnover, competitive advantage, trust, decision making, environmental conditions, know how, as well as

potential earnings and number of employees both in the headquarter and the subsidiary. Moreover, there was also the possibility to fill out the questionnaire through an online link, which was visible in the first page of the survey. Thus, the original form of the questionnaire can be found at the appendix in the end.

The sampling procedure explained above got us exactly 969 companies. In the first round all respondents were sent the questionnaires per mail. Our goal was to reach the CEOs of these companies' headquarters. However, apart from CEOs, the respondents included in this case also Board Executives and Managers. In the later stages reminders followed in order to improve the response rate. The next initiative to improve the response rate was reaching contact through email addresses. The problem in this case was that for some companies there were no reliable email addresses of CEOs to be found in company websites or elsewhere. Nevertheless, we decided to solve this problematic by contacting these companies by telephone, where we were provided phone numbers and email addresses of CEOs or managing executives, which as a result improved the response rate to some extent. Finally, as a result we got 167 responded surveys, which corresponds to 17% of the overall inclusion of the population.

The international business literature concerning response rates of comparable studies indicates a range between 4% and 75%. The huge difference between this range is mostly due to the location where the study was undertaken and to the type of the industry considered in the study. For instance, Chung (2003) investigates New Zealand & Australian firms in China and gets a response rate of 16%. The lowest rate is obtained by Christensen et al. (1987), which is only 4.2%. Further, Shoham (1996) is sampling US manufacturing exporters and gets response rate of 5%. On the contrary, when Israeli exporters come to consideration the same author gets a response rate of 21%. Regarding Austrian companies, Fuchs and Köstner (2015) conducted a study using Austrian manufacturing firms and obtained a response rate of 14.37%, which is more or less close to ours, although in this case only manufacturing firms are taken into account.

3.4 Operationalization of Independent and Dependent Variables

3.4.1 International Experience

The items used as measures for international experience in this thesis are (1) years of involvement in overseas markets until present day and (2) number of countries the firm operates in. The respondents were asked to write down the year when they started to internationalize. Also, they were supposed to write down the number of the countries in which they are present, taking into account both CEE countries considered in the study project, as well as other countries throughout the world. Both items are based on previous studies of the international business literature (Cavusgil & Zou 1994; Cavusgil, Zou, & Naidu 1993; O'Cass & Julian, 2003; Fuchs & Köstner, 2015 etc).

As usual in the previous studies, an additional 5-point Likert scale item defined as "perceived degree of management's international experience" was almost always present. However, the design of our study didn't allow a measurement of that type and as a result this item was left out. Further, in order to define the reliability of the scale, comprised by the two items measured above, the Cronbach's alpha was used as a measurement. Also, factor analysis was a crucial point when deciding on which items can be grouped within a single factor.

3.4.2 Firm Size

Firms size in this thesis was measured by the following items: (1) sales volume and (2) number of employees. Similar measurements were present in the international business literature (Chung, 2003; O'Cass & Julian, 2003; Omar & Porter, 2011; Ozsomer et al., 1991; Christmann, 2004). For each question, five possibilities were given to check out the right number. Sales volume was represented as the average annual turnover of the headquarter, whereas number of employees was represented by the overall number employees in the home country. Also in this case, to test for validity and reliability issues, Cronbach's alpha and factor analysis were performed.

3.4.3 Cultural Differences

As far as the independent variables of host country nature are concerned, firstly, cultural differences involve the following three items each measured by a 7-point Likert scale: (1) high cultural differences as norms, values, habits…, (2) different business practices, (3) high language barriers (Chung, 2003; Roth, 1995).

The same procedure was used in order to test for validity and reliability, that is, the computation of Cronbach's alpha and factor analysis. The international business literature takes different approaches when cultural differences are considered, since it is perceived as one the most important factors within the environmental differences in general.

3.4.4 Institutional Uncertainty

Secondly, institutional uncertainty in this thesis was represented by the following items: (1) poor legal protection against property, (2) political instability, (3) high risk of ownership restrictions (Chung, 2003; Cavusgil, Zou, & Naidu 1993; O'Cass & Julian, 2003; Katsikeas et al., 2006).

Also in this case each item was measured by a 7-point Likert scale question. Moreover, a composite scale was formed by summing up all three items and Cronbach's alpha was used to compute the scale reliability.

3.4.5 Market Uncertainty

Thirdly, the measurements for market uncertainty include the following items: (1) infrastructure underdeveloped, (2) high variation of consumer demand, (3) unpredictable turnover development (Kohli & Jaworski, 1990, Lages & Montgomery, 2005; Chung, 2003; Shoham, 2003). For all three items were once again 7-point Likert scale questions used. Again, same as in the previous cases, Cronbach's alpha was computed, and factor analysis were performed.

3.4.6 Level of Competition

Finally, the level of competition is formed only by two items: (1) unstable market share in the host country and (2) high number of computers. Park (2006) used the very same items to measure the level of competition in his case of Korean exporters. Identical measurements were made in other researches in the international business literature as well (Chung, 2003; Shoham, 2003; Cavusgil, Zou, & Naidu 1993; Fuchs & Köstner, 2015; Cavusgil & Zou 1994). Same as previously, Cronbach's alpha and factor analysis were performed in order to test scale validity and reliability.

3.4.7 Level of Adaptation

Figuring out the dimensions for the dependent variable, which is the level of adaptation in this case is a bit problematic, since there are not many available items that allow for a variety of construct creation. As shown in Figure 5, one could distinguish between product adaptation and non-product adaptation. Product adaptation is measured based on these items: (1) product adaptation and (2) brand identity adaptation. Evidence on incorporating these two elements is found in the international business literature. The problem concerning the empirical evidence arises when considering the non-product adaptation elements, which in this case are (1) price and (2) promotion adaptation. Nevertheless, every single one of these will be tested as a single item as well, and finally adaptation as a single dimension with five items included, four mentioned above plus operation strategy adaptation.

For a better overview, the table below illustrates the items used as a measurement for every single variable or construct:

Table 1 Variable Measures

VARIABLE	MEASURE	SCALE
INTERNATIONAL EXPERIENCE	1) years of involvement in overseas market until present day, 2) number of countries the firm operates in.	2018 - year of internationalization Write down the actual number
FIRM SIZE	1) sales volume, 2) number of employees.	6-point Likert scale 6-point Likert scale
CULTURAL DIFFERENCES	1) high cultural differences as norms, values, habits…, 2) different business practices, 3) high language barriers.	7-point Likert scale
INSTITUTIONAL UNCERTAINTY	1) poor legal protection against property, 2) political instability, 3) high risk of ownership restrictions.	7-point Likert scale
MARKET UNCERTAINTY	1) infrastructure underdeveloped, 2) high variation of consumer demand, 3) unpredictable turnover development.	7-point Likert scale
LEVEL OF COMPETITION	1) unstable market share in the host country, 2) high number of competitors.	7-point Likert scale
PRODUCT ADAPTATION	1) product adaptation, 2) brand identity adaptation.	7-point Likert scale
NON-PRODUCT ADAPTATION	1) price adaptation, 2) promotion adaptation.	7-point Likert scale

3.5 Statistical Method

Almost every purpose of an empirical study in the international business context is to investigate the impact of the independent variables on the dependent variables. The gathered data for the study project allows for data analysis using quantitative methods. The process of grouping particular items together and forming a factor was based essentially on previous researches of the same nature, as well as factor analysis which was also performed to analyze the scale validity.

There are two types of factor analysis, namely *confirmatory* and *exploratory factor analysis.* The difference between those two lies in the information that is available to us prior to running statistical analysis. In case of confirmatory factor analysis, we are expecting certain factor groupings. On the contrary, exploratory factor analysis is applied in case of no expectations. In this thesis, the confirmatory analysis was used, because the theoretical background enabled particular expectations.

Basically, both logic and the statistical tool were simultaneously used. Apart from validity, also reliability counts as an essential assessment tool. In a quantitative study, a way of measuring if a scale is reliable is enabled by computing the Cronbach's alpha, a coefficient which lies between values 0 and 1. The closer the coefficient to 1, the more reliable the scale is. According to Nunnally (1978), a reliable scale is considered when Cronbach's alpha lies above .7, which serves as a benchmark in terms of reliability.

Finally, as the last statistical step, rounds of regression analysis are undertaken to test the hypothesis and to find out if there is a relation between the dependent and independent variables, or in other words, if there is a statistical significance to be encountered between the two.

4. STATISTICAL ANALYSIS AND INTERPRETATION

4.1 Introduction

As already mentioned above, the main statistical tools used in this thesis to investigate the determinants of international strategy will be factor analysis and regression analysis. This chapter will take its step by analyzing the sample characteristics at first, continuing with descriptive statistics, which will give us insight about the general behavior of the participating companies. Further, every variable will undergo reliability and validity analysis, that is, the scale consistency will be measured. This will be followed by a correlation analysis of the independent variables and their connection to the dependent variable.

These discussions will allow us to perform factor and regression analysis and finally be able to draw conclusions whether the hypotheses are supported or not.

4.2 Sample Characteristics

The overall sample is consisting of 167 Austrian firms. The CEE countries considered within the sample are Romania, Bulgaria, Bosnia and Hercegovina, Croatia, Serbia, Russia, Belarus, Poland, Slovakia, Czech Republic, Slovenia, Turkey, Ukraine, and Hungary.

The most dominant exporting entry modes Austrian companies used were acquisition and greenfield entry mode. Acquisition was represented in the sample by 74 firms, whereas greenfield by 48 firms. On third place came export entry mode without intermediaries (direct export) with a representation of 16 firms, followed by the export with intermediaries (indirect export) with 10 firms. The last two modes were joint venture and licensing with 12 and 3, respectively.

The figure below illustrates the entry mode differences of Austrian companies graphically:

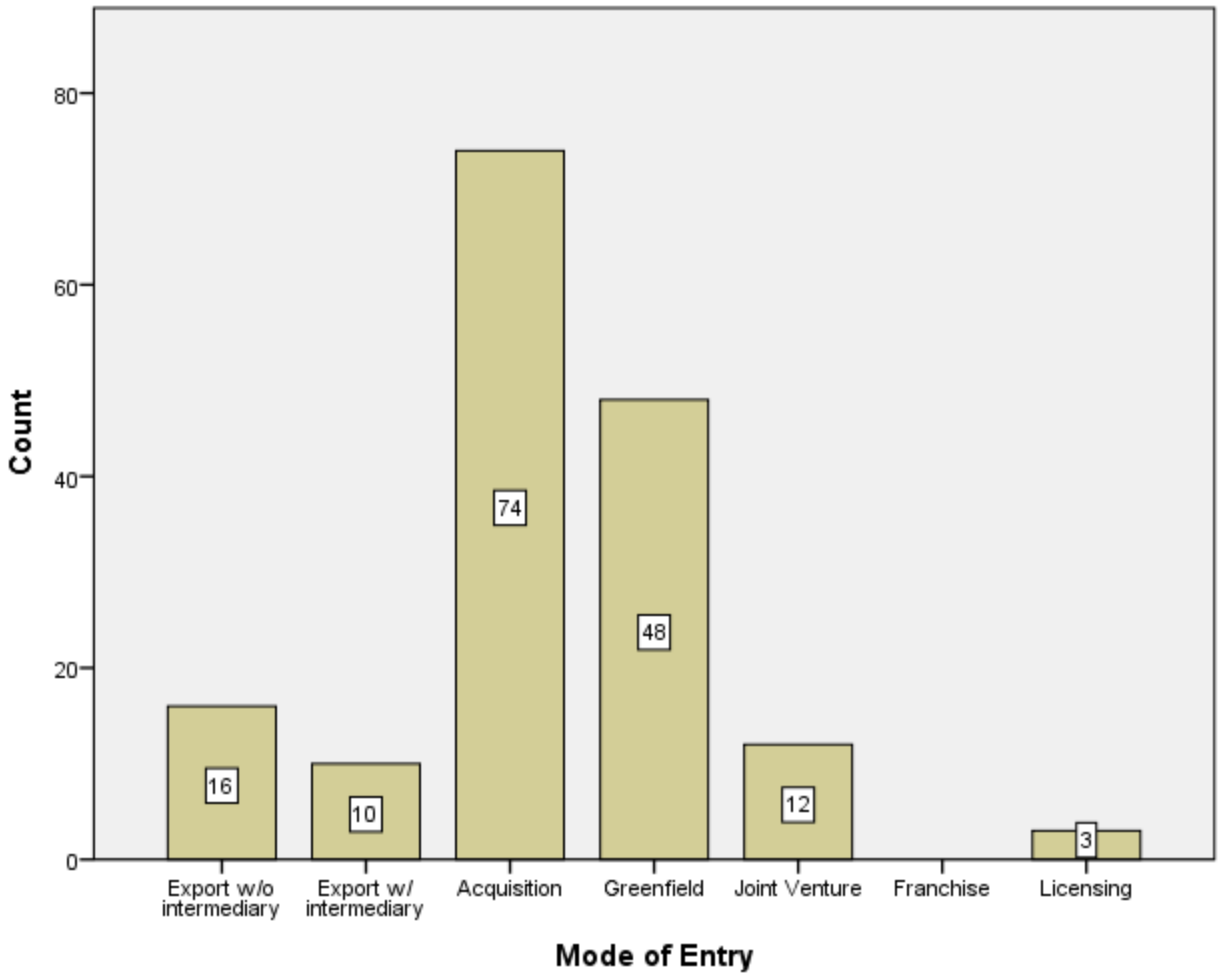

Figure 6 Mode of Entry

Based on the fact that the empirical project was conducted in Austria, the majority of the firms included in the sample were headquartered in Austria. The chart below shows percentages of the headquarter, which the first place holds Austria with 86%, followed by Germany with 7% and other countries with a presence of less than 1%.

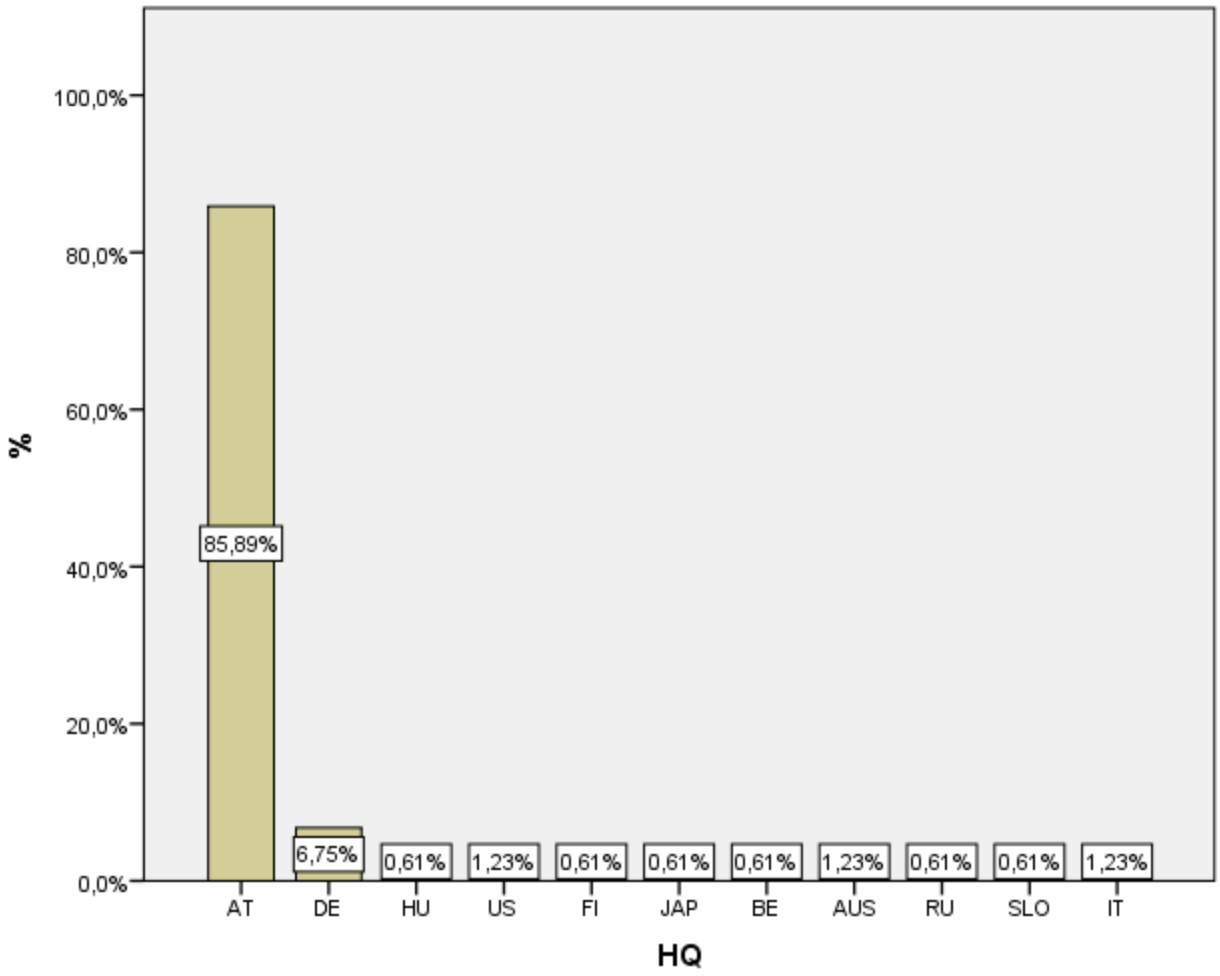

Figure 7 Headquarters of Participating Firms

As far as the revenues in the host countries are concerned, Austrian companies managed to earn more in Poland, Czech Republic and Hungary. Respectively, there were 31 companies that were linked to Poland in terms of highest foreign revenues, another 30 companies outlined Czech Republic as the country that brings them more earnings, followed by 24 companies that were performing better in Hungary. The top three in this case represents 84 companies which accounts for more than the half of the sampling companies.

The exact number of companies allocated to each country in terms of turnover can be seen in the chart below. The chart will be followed by another graph which illustrates the yearly turnover of the participating companies in the home country.

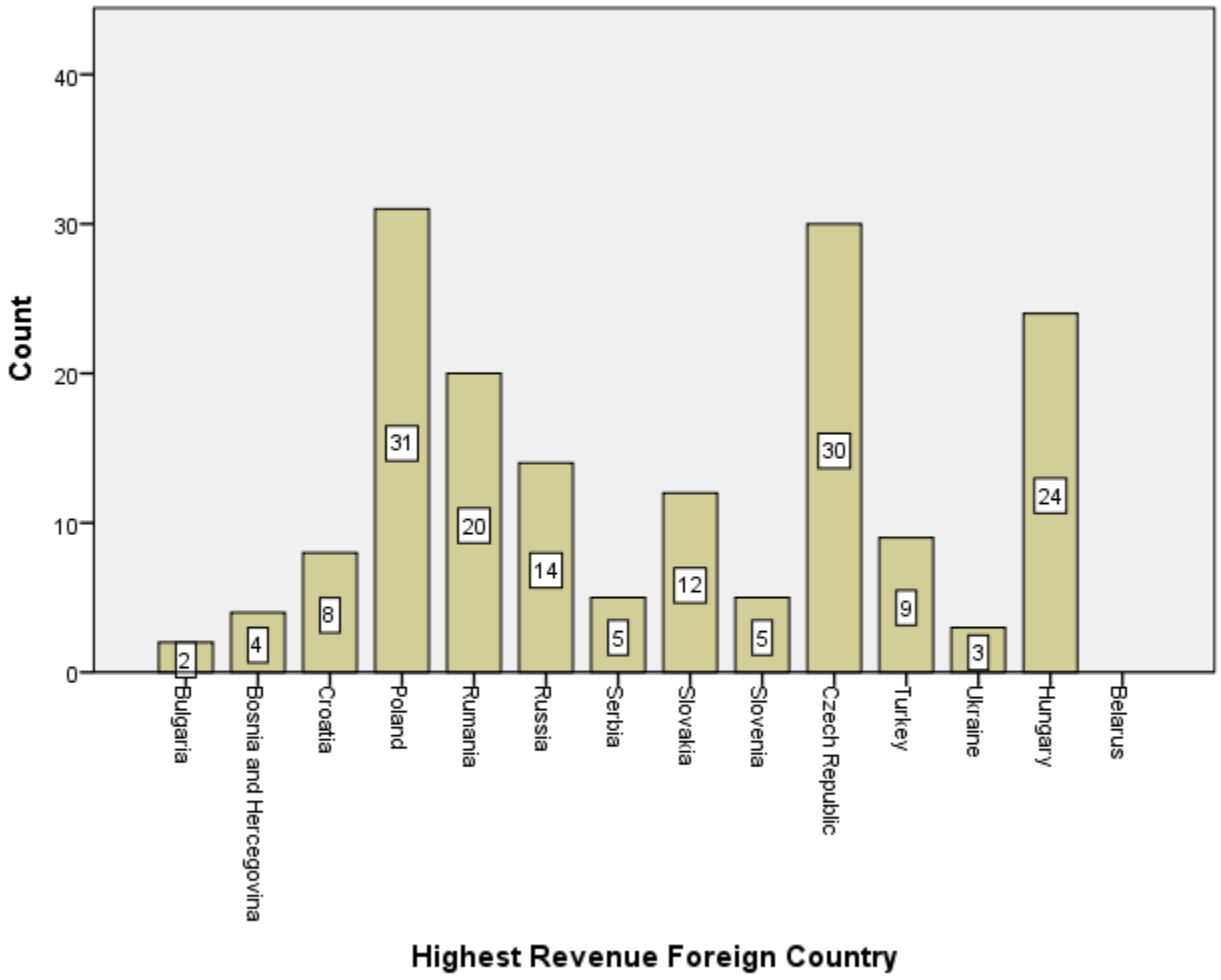

Figure 8 Highest Revenue Foreign Country

Figure 9 Yearly Turnover in The Home Country

The firms considered in sample in terms of number of employees in the home country were including both SMEs and MNEs.

SMEs in total were represented by 98 firms. That is, the first group of 67 firms with up to 100 employees and the second group consisting of 31 companies with 100 to 250 employees.

The chart below shows the differences in employee categories of the participating firms:

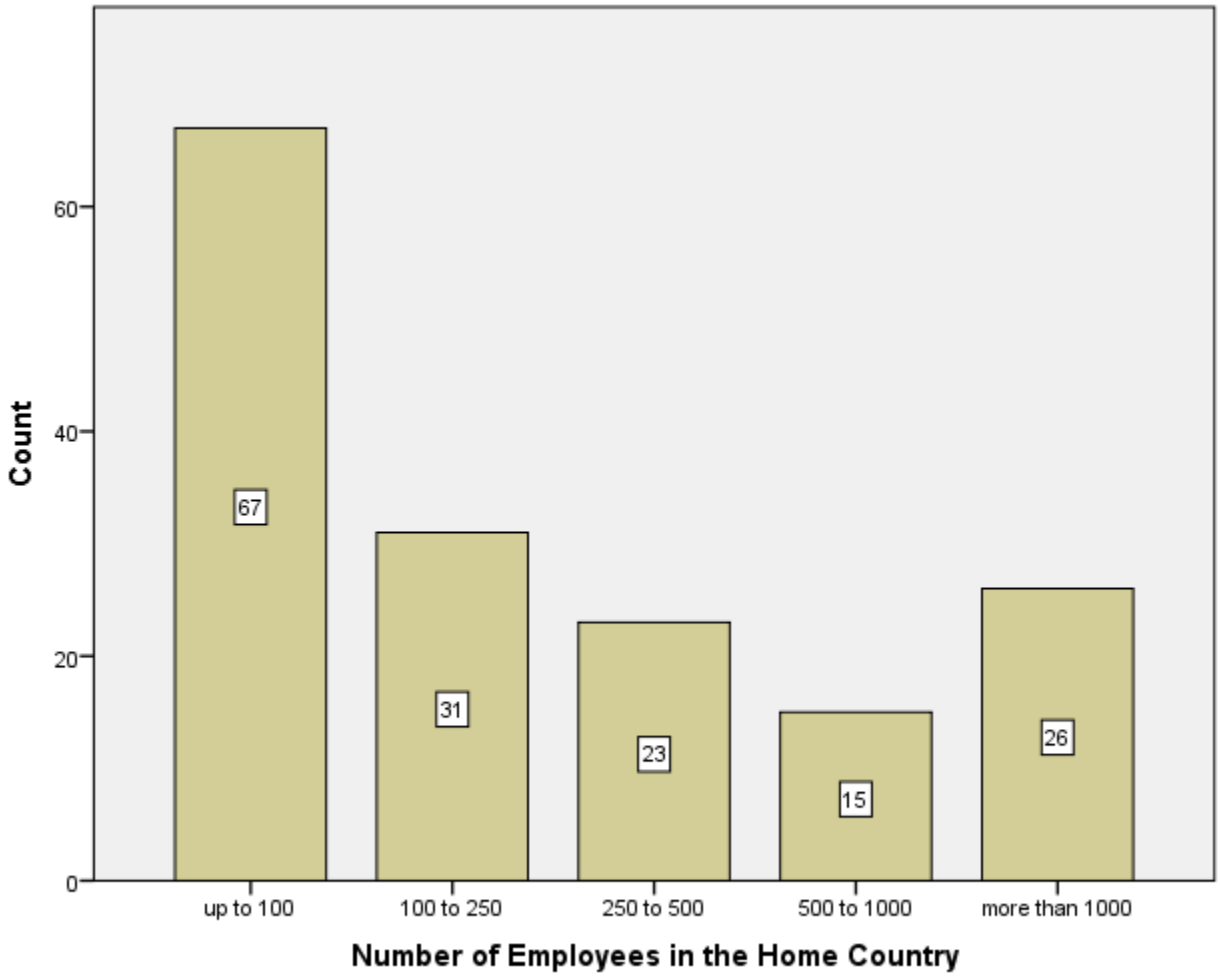

Figure 10 Number of Employees in The Home Country

As already mentioned once in the thesis, the empirical project wasn't single industry focused, instead, it showed no constraints in this sense and considered all possible industries that were available in the database of Advantage Austria.

In our case the top 5 dominant industries were the following: construction, mechanical and plant engineering, metals, consulting, and environmental technology.

Again, the chart below shows in which industry the participating firms belong:

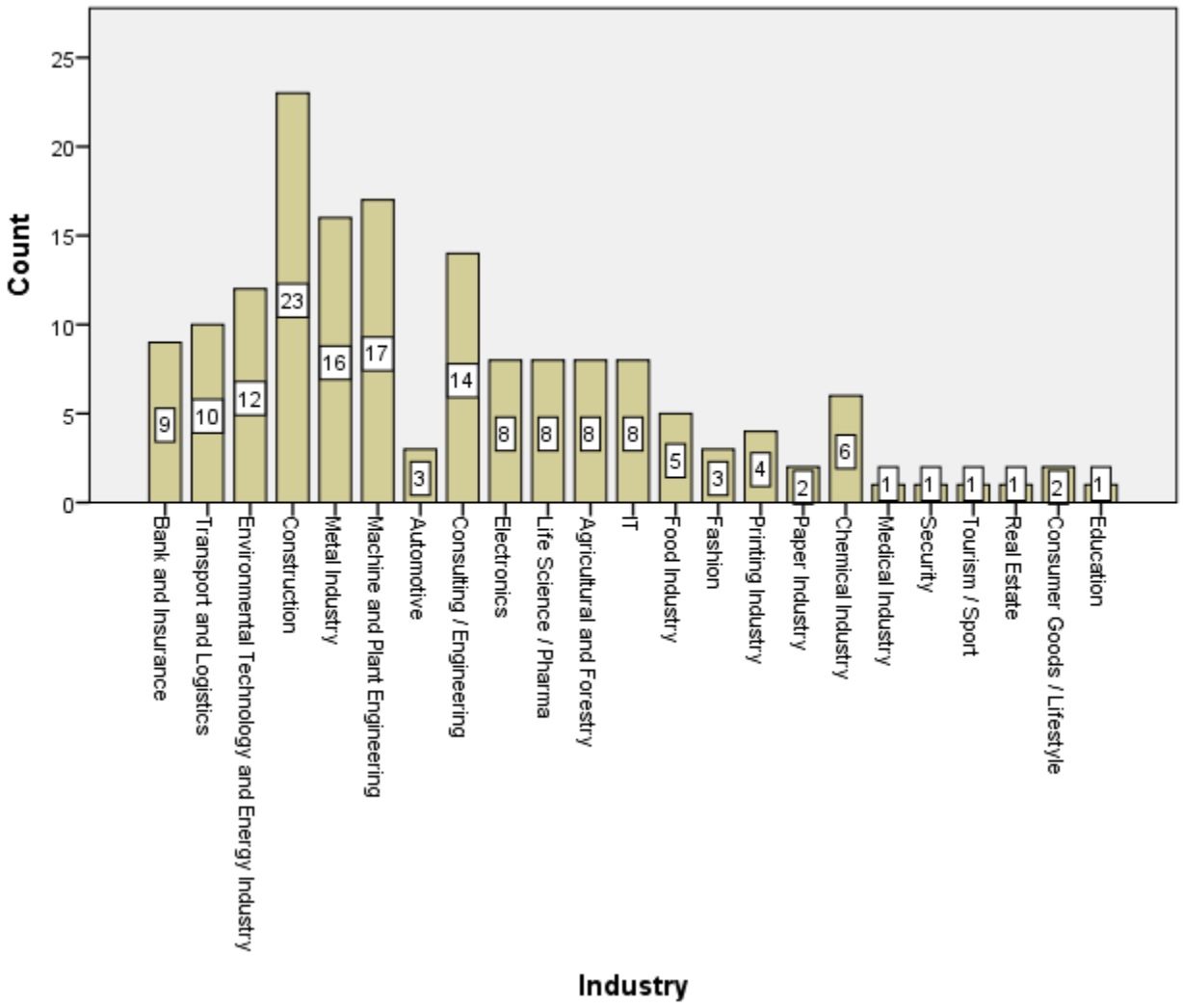

Figure 11 Types of Industries

4.3 Descriptive Statistics

The table below outlines the descriptive statistics of the variables included in the framework model of international strategy of Figure 5. Correspondingly, for every item used in the survey, statistics of mean, standard deviation, min, and max are summarized in Table 2.

For items measured by a 5-Point Likert scale, Chung (2002) used a mean value of 3 as a benchmark for determining whether a particular item has positive or negative relationship to adaptation. According to the author, an item with a mean value higher than 3 meant a high

adaptation, where on the contrary a mean value lower than 3 corresponded to low adaptation or high standardization.

In our case the 7-point Likert scale was mostly used. Therefore, following Chung's (2002) logic a mean value of 4 should be serving as a benchmark to determine the factors that have an impact on adaptation. Further, considering all those that were measured by 7-point Likert scale and starting from the items of cultural differences we can see that mean values range between 3.99 and 4.25, which corresponds to moderate adaptation with tendency of high adaptation. The items of institutional uncertainty surprisingly range between 2.95 and 3.11 which corresponds to low adaptation. Market uncertainty items lie between 3.21 and 4.11, representing a moderate adaptation. And finally, the items of the level of competitions represent a high adaptation with mean values ranging between 3.42 and 4.59.

In this respect, the table below summarizes all single elements concerning descriptive statistics discussed above. Furthermore, different colors are used in the table with the objective to distinguish between variables of firm context, host country context as well as the level of adaptation.

Table 2 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
International Experience					
Years of involvement in overseas markets	160	5.00	98.00	26.7125	14.55866
Number of countries the firm operates in	135	1	168	22.96	31.834
Firm Size					
Sales volume	161	1	6	5.17	1.434
Number of employees	163	1	6	2.42	1.515
Cultural Differences					
High cultural differences as norms, values, habits…	167	1	7	4.15	1.479

Different business practices	167	1	7	4.25	1.454
High language barriers	167	1	7	3.99	1.654
Institutional Uncertainty					
Poor legal protection against property	166	1	7	3.11	1.515
Political instability	167	1	7	3.67	1.747
High risk of ownership restrictions	167	1	7	2.95	1.432
Market Uncertainty					
Infrastructure underdeveloped	167	1	7	3.21	1.480
High variation of consumer demand	167	1	7	3.77	1.604
Unpredictable turnover development	167	1	7	4.11	1.615
Level of competition					
Unstable market share in the host country	166	1	7	3.42	1.649
High number of competitors in the host country	167	1	7	4.59	1.545
Adaptation					
Product adaptation	166	1	7	4.57	1.869
Brand identity adaptation	164	1	7	3.41	2.033
Promotion adaptation	164	1	7	4.85	1.692
Price adaptation	166	1	7	5.25	1.791
Operational strategy adaptation	166	1	7	4.23	1.884
Valid N (listwise)	127				

4.4 Reliability and Validity

As far as the reliability is concerned, the multi item measurement scales were computed by using Cronbach's alpha in order to check if there is internal consistence. The results of the reliability scales are shown in Table 3 below.

As already once mentioned, Nunally (1979) argued that coefficients between 0.5 and 0.6 can be considered as satisfying coefficients, whereas a coefficient higher than 0.7 satisfies more than enough the level of reliability. As we can see in the table below, the reliability coefficients of the corresponding variables show satisfactory levels of scale consistency, except for the level of competition which is in yellow highlighted and results in a Cronbach's alpha of 0.343. Due to the low level of internal scale consistency, this variable will be dropped and therefore will not be part of the elements included later in the regression model. However, there is both theoretical and empirical evidence on the items consideration concerning the level of competition. In this respect, the items considered as a measurement for the level of competition, namely 1) unstable market share in the host country, and 2) high number of competitors will be treated as single variables in some regression rounds.

Further, international experience showed a reliability coefficient of 0.591, which represented the lowest coefficient of all multi-item constructs that ran the regression. Moreover, for firm size, cultural differences, institutional uncertainty, market uncertainty we got satisfactory coefficients alphas of 0.626, 0.687, 0.761, 0.699, respectively. And finally, the level of adaptation resulted in the highest level of multi item scale consistency with a coefficient of 0.819.

The table summarizes also the results obtained by performing factor analysis. However, the first step of the construct creation included the logical structure of the items and their relations with each other, which later was statistically examined the suitability of the data confirmed by factor analysis.

The factors' composition occurred when the eigenvalue was above 1. Also, factor loadings were taken into account only when their value lied above 0.3 (Hair et al., 1987). Correspondingly, the factor loading for international experience and firm size are 0.876 and 0.853, respectively.

The loadings for cultural differences are ranging between 0.649 and 0.856, which represent a valid construct measurement due to their heavy loading. The results of the items constituting the institutional uncertainty construct provide evidence of validity by the factor loading ranging between 0.754 and 0.882. The same applies for the set of items that contributed in the formation of the market uncertainty construct, which loaded heavily with between 0.691 and 0.808. And finally, the five items that measured the level of adaptation loaded on the same factor ranging from 0.725 to 0.801.

A summary of the results discussed above is shown on the table below:

Table 3 Reliability and Validity

VARIABLE	CHRONBACH'S ALPHA	MEASURE	FACTOR LOADING
INTERNATIONAL EXPERIENCE	0.591	1) years of involvement in overseas market until present day, 2) number of countries the firm operates in.	0.876 0.876
FIRM SIZE	0.626	1) sales volume, 2) number of employees.	0.853 0.853
CULTURAL DIFFERENCES	0.687	1) high cultural differences as norms, values, habits…, 2) different business practices, 3) high language barriers.	0.856 0.853 0.649
INSTITUTIONAL UNCERTAINTY	0.761	1) poor legal protection against property, 2) political instability, 3) high risk of ownership restrictions.	0.754 0.840 0.882
MARKET UNCERTAINTY	0.699	1) infrastructure underdeveloped, 2) high variation of consumer demand, 3) unpredictable turnover development.	0.691 0.863 0.808
LEVEL OF COMPETITION	0.343	1) unstable market share in the host country, 2) high number of competitors.	0.777 0.777
PRODUCT ADAPTATION		1) product adaptation, 2) brand identity adaptation.	0.867 0.867
NON-PRODUCT ADAPTATION		1) price adaptation, 2) promotion adaptation.	0.890 0.890
ADAPTATION (SINGLE MEASURE)	0.819	1) product adaptation, 2) brand identity adaptation. 3) price adaptation,	0.801 0.725 0.796 0.772

	4) promotion adaptation, 5) operational strategy adaptation.	0.725

4.5 Correlation Matrix

The correlation matrix of independent variables served for identifying if issues of multicollinearity are present. According to Hair et al. (1987) a correlation coefficient higher than a value of 0.9 is considered as multicollinearity.

The first correlation table below shows the connections between the variables taking into consideration their behavior in general throughout the analysis. Whereas the second correlation table shows how the independent variables are interacting with each other with respect to the level of adaptation. However, there aren't huge differences of the same values between the tables to be encountered and therefore no correlations coefficient above 0.9 to be found. Nevertheless, the highest correlation coefficient in both tables is the one between cultural differences and institutional uncertainty, which is 0.640 in the general case (first table) and 0.611 in the case with respect to adaptation (second table).

In this respect, Tables 4 and 5 summarize every single result concerning the correlation between the independent variables:

Table 4 Correlation of Independent Variables

Correlations

	Int_Exp	Firm_Size	Cult_Diff	Institutional	Market	Competition
Int_Exp	1	.353**	.077	-.065	.110	.049
Firm_Size		1	-.009	-.002	-.058	.025
Cult_Diff			1	.640**	.462**	.246**
Institutional				1	.427**	.226**
Market					1	.494**
Competition						1

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5 Partial Correlation of Independent Variables: Controlling for Adaptation

Correlations

Control Variables		Int_Exp	Firm_Size	Cult_Diff	Institutional	Market	Competition
FAC1_AP	Int_Exp	1.000	.345	.126	-.025	.168	.064
	Firm_Size		1.000	.044	-.021	-.122	.059
	Cult_Diff			1.000	.611	.391	.111
	Institutional				1.000	.337	.079
	Market					1.000	.465
	Competition						1.000

4.6 Regression Analysis

Table 8 summarizes the regression analysis of the independent variables created with the help of factor analysis with respect to adaptation as a dependent variable, which in this case is treated as a single construct for the sake of simplicity and due to the results obtained by factor analysis and scale reliability.

The first step of linear regression analysis is to go through the model summary. As we can see below, R is statistically significant with a representation of 32,3%, which stands for the multiple correlation coefficient. Furthermore, R squared accounts for 10,4%. This means that the data fits the model only by this percentage. Or in other words, the variation of the dependent variable is explained or influenced with 10,4% by the values of the independent variables. The R square values range from 0 to 1. In this respect, a value of 1 indicates total influence of the independent variables on the dependent variable.

Table 6 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.323[a]	.104	.059	.98879778

The second step in the regression analysis is to look into the ANOVA. The model is significant in case the significance value is lower than 0.05. This condition is satisfied in this case with a significance coefficient of p=0.037 (p<0,05). Putting it differently, the independent variables as a set are related to the dependent variable according to this regression model. We proceed in the following to find out how every single construct is related to the dependent variable.

Table 7 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.649	6	2.275	2.327	.037[b]
	Residual	117.327	120	.978		
	Total	130.976	126			

a. Dependent Variable: FAC1_AP

Finally, from Table 8 we can read the significances of each independent variable with respect to the level of adaptation as a dependent variable by looking into the Standardized Coefficient Betas. A positive Beta value indicates a positive relationship between the independent and the dependent variable. In this sense, an increase in the independent variable implies the same to the dependent variable.

International experience is the only significant variable in this regression model. The significance value accounts for 0.024 ($p < 0.05$), with a *b* value of -0.218. The negative sign implies a negative relationship between international experience and the level of adaptation. That is, higher international experience results in lower level of adaptation. This negative relationship is the opposite of what was initially expected by Hypothesis 1.

Yet, the remaining variables such as *firm size, cultural differences, institutional uncertainty, market uncertainty* and *the level of competition* are statistically not significant with p-values of 0.491, 0.525, 0.649, 0.118, 0.572, respectively.

Taking into consideration the results of this regression model, namely the Beta values and the significance values, we can conclude that Hypothesis 2 is confirmed as far as the statistical significance is concerned. Nevertheless, the relationship doesn't match with the one we expected. The hypothesis stated a positive relationship between the independent and the dependent variable, where the results give us negative relationship between the two.

Table 8 Regression Analysis (incl. Competition)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.022	.088		-.246	.806
	Int_Exp	-.220	.096	-.218	-2.291	.024
	Firm_Size	.068	.098	.066	.691	.491
	Cult_Diff	.076	.119	.074	.637	.525
	Institutional	.052	.115	.052	.456	.649
	Market	.183	.116	.179	1.575	.118
	Competition	.060	.105	.057	.566	.572

a. Dependent Variable: FAC1_AP

However, excluding the level of competition from the regression model due to low level of reliability which is illustrated in Table 3, the R square value is slightly different from the previous model with only 10.2% in this case. However, the significance value of the regression model is lower than in the previous case and accounts for 0.022 ($p < 0.05$).

As far as the significance values of every single independent variable are concerned, apart from international experience with significance value of 0.020 and a *b* value of -0.223, also market uncertainty happens to be significantly related to the level of adaptation with a significance value of 0.035 and a *b* value of 0.210.

Table 9 Model Summary (excl. Competition)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.319[a]	.102	.065	.98601855

a. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Table 10 ANOVA (excl. Competition)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.336	5	2.667	2.743	.022[b]

	Residual	117.640	121	.972		
	Total	130.976	126			

a. Dependent Variable: FAC1_AP

b. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Table 11 Regression Analysis (excl. Competition)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.025	.088		-.283	.778
	Int_Exp	-.225	.095	-.223	-2.357	.020
	Firm_Size	.077	.097	.074	.795	.428
	Cult_Diff	.072	.118	.071	.613	.541
	Institutional	.049	.114	.048	.426	.671
	Market	.215	.101	.210	2.138	.035

a. Dependent Variable: FAC1_AP

To get an insight in which direction the variables move, there are more rounds of regression analysis undergone. Hence, every single dimension of the adaptation construct was treated as an individual dependent variable. This means, regression models were run for (1) product, (2) promotion, (3) price, (4) brand identity and (5) operational strategy. The results for every case in original form are shown in the Appendix B.

Starting with the **product dimension** as a dependent variable, the regression results showed no significance values among the independent variables. The same applied to the regression model significance value, which was higher than 0.05, namely 0.225.
Same was the case when regression was run for **promotion** as a dependent variable. No significance was shown within the independent variables and the regression model as a whole.

With **brand identity** as a dependent variable, international experience showed to have an impact or statistical significance. The *b* value accounts for -0.226 which is similar to the relationship between international experience and the level of adaptation as a single dimension, which was presented at the first and the second regression round (with and without the level of competition).

Moreover, the significance value accounts for 0.019. The negative *b* value implies that high level of international experience leads to low brand identity adaptation. The rest of the variables have positive *b* values, but no statistical significance is to be encountered. Hence, only the international experience hypothesis is confirmed, but in the opposite direction.

Further, the regression round with the **operational strategy** as a dependent variable shows significant relationship between the international experience and operational strategy. Same as before, there is a negative relationship between the two, namely with a *b* value of -0.231. The rest of the variables showed no statistical significances within this model and therefore weren't having an influence on the operational strategy.

Last but not least, was the regression round with **price adaptation** as dependent variable. In this case, market uncertainty showed to have a positive effect on price adaptation with a significance value of 0.009 and a *b* value of 0.261. Implying that a high market uncertainty leads to high price adaptation. This result confirms the hypothesis regarding the relationship between market uncertainty and the level of adaptation. However, the rest of the independent variables within the model showed to have no impact.

In Figure 5, the level of adaptation was decomposed into two constructs, such as product and non-product adaptation. Regression runs were also undertaken for these two dependent variables. In the case of **product construct** the regression model proved to be statistically significant with a significance value of 0.033. From the independent variables, only market uncertainty showed to be positively related to the level of adaptation with a *b* value of 0.216 and a significance value of 0.030. Whereas in the case of **non-product adaptation**, again international experience showed a negative impact on the dependent variable with a *b* value of -0.217 and a significance value of 0.024 and the rest remained the same. See Appendix B for a detailed overview.

The last regression rounds are constrained so that in the first case only those of construction industry are taken into account, whereas in the second case those that had achieved highest revenues in Poland, Czech Republic and Hungary. The reasons for these constraints are visible in Figure 11 and Figure 8. Having a look at Figure 11, we can see that the most dominant industry

of the empirical project was the construction industry. Hence, it was hypothesized that the type of industry might affect the level of adaptation. On the other hand, Figure 8 shows us the countries where Austrian companies achieved highest revenues, and these are Poland, Czech Republic and Hungary. Thus, in this case was hypothesized that certain countries might be the main reason why a company would choose a certain level of adaptation, basically the country effect was taken into consideration.

However, the only case where the regression model was statistically significant, was the one with Poland as constraint with highest revenues. The significance value of the model itself was 0.015 ($p < 0.05$). The independent variables that showed to have an impact or statistical significance on the dependent variable are international experience and market uncertainty. International experience same as in the previous cases showed a negative relationship with the dependent variable, which in this case was the level of adaptation as a single measure. The *b* value for international experience accounts for -0.430, with significance value of 0.035 ($p < 0.05$). Market uncertainty showed positive relationship with the level of adaptation, basically same as expected. The *b* value was 0.517 and the significance value 0.014 ($p < 0.05$). In other words, the results suggest that higher international experience of Austrian companies leads to lower adaptation for those active in Poland. Again, the international experience hypothesis is hereby partially confirmed or supported. On the other hand, the market uncertainty hypothesis is fully confirmed. The results indicate a positive relation between the independent and dependent variable with a positive *b* value, which means that the higher the market uncertainty between Austria and Poland, the higher the adaptation level. All the regression results are shown in Appendix B.

Furthermore, for the first time throughout the regression rounds cultural differences showed positive relationship with the dependent variable where only cases of construction industry were considered. The significance value of the regression model wasn't under 0.05, but cultural differences happened to be at the significance limit with a significance value of 0.052 and a *b* value of 0.642. These results support our expectations between cultural differences and the level of adaptation.

However, no significance was shown about the cases for the constraints for countries with highest revenue such as Czech Republic and Hungary.

5. DISCUSSION OF RESULTS

The objective of this thesis was to test the influence of internal and external independent variables on the international strategy of Austrian companies. International strategy was represented in this case by the level of adaptation. Moreover, the contingency theory gave us the opportunity by reviewing the international business literature to find out the internal and external factors that might be related to the level of adaptation. Consequently, the literature review got us the distinction of firm context and host country context factors. Firm context category included firm size and international experience. Whereas host country context category which basically consists of environmental elements included cultural differences, institutional uncertainty, market uncertainty and the level of competition.

Hypothesis 1 investigates the relationship between the international experience and the level of adaptation. this variable showed statistical significance almost in every regression round. However, the obtained results from the regression rounds showed negative relation between international experience and the level of adaptation. This particular relationship is supported by the following authors as well: Sousa and Bradley (2008), Chung (2003), Omar and Porter (2011), Douglas and Wind (1987). This relationship is known for its controversy and ambiguity in the international business literature. Nevertheless, a possible explanation in this case could be that the more experienced Austrian companies internationally get, the more they tend on standardizing their strategies and therefore operating in similar levels across the CEE countries.

Hypothesis 2 investigates the relationship between the firm size and the level of adaptation. No statistical significance was found for this variable during all regression rounds. Regarding Austrian companies with ties in the CEE, this hypothesis cannot be confirmed.

Hypothesis 3 investigates the relationship between cultural differences and the level of adaptation. A positive relationship was expected initially. Nevertheless, this hypothesis wasn't supported in the main regression round. However, the only statistical significance was present in the case where only the construction industry was considered. Respectively, the higher the

cultural differences between Austrian and other CEE countries, the higher the level of adaptation for construction companies in the host country.

Hypothesis 4 investigates the relationship between institutional uncertainty and the level of adaptation. No significance was found in any of the regression rounds, even though a positive relationship was expected with the dependent variable.

Hypothesis 5 investigates the relationship between market uncertainty and the level of adaptation. The obtained results in the main regression round show significance between the two. Therefore, the higher the market uncertainties in the host country, the higher the level of adaptation, exactly as it was expected. Going back to the results above, we can see that market uncertainty showed to impact the dependent variable, regardless its composition.

Hypothesis 6 investigates the relationship between the level of competition and the level of adaptation. Same as the previous host country context variables, also in this case a positive relationship was expected. However, this variable was taken into account only in the first regression round. Furthermore, not including this construct due to its low reliability, resulted in better numbers for each regression round, both for the regression model as a whole, as well as for every single variable and its impact.

6. CONCLUSION AND FUTURE RESEARCH

The mix between contingency theory and quantitative statistical analysis made it possible to get answers to the research questions, which was basically the goal of this thesis. The first research question is trying to find out the relevant factors that have an impact on international strategy determination for Austrian companies when these are operating abroad (CEE in this case). Analyzing the nature of the participating countries in the study and with the help of the theoretical review on this topic we come to particular driving forces. These driving forces were followed by certain expectations, which determined the relationship to the international strategy (level of adaptation in this case). Hence, these determinants include international experience, firm size, cultural differences, institutional uncertainty, market uncertainty and the level of competition.

In the most interesting part of the thesis, which is the practical one, where regression rounds are undertaken, we found out that international experience of the Austrian company is negatively related to its level of adaptation in the host country. A possible explanation could be that the majority are SMEs with less experience and therefore in order to be competitive in the host country high level of adaptation is required, taking into account the cultural differences between the countries as well.
Another statistical significance was found between the market uncertainty and the level of adaptation. This result shows a positive relationship between the two and therefore is matching our expectations and those of the literature.

Due to the fact that Austrian companies are well positioned as foreign investors in the CEE, there will always be room for empirical investigations of this nature in the future. A possible limitation was the small sample size of 167 companies, although it corresponds to an acceptable response rate of 17%. Also, the focus only on product adaptation would be preferable for future studies, since most of the researches in the international business literature follow this approach, in order to avoid ambiguous results. The consideration of one single host country would give better insight how these companies are operating within this economy. In this case, when focusing on the CEE, a choice between Czech Republic, Hungary and Poland would be more reasonable (see

Figure 8). This approach would allow to find out if the host country itself has an impact on international strategy determination regardless of other environmental influencers. The same applies when concentrating on single industries only, which will give the opportunity to investigate interactions between industry type and particular country. However, since most of the empirical researches were undertaken in the US, coming to general conclusions about European exporting companies based on our results is not preferred. Therefore, extending the conceptual model and focusing on a single host country would be of better use and contribution to the international business literature. In this respect, also taking into account various contingencies as subjective measures that will be examined by using qualitative analysis.

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APPENDICES

A. Questionnaire

universität wien

MARKTEINTRITTSSTRATEGIE ÖSTERREICHISCHER UNTERNEHMEN IN CEE (OST- UND SÜDOSTEUROPA)

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Sehr geehrte Frau Geschäftsführerin/sehr geehrter Herr Geschäftsführer!

Das Institut für Betriebswirtschaftslehre an der Universität Wien führt ein Forschungsprojekt zum Thema MARKTEINTRITTSSTRATEGIE österreichischer Unternehmen in CEE (Ost- und Südost-Europa) durch. Ihr Unternehmen wurde auf der WKÖ Liste der österreichischen Unternehmen mit Niederlassungen in mindestens einem der CEE Länder angeführt.

International tätige Unternehmen können verschiedene Markteintrittsstrategien wählen, wie z. B. direkter Export und indirekter Export, Tochterunternehmen, Joint Venture mit ausländischem Partner, ausländisches Partnerunternehmen ohne Kapitalbeteiligung der österreichischen Mutterunternehmung, Franchising oder Lizenzierung.

Es gibt viele Faktoren, die die Auswahl und die erfolgreiche Durchführung der diversen Markteintrittsstrategien beeinflussen können. Falsche Entscheidungen können gravierende Auswirkungen auf die Profitabilität von Unternehmen haben und sogar die Existenz der Unternehmen gefährden. Am Anfang Ihres Internationalisierungsprozesses mussten Sie auch diese wichtigen Entscheidungen treffen. Durch die Teilnahme an diesem Projekt haben Sie die Möglichkeit, den Unternehmen, die noch vor dieser Entscheidung stehen, zu helfen passende Strategien zu finden.

Die erfolgreiche Durchführung der Fragebogenuntersuchung setzt eine enge Zusammenarbeit zwischen Unternehmenspraxis und Wissenschaft voraus. Die wissenschaftliche Verwertbarkeit der Ergebnisse ist nur dann sichergestellt, wenn eine große Anzahl von Unternehmen den Fragebogen ausfüllt. Grundsätzlich sind nach Möglichkeit alle gestellten Fragen zu beantworten.

Sie finden den Fragebogen auch unter folgendem Link:
http://im.univie.ac.at/Windsperger/news/?no_cache=1**.** Ferner können Sie auch eine Online-Version ausfüllen: https://www.umfrageonline.com/s/marketentryA (Passwort: univie1365).

Für etwaige Probleme beim Ausfüllen des Fragebogens stehen wir Ihnen gerne persönlich zur Verfügung.

Wir möchten uns für Ihre freundliche Unterstützung schon im Voraus recht herzlich bedanken. Die Untersuchungsergebnisse werden nach Auswertung der Ergebnisse in einem Projektbericht zusammengefasst, der Ihnen übermittelt wird:

*EMAIL-Adresse*_____

Hochachtungsvoll

Josef Windsperger & Oksana Galak

A. Allgemeine Angaben zu Ihrem Unternehmen:

In welchem Land wurde Ihr Unternehmen gegründet?

☐ Österreich ☐ in einem anderen Land _____

Wann wurde Ihr Unternehmen gegründet? Jahr_____

In welcher Industrie sind Sie tätig?

☐ Agrar- und Forstwirtschaft
☐ Automotive
☐ Banken und Versicherungen
☐ Bau und Infrastruktur
☐ Beratung und Engineering
☐ Bildung
☐ Chemie
☐ Elektrotechnik und Elektronik
☐ Energiewirtschaft und Naturressourcen
☐ Erneuerbaren Energien
☐ Gesundheit und Medizintechnik
☐ Holz und Papier
☐ Informations- und Kommunikationstechnologien
☐ Inneneinrichtung
☐ Konsumgüter und Lifestyle
☐ Kreativwirtschaft
☐ Kunststoffe
☐ Life Science und Pharma
☐ Maschinen und Anlagenbau
☐ Metalle und Metallverarbeitung
☐ Mode und Textilien
☐ Nahrungsmittel und Getränke
☐ Neue Materialien und Technologien
☐ Sicherheit
☐ Tourismus, Sport und Freizeit
☐ Transport und Logistik
☐ Umwelttechnologie
☐ Verpackung und Druck

In welchem Land befindet sich das Headquarter der Unternehmung?

☐ Österreich ☐ in einem anderen Land _____

In welchem/n der folgenden CEE-Länder sind Sie tätig?

☐ Bulgarien ☐ Bosnien-Herzegowina ☐ Kroatien ☐ Polen ☐ Rumänien
☐ Russland ☐ Serbien ☐ Slowakei ☐ Slowenien ☐ Tschechien ☐ Türkei
☐ Ukraine ☐ Ungarn ☐ Weißrussland

Falls Sie in mehreren der oben angeführten CEE-Länder tätig sind, geben Sie jenes Land, wo Sie den größten UMSATZ erzielen.

LAND:_____

Bitte beachten Sie bei der Beantwortung der folgenden Fragen:
-Falls Sie in einem der oben angeführten Länder tätig sind, wird dieses Land weiter als **GASTLAND** bezeichnet.
-Falls Sie in mehreren der oben angeführten Länder tätig sind, wird jenes Land, wo Sie den größten Umsatz erzielen, weiter als **GASTLAND** bezeichnet.

In welchem Jahr sind Sie im **GASTLAND** eingetreten? Jahr _____

Bei Ihrer internationalen Geschäftstätigkeit im GASTLAND handelt es sich um:

☐ Eigene Tochtergesellschaft (mit 100 %-Kapitalbeteiligung)

☐ Mehrheitsbeteiligung am ausländischen Partnerunternehmen (mit > 50 %)

☐ Minderheitsbeteiligung am ausländischen Partnerunternehmen (mit < 50 %)

☐ Joint Venture mit einem ausländischen Partner

Falls es sich um ein Joint Venture handelt, wie hoch ist Ihre Kapitalbeteiligung (%)?_____

☐ Ausländisches Partnerunternehmen ohne Kapitalbeteiligung der österreichischen Mutterunternehmung

Welche Markteintrittsform verwenden Sie im GASTLAND? (*bitte kreuzen Sie nur 1 Eintrittsform an!)*

☐ Export ohne Einschaltung eines Zwischenhändlers

☐ Export mit Einschaltung eines Zwischenhändlers im Heimatland oder GASTLAND

☐ Eigene Tochterunternehmung im GASTLAND (durch Akquisition)

☐ Eigene Tochterunternehmung im GASTLAND (durch Eigenaufbau/Greenfield)

☐ Joint Venture mit ausländischem Partner

☐ Franchisepartner im GASTLAND

☐ Lizenzpartner im GASTLAND

☐ andere Markteintrittsform: Welche?_____

B. Spezifische Fragen zur Wahl der Markteintrittsform

Nehmen Sie bitte zur Wettbewerbsstärke Ihres Unternehmens (aus Headquarter-Sicht) Stellung:	**1- Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
Unser Knowhow ist sehr stark im Vergleich zu unseren Konkurrenten.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
Die Qualität unserer Produkte/Dienstleistungen hat einen sehr guten Ruf.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
Unser Produkt- und Prozess-Knowhow ist schwer imitierbar.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
Unser Unternehmen ist sehr anerkannt im Vergleich zu unseren Konkurrenten.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
Unser Markenname ist sehr wichtig, um einen Wettbewerbsvorteil zu erzielen.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
Wie wichtig sind die folgenden Kompetenzen der Mutterunternehmung für die Erzielung von Wettbewerbsvorteilen?	**1- unwichtig**		**7- sehr wichtig**
Managementkompetenzen (zB Personalpolitik, operatives Management)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
Organisatorische Fähigkeiten (zB multikulturelles Management, Informationsmanangement)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
Kundenkompetenz (zB Marketing, Werbung, Verkaufsförderung, Preisgestaltung)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		

Internationale Marktkompetenz (zB lokales Marktwissen und institutionelles Wissen)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐
Innovationskompetenz (zB Produkt- und Prozessinnovationen)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐
Produkt- und Dienstleistungskompetenz (zB Qualität und Design)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐

Nehmen Sie bitte aus Ihrer Sicht (als Headquarter) zu folgenden Aussagen Stellung: ***Es ist schwierig,…***	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
…die Kompetenzen und Fähigkeiten des ausländischen Partners zu ermitteln.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
… die Einhaltung unserer Qualitätsstandards auf dem ausländischen Market zu überwachen.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
… den Missbrauch von zentralem Knowhow durch ausländische Partner zu überwachen.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
… die Leistung des ausländischen Partners zu bewerten.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		

Bitte bewerten Sie die Umweltbedingungen auf dem ausländischen Markt. ***Auf dem ausländischen Markt….***	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
…sind die kulturellen Unterschiede sehr hoch, wie zB Normen, Werte und Gewohnheiten (verglichen mit dem Heimatland).	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
… sind die Geschäftspraktiken sehr unterschiedlich (verglichen mit dem Heimatland).	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
… sind die Sprachbarrieren sehr hoch.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
… ist der rechtliche Schutz von geistigem Eigentum wie Patente und Marken mangelhaft.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
…ist das politische Umfeld ziemlich unsicher.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
…ist das Risiko durch Eigentumsbeschränkungen hoch.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
…ist die Qualität der Infrastruktur unterentwickelt, wie zB Straßen, Kommunikations- und Informationstechnologien.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
…variiert die Nachfrage der Kunden stark.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
…ist die Umsatzentwicklung nicht leicht vorhersehbar.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
…sind die Marktanteile ziemlich instabil.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		
…ist die Anzahl der Wettbewerber hoch.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐		

Wie groß ist der KNOW-HOW-Vorteil der Mutterunternehmung im Vergleich zum ausländischen Partnerunternehmen auf folgenden Bereichen?	**Sehr großer <u>KNOW-HOW</u> Vorteil der <u>MUTTERUNTER-NEHMUNG</u>**		**Sehr großer <u>KNOW-HOW</u> Vorteil des ausländischen <u>PARTNERS</u>**
Produktion und Logistik	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐
Produktdesign	1 ☐ 2 ☐ 3 ☐ 4☐	5☐ 6☐ 7☐ 8☐ 9☐	10☐

Personalrekrutierung im Gastland	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Personalaus-/weiterbildung	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Organisationsdesign und -entwicklung	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Lokale Serviceleistungen	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Vertrieb im Gastland	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Strategiebildung	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Lokales Marktwissen	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Marketing (Verkaufsförderung, Werbung)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Beschaffung der Betriebsmittel/Vorprodukte	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Produkt- und Prozessinnovationen	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Preisgestaltung	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Qualitätsmanagement	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Unternehmensplanung	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Interkulturelles Management	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Finanzierung von Projekten	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Institutionelles Wissen (rechtliche, politische Faktoren, Regulierung im Gastland)	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Controlling	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐
Lokale Serviceleistungen	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐ 8☐ 9☐ 10☐

Nehmen Sie bitte Stellung zur lokalen Anpassung Ihrer Produkte/Dienstleistungen an die Gegebenheiten im GASTLAND.	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
Wir passen die Produkte/Dienstleistungen an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die Markenidentität an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die Marketingstrategien (zB Promotion, Werbung) an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die Preisstrategie an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Wir passen die operativen Strategien (zB Qualitäts-kontrolle, Schulung) an die lokalen Gegebenheiten an.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Bitte bewerten Sie den Ressourceneinsatz der Mutterunternehmung im Gastland. ***Die Investitionen unserer Zentrale in…***	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft Vollständig zu**
…Personalressourcen, die sich um den ausländischen Partner kümmern, sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… Werbung, Promotion und Verkaufsförderung, die die Aktivitäten unserer ausländischen Partner unterstützt, sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
… spezielle, auf unserem ausländischen Partner zugeschnittene Verfahren und Systeme, sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
…Ausbildung und Qualifikation unseres ausländischen Partners sind sehr hoch.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
In welchem Ausmaß entscheidet die ausländische Partnerunternehmung über folgende Bereiche?	**1-Überhaupt nicht**	**teilweise**	**7-In sehr großem Ausmaß**
Durchführung von Investitionsprojekten im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Finanzierung von Investitionsprojekten im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Auswahl von Lieferanten auf dem ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Anstellung von Mitarbeitern im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Ausbildung der Mitarbeiter im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Produkt- bzw. Dienstleistungsangebot am ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Verkaufspreise auf dem ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Einsatz von Werbe- und Verkaufsförderungsmaßnahmen im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Beschaffung der Betriebsmittel/Vorprodukte	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Entwicklung neuer Produkte am ausländischen Markt	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Entlohnung der Mitarbeiter im Gastland	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐
Nehmen Sie bitte aus Ihrer Sicht zu folgenden Aussagen Stellung:	**1-Trifft überhaupt nicht zu**	**Trifft teilweise zu**	**7-Trifft vollständig zu**
Es herrscht großes Vertrauen zwischen uns und dem Partner im Gastland.	1 ☐ 2 ☐ 3 ☐	4☐ 5☐ 6☐	7☐

Es herrscht eine Atmosphäre von Offenheit und Ehrlichkeit zwischen uns und dem Partner im Gastland.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐
Ich vertraue einer Person mehr, die ich gut kenne als einer Person, die ich nicht kenne.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐
Die Zusammenarbeit beruht auf partnerschaftlicher Basis.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐
Partner, denen ich vertraue, sind jene, mit denen ich schon eine längere Beziehung aufgebaut habe.	1 ☐ 2 ☐ 3 ☐ 4☐ 5☐ 6☐ 7☐

In welchem Ausmaß haben Sie in den letzten 3 Jahren die Ziele Ihrer Auslandstätigkeit erreicht?	**1-überhaupt nicht**						**7-in sehr großem Ausmaß**
Umsatz	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Umsatzwachstum	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Rentabilität	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Gewinn	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Marktanteil	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Reputation und Bekanntheit	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Marktzugang	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Kundenzufriedenheit	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐
Marketing- und Vertriebsstrategie	1 ☐	2 ☐	3 ☐	4☐	5☐	6☐	7☐

C. Abschließende Fragen zur internationalen Unternehmenstätigkeit

In welchem Jahr und Land haben Sie mit der **Internationalisierung** Ihrer Unternehmung begonnen?
JAHR: LAND:

In wie vielen Ländern sind Sie tätig? _____

Anzahl der Mitarbeiter im **HEIMATLAND:**
☐ bis 100 ☐ 100 bis 250 ☐ 250 bis 500 ☐ 500 bis 1000 ☐ mehr als 1000

Anzahl der Mitarbeiter im **GASTLAND**:
☐ bis 100 ☐ 100 bis 250 ☐ 250 bis 500 ☐ 500 bis 1000 ☐ mehr als 1000

Durchschnittlicher Jahresumsatz des Mutterunternehmens (in EURO):

Bis 350000	350000 - 700000	700000 - 1 500 000	1 500000 - 5 000000	5 000000 - 10 000000	mehr als 10 000000
☐	☐	☐	☐	☐	☐

Durchschnittlicher Jahresumsatz im GASTLAND (in EURO)

Bis 350000	350000 - 700000	700000 - 1 500 000	1 500000 - 5 000000	5 000000 - 10 000000	mehr als 10 000000
☐	☐	☐	☐	☐	☐

Wir möchten uns für Ihre freundliche Unterstützung recht herzlich bedanken.

Um die Durchführung der Datenerhebung zu erleichtern, ersuchen wir Sie höflichst uns Ihren FIRMENNAMEN zu nennen:

Bitte übermitteln Sie den ausgefüllten Fragebogen (per Post, Fax oder Email) an:

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B. Regression Results for Every Single Dimension of Adaptation

Product as dependent variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.510	5	5.102	1.409	.225[b]
	Residual	448.867	124	3.620		
	Total	474.377	129			

a. Dependent Variable: AP_ProdukteDL

b. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	4.541	.167		27.182	.000			
	Int_Exp	-.346	.183	-.181	-1.891	.061	-.158	-.167	-.165
	Firm_Size	.083	.185	.043	.449	.654	-.045	.040	.039
	Cult_Diff	-.121	.225	-.062	-.537	.592	.037	-.048	-.047
	Institutional	.146	.218	.076	.669	.505	.106	.060	.058
	Market	.307	.194	.159	1.587	.115	.135	.141	.139

a. Dependent Variable: AP_ProdukteDL

Price as dependent variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.795	5	7.159	2.196	.059[b]
	Residual	404.329	124	3.261		
	Total	440.123	129			

a. Dependent Variable: AP_Preisstrategie

b. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	5.264	.159		33.202	.000			
	Int_Exp	-.271	.174	-.147	-1.558	.122	-.073	-.139	-.134
	Firm_Size	.225	.176	.120	1.280	.203	.036	.114	.110
	Cult_Diff	.045	.213	.024	.210	.834	.126	.019	.018
	Institutional	.007	.207	.004	.035	.972	.121	.003	.003
	Market	.488	.184	.261	2.653	.009	.240	.232	.228

a. Dependent Variable: AP_Preisstrategie

Brand identity as dependent variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	41.353	5	8.271	2.067	.074[b]
	Residual	488.147	122	4.001		
	Total	529.500	127			

a. Dependent Variable: AP_Markenidentität

b. Predictors: (Constant), Market, Firm_Size, Institutional, Int_Exp, Cult_Diff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	3.326	.177		18.799	.000			
	Int_Exp	-.458	.194	-.226	-2.367	.019	-.192	-.210	-.206
	Firm_Size	.049	.195	.024	.252	.801	-.063	.023	.022
	Cult_Diff	.251	.238	.121	1.051	.295	.155	.095	.091
	Institutional	.018	.230	.009	.079	.937	.139	.007	.007
	Market	.240	.204	.117	1.178	.241	.139	.106	.102

a. Dependent Variable: AP_Markenidentität

Promotion as dependent variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.722	5	6.144	2.205	.058[b]
	Residual	342.812	123	2.787		
	Total	373.535	128			

a. Dependent Variable: AP_Marketingstrategie

b. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	4.837	.147		32.866	.000			
	Int_Exp	-.263	.161	-.155	-1.636	.104	-.109	-.146	-.141
	Firm_Size	.117	.164	.068	.716	.475	-.002	.064	.062
	Cult_Diff	.248	.198	.144	1.250	.214	.221	.112	.108
	Institutional	.095	.193	.056	.495	.622	.199	.045	.043
	Market	.217	.171	.126	1.275	.205	.180	.114	.110

a. Dependent Variable: AP_Marketingstrategie

Operational strategy as dependent variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.080	5	5.016	1.387	.234[b]
	Residual	448.489	124	3.617		
	Total	473.569	129			

a. Dependent Variable: AP_OpStrategie

b. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	4.194	.167		25.119	.000			
	Int_Exp	-.441	.183	-.231	-2.411	.017	-.176	-.212	-.211
	Firm_Size	.180	.185	.093	.973	.333	.014	.087	.085
	Cult_Diff	.270	.225	.139	1.199	.233	.053	.107	.105
	Institutional	-.260	.218	-.136	-1.193	.235	-.026	-.107	-.104
	Market	.067	.194	.034	.345	.731	.003	.031	.030

a. Dependent Variable: AP_OpStrategie

Product construct (with two items) as dependent variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.559	5	2.512	2.519	.033[b]
	Residual	122.652	123	.997		
	Total	135.211	128			

a. Dependent Variable: FAC1_AP_Product

b. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	.000	.088		.003	.998			
	Int_Exp	-.172	.096	-.168	-1.785	.077	-.101	-.159	-.153
	Firm_Size	.109	.098	.104	1.110	.269	.017	.100	.095
	Cult_Diff	.097	.119	.094	.816	.416	.193	.073	.070
	Institutional	.033	.115	.032	.288	.773	.176	.026	.025
	Market	.224	.102	.216	2.195	.030	.233	.194	.188

a. Dependent Variable: FAC1_AP_Product

Non-Product construct (with two items) as dependent variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.920	5	2.184	2.215	.057[b]
	Residual	121.286	123	.986		
	Total	132.206	128			

a. Dependent Variable: FAC1_AP_NonProduct

b. Predictors: (Constant), Market, Int_Exp, Institutional, Firm_Size, Cult_Diff

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	-.007	.088		-.085	.932			
	Int_Exp	-.218	.096	-.217	-2.282	.024	-.144	-.202	-.197
	Firm_Size	.117	.097	.113	1.202	.232	.017	.108	.104
	Cult_Diff	.129	.118	.126	1.095	.276	.168	.098	.095
	Institutional	-.030	.115	-.029	-.260	.795	.123	-.023	-.022
	Market	.182	.101	.178	1.798	.075	.179	.160	.155

a. Dependent Variable: FAC1_AP_NonProduct

Selecting only cases for which only construction industry is considered

ANOVA[a,b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.871	5	1.374	2.360	.109[c]
	Residual	6.405	11	.582		
	Total	13.276	16			

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which Industry = Bau und Infrastruktur

c. Predictors: (Constant), Market, Int_Exp, Cult_Diff, Institutional, Firm_Size

Coefficients[a,b]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	.283	.195		1.446	.176			
	Int_Exp	.305	.357	.245	.852	.412	.014	.249	.178
	Firm_Size	-.354	.299	-.354	-1.184	.261	-.073	-.336	-.248
	Cult_Diff	.542	.249	.642	2.176	.052	.622	.549	.456
	Institutional	-.106	.262	-.121	-.405	.693	.377	-.121	-.085
	Market	.234	.258	.249	.906	.384	.541	.263	.190

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which Industry = Bau und Infrastruktur

Selecting only cases for which the country with highest revenue is Poland

ANOVA[a,b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.114	5	2.223	3.737	.015[c]
	Residual	11.895	20	.595		
	Total	23.009	25			

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which LandmitgrUMSATZ = Polen

c. Predictors: (Constant), Market, Firm_Size, Institutional, Int_Exp, Cult_Diff

Coefficients[a,b]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	.195	.177		1.104	.283			
	Int_Exp	-.389	.174	-.430	-2.235	.037	-.470	-.447	-.359
	Firm_Size	.021	.213	.018	.100	.921	-.149	.022	.016
	Cult_Diff	.026	.195	.031	.135	.894	.330	.030	.022
	Institutional	-.168	.194	-.174	-.866	.397	.103	-.190	-.139
	Market	.478	.178	.517	2.691	.014	.563	.516	.433

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which LandmitgrUMSATZ = Polen

Selecting only cases for which the country with highest revenue is Czech Republic

ANOVA[a,b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.667	5	.733	.853	.532[c]
	Residual	14.616	17	.860		
	Total	18.283	22			

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which LandmitgrUMSATZ = Tschechien

c. Predictors: (Constant), Market, Cult_Diff, Firm_Size, Int_Exp, Institutional

Coefficients[a,b]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	.082	.234		.349	.731			
	Int_Exp	-.213	.409	-.144	-.520	.610	.163	-.125	-.113
	Firm_Size	.443	.278	.427	1.594	.129	.365	.361	.346
	Cult_Diff	.282	.253	.309	1.113	.281	.230	.261	.241

	Institutional	-.242	.297	-.252	-.813	.427	-.014	-.193	-.176
	Market	.149	.300	.139	.496	.626	-.044	.119	.108

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which LandmitgrUMSATZ = Tschechien

Selecting only cases for which the country with highest revenue is Hungary

ANOVA[a,b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.258	5	1.252	1.060	.441[c]
	Residual	10.630	9	1.181		
	Total	16.888	14			

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which LandmitgrUMSATZ = Ungarn

c. Predictors: (Constant), Market, Int_Exp, Firm_Size, Institutional, Cult_Diff

Coefficients[a,b]

Model		Unstandardized Coefficients		Standardized Coefficients			Correlations		
		B	Std. Error	Beta	t	Sig.	Zero-order	Partial	Part
1	(Constant)	-.558	.312		-1.791	.107			
	Int_Exp	-.464	.280	-.473	-1.656	.132	-.366	-.483	-.438
	Firm_Size	.150	.465	.106	.323	.754	-.149	.107	.085
	Cult_Diff	.566	.559	.500	1.012	.338	.354	.320	.268
	Institutional	.142	.433	.137	.327	.751	.381	.108	.087
	Market	-.100	.384	-.098	-.259	.801	.162	-.086	-.069

a. Dependent Variable: FAC1_AP

b. Selecting only cases for which LandmitgrUMSATZ = Ungarn