Business networks as a mode of market entry into emerging markets.

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ABSTRACT

The internationalisation efforts of emerging market multinational corporations in new emerging markets are frequently hampered by prevalent absent and weakened institutions in the target market. Furthermore, acquisition of knowledge, information flow and the development of a decision-making system focused on general internationalisation issues as well as target market specific information while critical to the success of market entry into emerging markets, are difficult factors to put in place in the context of uncertainty and high risk caused by institutional voids.

Business networks offer value with respect to access to information and knowledge as well as overcoming institutional voids in emerging markets. While the common modes of market entry for EMNCs expanding into emerging markets include start-up, acquisition, contractual agreement and joint ventures, this study delved into the possibility that business networks of a mode of market entry in themselves and attempted to understand how EMNCs are leveraging business networks as a mode of entry.

The results reported indicate that business networks and knowledge & learning are significant contributors to the mode of market entry selected by EMNCs for emerging market expansion. Furthermore, institutional voids while posing significant challenges for EMNCs, were found not to contribute to the mode of market entry used by EMNCs for internationalisation.

Keywords

Institutional Voids, Business Networks, Knowledge, Mode of Market Entry, Emerging Markets, EMNCs

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Chapter 1: Introduction to Research Problem

1.1 Background

The potential for growth in emerging markets has inspired emerging market multinational corporations (EMNCs) to consider market expansion into these markets (Parmigiani & Rivera-Santos, 2015; Ramamurti, 2012). However, Parmigiani & Rivera-Santos (2015) also suggest that although opportunities are abundant in these markets, success in terms of market entry and operation is impacted significantly by the prevalence of institutional voids. These voids range from legal and regulatory frameworks to infrastructure, skilled labour, telecommunications, health care and financial systems (Khanna & Palepu, 1997; Karabag & Berggren, 2014; Parmigiani & Rivera-Santos, 2015; Kim & Song, 2017). Furthermore, it is evident that voids of this nature while impacting business operations in the market, may also have an important impact on an EMNCs ability to enter the market in the first place. An argument could be made for EMNCs being better equipped to succeed in an ecosystem that is marred by institutional voids than MNCs born in developed markets, due to the fact that they have been born into this type of ecosystem and have had to develop skills and knowledge for overcoming these challenges (Marano, Tashman, & Kostova, 2017). It is known that market knowledge offers a means to overcome institutional voids (Kim & Song, 2017) and, literature suggests that business networks contribute to the attainment of market knowledge (Ferrucci, Gigliotti, & Runfola, 2017) as well as enabling EMNCs to succeed in contexts where institutional voids exist (Rivera-Santos, Ruffin, & Kolk, 2012; Karabag & Berggren, 2014). Based on this, the importance of business networks and attainment of market knowledge in overcoming institutional voids in emerging markets in order to drive successful market expansion is clear. However, what is not known is whether business networks can themselves act as a mode of market entry for EMNCs expanding into emerging markets beyond the role they play in overcoming institutional voids and filling gaps in market knowledge through the internationalisation process. While Verbeke & Zargarzadeh (2014) suggest that new theory is not required in order to understand EMNC internationalisation into emerging market contexts, it is important to document the full value that business networks may bring to EMNC emerging market entry strategies given the opportunity that exists in these markets (Parmigiani & Rivera-Santos, 2015).

The aim of this research is to understand how business networks are leveraged as a mode of market entry into emerging markets for EMNCs as they execute on their internationalisation strategies in order to overcome institutional voids which are characteristic of emerging markets. Current theory on modes of market entry consider start-ups, acquisitions, licensing agreements, export transactions (Zahra, Ireland, & Hitt,

2000) and joint ventures (Johanson & Vahlne, 2009; Luo & Tung, 2007). Furthermore, academic literature indicates that internationalisation is an incremental process (Johanson & Vahlne, 1977), requires a company to acquire market knowledge through multiple sources (Bouquet, Morrison, & Birkinshaw, 2009) including business networks and the acquired information is leveraged to define the expansion strategy into emerging markets (Bouquet & Birkinshaw, 2011). In contrast, Verbeke & Zargarzadeh (2014) suggest the entry mode for internationalisation strategies is forecasted by internalisation theory in that it is a factor of firm specific advantages and the result of how resources available in the company can be combined with resources available in the market. Ramamurti (2012) proposes a model to explain an EMNCs choice of mode of market entry in which global market context; country of establishment; industry; and stage of EMNC development are the influencing factors. Notably the influencing factors suggested by Ramamurti (2012) does not include the role and impact of business networks on internationalisation that are highlighted by several academic sources such as Khanna & Palepu, 1997; Khanna & Palepu, 2000; Johanson & Vahlne, 2009; Bouquet & Birkinshaw, 2011; Rivera-Santos et al, 2012; Karabag & Berggren, 2014; Alcácer, Cantwell, & Piscitell, 2016; and Ferrucci et al, 2017). Given, that current academic landscape described here does not fully explain the role of business networks in terms of market entry for emerging markets, this research study will endeavour to contribute to academic theory in terms of this.

Internationalisation and market entry are key constructs in international business theory which have been explored extensively in attempts to explain the real-world phenomena that have been noted in MNCs expansion approaches and strategies. In terms of this research study, the Uppsala model (Johanson & Vahlne, 2009) is considered as it endeavoured to provide a model for internationalisation with specific focus on the impact that increasing market knowledge through business network activity on market entry. It should be noted that the original 1977 Uppsala model (Johanson & Vahlne, 1977) has been heavily criticised (Forsgren, 2002; Petersen, Pedersen & Sharma, 2003) for limiting knowledge and learning to market specific knowledge acquired through experiential learning. As a result of various criticisms, Johanson & Vahlne (2009) provided a revised model that deals with business networks and highlights the value that participation in a business network brings in terms of knowledge and learning as well as opportunity recognition and creation. This compliments the findings of contemporary academic literature (Ferrucci et al, 2017; Misati, Walumbwa, Lahiri, & Kundu, 2017; Tarek, Zouhayer, & Adel, 2017) which has researched the usefulness of business networks in internationalisation of MNCs into Africa due to the collective knowledge and insights that

business networks are able to offer. Ferrucci et al (2017) relate the importance of business networks in terms of knowledge acquisition for businesses entering emerging markets. While Tarek et al (2017) define several other factors that impact internationalisation when considering the Uppsala model (Johanson & Vahlne, 2009), the authors also acknowledge the relevance of business networks. Misati et al (2017) suggest that business networks offer support in terms of developing capacity, financing and reputation building during the internationalisation process

This research study focuses on EMNCs as it is important to understand how they are able to overcome challenging operating contexts both in their home country and in the emerging markets into which they expand. Ramamurti (2012) contradicts the Uppsala model (Johanson & Vahlne, 1977) by suggesting that EMNCs do not follow the expected patterns of internationalisation in that EMNCs which are born in poorer economies are not expected to internationalise, but they do and in fact the pace of expansion of EMNCs is much faster than expected. Furthermore, Ramamurti (2012) suggests that the studying the internationalisation behaviour of EMNCs offers an opportunity to enhance international business strategy theory through unpacking additional attributes that influence pace of expansion, target market selection and mode of entry. This is supported by the research of Madhok & Keyhani (2012) who found that although EMNCs are perceived to have fewer competitive advantages, they also have distinct qualities that enable them to succeed in emerging market contexts in way that differs from developed market MNCs. Govindarajan & Ramamurti (2011) suggest that in difficult emerging market environments, EMNCs develop features and capabilities such as a more in depth understanding of customers, the ability to reduce design and manufacturing costs, and build strong distribution networks. These features and capabilities that EMNCs develop are seen as a competitive advantage and source of strength when compared to developed market MNCs in terms of innovation, meeting consumer demands within consumer income constraints and development of new technologies in emerging markets (Govindarajan & Ramamurti, 2011).

Another perspective to be considered is that of the diversity of industries and businesses in which EMNC business groups operate enabling EMNCs to leverage economies of scale and scope within the business group that provides opportunities to succeed although the logic of diversification of the business network in complex markets is in opposition to what business experts would advise around the group focusing in fewer areas of strength (Khanna & Palepu, 1997). The institutional context of emerging markets wherein capital, labour and product markets do not function optimally requires EMNCs

to leverage the diversity of capabilities offered by business network structures and their own experience in prevailing over institutional voids in their home country to overcome market failures and institutional voids (Khanna & Palepu, 2000). Furthermore, Cuervo-Cazurra & Genc (2008) support the notion that the emerging market roots of EMNCs offer important advantages over MNCs when entering and operating in emerging market contexts that possess difficult institutional environments. In addition, EMNCs are beginning to drive innovation and new business models that have relevance beyond emerging market contexts and solve customer problems with robust, ultra-low-cost solutions that evolve existing technologies or establish brand new technologies which Govindarajan & Ramamurti (2011) suggest is due to EMNCs facing harsher challenges in emerging markets ranging from institutional voids to consumer income and access. These strengths and competitive advantages that EMNCs possess in the context of emerging market expansion and operation are important facets that should be studied further as it will contribute to the international business theory (Ramamurti, 2012) and offer business valuable insight into internationalisation into emerging markets.

1.1 Research Problem

EMNCs may seek internationalisation opportunities in both emerging and developed markets in order to grow their businesses. However, given the potential in emerging markets (Acquaah & Kiggundu, 2017; Ferrucci et al, 2017; Brouthers, 2013) this research study will focus on EMNCs seeking to expand their operations into emerging markets in order to take advantage of the opportunities for growth. International business theory indicates that market entry into emerging markets may be hampered by institutional voids (Parmigiani & Rivera-Santos, 2015) which may be overcome through information and market knowledge (Kim & Song, 2017) and that knowledge can be gained through participation in a business network (Johanson & Vahlne, 2009). A business network is defined as interdependent relationships involving business interactions and transactions (Johanson & Vahlne, 2009). International business literature refers to modes of market entry in terms of start-ups, acquisitions, licensing agreements, export transactions (Zahra et al, 2000) and joint ventures (Johanson & Vahlne, 2009; Luo & Tung, 2007). It is thus not clear in current academic literature whether business networks can themselves behave as a mode of market entry beyond the value they bring in terms of market knowledge and overcoming institutional voids. It is important to understand the role that business networks could have as a mode of market entry as it contributes to international business theory, and can provide EMNC business leaders with an additional strategy for emerging market entry.

Evidence of emerging market internationalisation strategies can be seen by analysing the public records and integrated reports of several listed EMNCs globally. However, three examples of this will be discussed to demonstrate the applicability of business networks to emerging market expansion strategies – SABMiller, Vodacom and MTN. For instance, SABMiller was founded in South Africa and began its international expansion efforts in Sub-Saharan Africa before extending its reach into Eastern Europe, Asia and South America. The market expansion modes of entry used by SABMiller, for example, largely included joint-ventures and acquisitions while building their emerging market knowledge with each new market entered. It is noteworthy that SABMiller's expansion approach which used joint ventures and acquisitions implies that the organisation developed relationships and business networks in the emerging markets that could be drawn on with each subsequent market expansion effort. Vodacom began its operations in South Africa in the early 1990s and has gradually expanded its consumer serving footprint to include operations in Lesotho, Mozambique, Democratic Republic of Congo and Tanzania. Currently the approach that Vodacom has taken would be described from a theoretical standpoint as a clone network (Ferrucci et al, 2017) where the structure that was used in South Africa has been replicated and where the equivalent suppliers could not be found in particular markets, Vodacom has insourced the capabilities required based on learnings they acquired in their business networks in other markets. MTN operates in twenty-one countries spanning several emerging markets, while having their origins in South Africa in the early 1990s. Ferrucci et al (2017) would describe MTN's model as a network with bridging as the centralised group function in South Africa bridges the networks in each market such that their business network spans multiple operations. While all three businesses have chosen different modes of entry into similar markets, it should be noted that of each may also have leveraged their business network significantly differently in terms of attaining knowledge and support in emerging markets. Specifically, it can be seen that the value of the business network was attained through partnerships for SABMiller; through network cloning in Vodacom's case; and for MTN by the use of a network concentrated in a central hub structure. It is also important to note, that all three EMNCs have focused their market expansion on emerging markets and thus have overcome different institutional voids.

This study focuses on business networks as a mode of market entry in emerging markets and will seek to understand how EMNCs have expanded their operations into new markets. The overarching research question for this study is: *How are EMNCs leveraging business networks as a mode of market entry in emerging markets?* While it is expected

that institutional voids are present in the target markets and that business networks can be leveraged in order to overcome them, the researcher hopes to understand whether the network was a source of knowledge or was utilised as an alternate to known modes of market entry.

1.2 Significance of research

Institutional voids in emerging markets have been documented over time in various international business academic articles (Johanson & Vahlne, 1977; Khanna & Palepu, 1997; Kim & Song, 2017; Doh et al, 2017) while contemporary literature has focused on overcoming institutional voids (Kim & Song, 2017; Marano et al, 2017; Doh et al, 2017). The focus on overcoming institutional voids is warranted given that business operations and on market entry are affected by the outcomes of institutional voids such as market failure (Doh et al, 2017); abandonment of deals and market entry (Kim & Song, 2017); and increased cost of doing business in the market (Doh et al, 2017). Johanson & Vahlne (2009) propose that business networks can be leveraged to grow a business's market specific and general internationalisation knowledge which Kim & Song (2017) contend will be useful in overcoming institutional voids and thus the potential of business networks as a mode of entry should be considered further. However, to date, modes of market entry are considered to be limited to start-ups, acquisitions, licensing agreements, export transactions (Zahra et al, 2000) and joint ventures (Johanson & Vahlne, 2009; Luo & Tung, 2007) and the potential of business networks as a mode of entry should be considered further. This research aims to contribute to the existing body of knowledge in the international business, business network and modes of entry streams of theory.

From a business perspective, EMNCs such as SABMiller, Vodacom and MTN which have their roots in emerging markets and continue to look for emerging market expansion opportunities would benefit from and additional perspective on how to enter these markets. In particular, unlocking the value of their business networks in order to drive opportunity development and creation (Johanson & Vahlne, 2009) in new markets would be a significant contribute to EMNCs from a strategic and growth perspective.

1.3 Conclusion

Emerging markets have been highlighted as offering good opportunities for growth for companies looking to expand their international footprint (Acquaah & Kiggundu, 2017; Ferrucci et al, 2017; Brouthers, 2013; Ramamurti, 2012; Parmigiani & Rivera-Santos, 2015). While academic theory to a large extent can

explain internationalisation from a developed market MNC perspective, and in terms of developed country target markets; it is evident that the emerging market context and EMNCs are less well understood. This research study must therefore endeavour to delve deeper into academic sources in order to understand the relevance of frameworks such as the Uppsala model (Johanson & Vahlne, 2009); determinants of EMNC internationalisation (Ramamurti, 2012); the significance of business networks to EMNCs in their internationalisation approach (Johanson & Vahlne, 2009; Ferrucci et al, 2017; Misati et al, 2017; Tarek et al, 2017); and, the taxonomy of internationalisation proposed by Ferrucci et al (2017). Based on these frameworks, the researcher will attempt to understand how business networks are leveraged as a mode of market entry by EMNCs in their attempts to internationalise into other emerging markets.

Chapter 2: Literature review

2.1 Introduction

The purpose of this research study is to understand how business networks are used as a mode of entry by EMNCs that are endeavouring to expand their operations into additional emerging markets. The literature review that follows will delve into relevant institutional voids, modes of market entry, and business networks and literature that deals with these constructs in order to provide a theory base from which the research problem may be answered. Due to the large body of work that has already been done in the international business arena, the literature review has been broken into three key areas. Firstly, a review of contemporary business network literature is completed with the aim of defining business networks and the value they bring to participants in overcoming the liability of foreignness and liability of outsidership. The taxonomy of internationalisation (Ferrucci et al, 2017) which deals with the types networks that are particularly relevant for EMNCs in emerging markets is considered here. Adding to this is the analysis of the concept of market knowledge that is garnered through belonging to a business network (Alcácer et al, 2016) and the influence of business networks in overcoming institutional voids in emerging markets (Rivera-Santos et al, 2012; Karabag & Berggren; 2014). Secondly, academic sources on institutional voids are considered in order to define what they are; why they exist; why they are prevalent in emerging markets; and the potential impact of institutional voids on internationalising businesses is then examined. The approaches to overcoming institutional voids as suggested in academic literature are then considered. Thirdly, a review of literature on potential modes of market entry is conducted in order to understand the primary modes that are prevalent in internationalisation strategies including start-ups, acquisition, joint-venture and exporting. The Uppsala model (Johanson & Vahlne, 1977) and the revised Uppsala model (Johanson & Vahlne, 2009) are then considered, both of which deal with internationalisation of businesses and make proposals on market entry approaches.

2.2 Business networks & market knowledge

The revision of the Uppsala model of internationalisation in 2009 (Johanson & Vahlne, 2009) elevates the importance of business networks and the role they play in market entry due to the impact they have on overcoming the liability of outsidership. Forsgren (2016) proposes that the difference between the 1977 and 2009 Uppsala models (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009) is that the liability of foreignness – described as a business not having market knowledge about a targeted foreign market – used in the former, is replaced by the liability of outsidership – defined as a business not having a good standing in a business network in the target market – in the latter.

However, according to Forsgren (2016) the liability of outsidership in business network theory actually refers to a business lacking a position in a network and can be applied equally to domestic and foreign markets which, the author argues, implies that the use of liability of outsidership in the 2009 Uppsala model is not sufficiently developed in the context of foreign markets and is thus still describing liability of foreignness. While it is expected that market knowledge in the information age is more widely accessible through multiple digital information sources, the role of business networks and relationships in gathering foreign market information is still significant (Alcácer et al, 2016). Alcácer et al (2016) suggest that it is not merely a matter of belonging to a network that drives a business's ability to fully exploit an internationalisation approach, but the actual position in both domestic and foreign networks that will enable valuable market knowledge exchange which reiterates the state aspect of "Network Position" in the revised Uppsala model (Johanson & Vahlne, 2009) as shown in Figure 4. In contrast, Forsgren (2016) proposes that for internationalisation processes to be effective, efforts for overcoming liabilities of outsidership should be focused specifically on foreign networks and attributes less significance to a business improving its domestic network position. This research study aims to understand business networks as a mode of entry into foreign markets and it is therefore imperative to focus on the role of business networks in developing market knowledge.

Business networks are described as clusters of "*connected business relationships*" (Johanson & Vahlne, 2010, p. 486) in which companies trade with each other in business transactions and interactions amongst companies with the network become mutually dependent. Ferrucci et al (2017) expand on this definition to express business relationships in terms of customer and supplier networks, social networks and institutional networks due to the important role that relationships in these difference spheres. In terms of customer and supplier relationships, it is proposed that in order for a business to expand internationally they must establish relationships with customers and suppliers in foreign markets and that in some instances the foreign market relationships drive a business's internationalisation (Ferrucci et al, 2017). Ferrucci et al (2017) suggest that social networks leverage personal, informal relationships rather than formal business relationships may highlight opportunities in foreign markets and partners as well as enable entry into these target markets. Lastly, the role of target market institutional networks is noted in terms of providing businesses with the market knowledge and information that are required during the internationalisation process (Ferrucci et al, 2017). Applying business network theory to the emerging market context, it is proposed that business networks are established across industries and sectors, and

include several partners as this is what is necessary to overcome the challenges created by institutional voids in emerging markets (Rivera-Santos et al, 2012). Karabag & Berggren (2014) support this by stating that belonging to a business network is an imperative for MNCs to achieve success in an emerging market and in particular the diversity of the business network is a noteworthy aspect in that it provides access to breadth and depth of market knowledge across sectors which supports Johanson & Vahlne (2009) elevation of the importance of business networks in the internationalisation process. Thus, it is evident that business networks play a significant role in the internationalisation process in that the business network ecosystem consists of interconnected relationships in multiple spheres which provides insight and information that is necessary for internationalisation. However, it is not yet clear from literature whether business networks can offer a mode of market entry in themselves.

Market knowledge may be defined as "*information about markets, and operations in those markets, which is somehow stored and reasonably retrievable - in the mind of individuals, in computer memories, and in written report*" which is "*vested in the decision-making system*" (Johanson & Vahlne, 1977, p. 26). Based on this definition, it is evident that once knowledge about a market is attained it is expected to be retained within the organisation through various means and can therefore be shared with other businesses which demonstrates the value in belonging to a business network (Johanson & Vahlne, 1977). However, Forsgren (2002) suggests that knowledge has the potential to lose relevance as markets change which highlights the importance of MNCs investing attention on a continuous basis in order to refresh their market knowledge (Bouquet et al, 2009). Zhao, Park, & Zhou (2014) expand on the definition of market knowledge to include knowledge about customers, drivers of demand, suppliers and government operating in the market which affect the MNCs ability to do business in the market. In order to leverage a business network for market knowledge and reap the benefits in a foreign market of interest, it is necessary for a business to overcome the liability of outsidership and gain a position of good standing in a business network (Alcácer et al, 2016). Specifically, this research study is interested in leveraging a business's position in a business network such that the network offers a mode of entry into the market of interest through the collective market knowledge of that network.

Ferrucci et al (2017, p. 15 - 16) suggest three types of business networks that may be used to gain market knowledge in African markets – "*confined local network*", "*network with bridging*", and "*clone network*" – which are depicted in Figure 1. The market knowledge acquired in a confined local network structure has its applicability limited to

the market in which it was acquired and is largely driven by the local market context. A business belonging to this type of network can utilise knowledge from the network to enter that specific African market and may not find any value applying that knowledge to other emerging market. On the other hand, a network with bridging does not leverage market knowledge, but relationships within the network to gain access to alternate markets. This implies that a business belonging to this type of network does need to garner value just from market knowledge about new potential markets, but may derive value from network participant relationships that cross borders into those new potential markets. Finally, clone networks refer to the balancing of market specific knowledge with the generalisability of market knowledge in emerging market contexts. In other words, the ability to replicate the network structure that supports business operations from one market context to another by ensuring the players that are required to overcome foreign market challenges are present in each market's business network. The network types proposed by Ferrucci et al (2017) are relevant to this research study as they offer alternate modes of market entry to acquisitions, licensing, export agreements, joint ventures (Zahra et al, 2000; Johanson & Vahlne, 2009) and consequently alternate means to gain market knowledge than those proposed by Luo & Tung (2007).

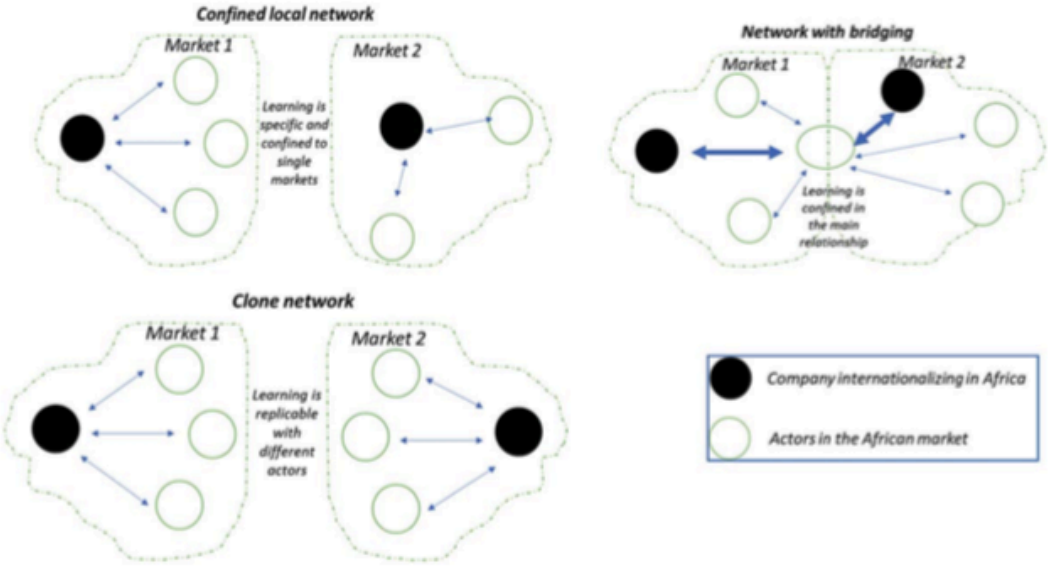

Figure 1: Types of business networks (Ferrucci, Gigliotti, & Runfola, 2017)

2.3 Institutional voids & emerging markets

Institutions have been defined in terms of "*a country's product, capital, and labor markets; its regulatory system; and its mechanisms for enforcing contracts*" which enable

companies to execute their business operations (Khanna & Palepu, 1997, p. 41). Institutional voids, on the other hand, are described as the absence of institutions as well as ineffective or weakened institutions (Khanna & Palepu, 1997; Parmigiani & Rivera-Santos, 2015; Kim & Song, 2017). Doh et al (2017) expand on the definition of institutional voids provided by Khanna & Palepu (1997) to include both informal institutions which refers to leveraging local relationships for knowledge or resources that enable business operations by overcoming challenges experienced with formal institutions and the presence of institutional voids. In the context of this research study, formal institutions will be considered broadly to include infrastructure such as transport, telecommunications, and basic service delivery for water and electricity; banking systems including traditional banking and less formal financial services such as MPESA and mobile-money; governance at country, industry and company levels; the legal and regulatory environment within which companies operate; the capital, financial and investment structures within a market; and, the skills, education and human capital ecosystem that drives the company's labour context within the market. Informal institutions will be considered to some extent in this study due to emerging market context where formal institutions may not be present or may be weakened (Parmigiani & Rivera-Santos, 2015), and it is anticipated that informal institutions may be leveraged by EMNCs to compensate for the lack of formal institutions.

Meyer, Estrin, Bhaumik & Peng (2009, p. 63) define strong institutions as those which "*support the voluntary exchange underpinning an effective market mechanism*" in a way "*firms and individuals can engage in market transactions without incurring undue costs or risks*". Furthermore, the presence of strong institutions lessens the uncertainty of doing business in a market because institutions create structure and act as enablers for doing business in that market which ultimately fosters a better context for business operations (Kim & Song, 2017). It is evident that strong institutions are important for businesses because in contexts where institutions are weak the market will not operate effectively (Meyer et al, 2009) and in particular the uncertainty created by weak institutions, which can be defined as a state in which insufficient information about specific market elements, prevents a business from being able to evaluate how those market elements will influence business operations over time (Johanson & Vahlne, 1977).

Parmigiani & Rivera-Santos (2015) suggest that one reason that institutional voids are prevalent in emerging markets due to the poverty that exists in these markets which they believe hampers the development of institutions that deal with product, capital and labour markets, regulation and contracting (Khanna & Palepu, 1997). An alternate explanation

of the prevalence of institutional voids is that the lack of maturity in regulatory frameworks (Madhok & Keyhani, 2012) and equally the overbearing nature or role of emerging market regulatory bodies (Khanna & Palepu, 1997; Kostova & Hult, 2016) may drive ineffective regulatory institutions within emerging markets. Furthermore, political circumstances may be the driver for institutional voids as the establishment of strong institutions may not always be a focus on the agenda for the politicians in power (Puffer, McCarthy, & Boisot, 2010). Stephan, Uhlaner, & Stride (2015) suggest that it is not merely governments willingness to create strong institutions, but also the lack of support of institutions that may be cause institutional gaps in emerging markets.

Despite the prevalence of institutional voids, the appeal for MNCs to enter emerging markets has increased as they offer better growth opportunities than already developed markets, however it must be noted that institutional voids pose significant challenges in these markets (Parmigiani & Rivera-Santos, 2015). From an EMNC perspective, expansion may be sought into other emerging markets that are perceived to have stronger institutions (Luo & Tung, 2007), which are expected to enable less time and money being spent on navigating the operating environment while providing access to resources that the EMNC lacks. However, Marano et al (2017) suggest that businesses taking an expansion approach from one emerging market to another should be prepared to face different institutional voids across the emerging markets that are targeted for entry. Verbeke & Kano (2015) further indicate that overcoming institutional voids contribute to country specific advantages and disadvantages which over time build into firm specific advantages which EMNCs must possess in order to succeed in contexts with significant voids. The challenges that EMNCs face in their home countries from and institutional framework perspective enable EMNCs to develop organisational knowledge and skills for overcoming specific voids that will allow them to cope with similar situations in new contexts (Cuervo-Cazurra & Genc, 2008). The implication is that emerging markets are likely to have institutional voids albeit in varying degrees and affecting different institutions in each market which suggests that businesses must find ways, including leveraging firm specific advantages, to overcome these voids. In terms of this research study, the fact that EMNCs are born in an emerging market context and develop to the point where they are considering expansion into other emerging markets implies that they have found ways to navigate institutional voids in their originating market. This could provide EMNCs with an advantage over MNCs when entering into other emerging markets due to the organisational knowledge of overcoming institutional voids.

Contemporary literature (Kim & Song, 2017; Marano et al, 2017; Doh et al, 2017) on institutional voids has focused on overcoming them through various approaches. Kim & Song (2017) suggest that information flow and availability can contribute to a business's ability to rise above institutional voids and propose that knowledge and information may be gathered by leveraging an in-market business group within the emerging market or from beyond the borders of the specific emerging market. Kim & Song (2017) further propose that knowledge and information may be gathered by leveraging an in-market business group within the emerging market or by drawing on the expertise of allies from beyond the borders of the specific emerging market in order to overcome skill and knowledge deficiencies. On the other hand, Marano et al (2017) put forward that a business can utilise international standards or structures as a means to create a global best practice model which defines particular behaviours that the company will operate with for their operations and that supersedes the weakened or absent in-market institutions that deal corruption, governance, compliance and legal factors of doing business. Another perspective offered is that of the establishment of informal institutions which manifest as in-market relationships or attempts to shape policy and regulation which implies institutional voids can in fact drive a business to actively work towards improving the ecosystem in which they operate (Doh et al, 2017).

2.4 Market entry & the Uppsala Model

The choice of mode of market entry can be seen as a reflection of the level of control that an internationalising company wants to exert in a target market (Erramilli, 1991) whereby acquisitions and wholly-owned approaches enable complete control while joint-ventures and the use of intermediaries operated with shared control. The primary modes of market entry that are used by internationalising companies are defined as start-ups, acquisitions, licensing agreements and export transactions (Zahra et al, 2000). Johanson & Vahlne (2009) offer joint ventures as an additional mode of entry into markets, which Luo & Tung (2007) propose may be used by EMNCs in order to gain resources, skills or knowledge from joint venture partners through the market expansion process. Brouthers (2013) contributes to the literature on modes of entry by providing a detailed analysis of market entry modes in which he suggests that perception of high transaction cost related to evaluation of partners and the subsequent negotiation results in an acquisition or wholly owned approach to market entry being preferred by companies in comparison to joint venture or licensing agreement modes of entry. Meyer et al (2009) suggest that joint ventures provide increased resource access in weak institutional contexts which aligns with Brouthers (2013) assessment that the institutional context of

the target market influence the mode of entry to the extent that companies will use joint venture entry approaches in markets with strong legal regulation and conversely the acquisition approach is preferred in markets with weaker legal restrictions. Meyer et al (2009) indicate that that access to resources through acquisition strategies is more appropriate in contexts with strong institutions where market dynamics are more stable. This is supported by Brouthers (2013) notes that a target markets investment risk profile impacts the market entry approach taken by companies looking to expand into them such that acquisition or wholly owned approaches are preferred in low investment risk markets and joint venture or licensing agreement strategies being employed in high investment risk markets.

Ramamurti (2012) explores the idea that current theory on modes of market entry are insufficient to explain how EMNCs internationalise into emerging markets and specifically that the pace of internationalisation and selection of markets to enter does not align with established models such as the Uppsala model (Johanson & Vahlne, 1977). Madhok & Keyhani (2012) suggest that EMNCs possess the ability to quickly identify acquisition opportunities in emerging markets which are thus leveraged to enter new markets. However, based on Erramilli (1991) this implies high levels of commitment which will limit market expansion only to opportunities where an EMNC can take the risk of a large investment and is contrary to Zhao, Luo, & Suh (2004) who suggest that acquisitions are not suitable for volatile emerging market contexts. Furthermore, as shown in Figure 2, Ramamurti (2012) synthesises findings from Luo & Tung (2007); Cuervo-Cazurra & Genc (2008); Johanson & Vahlne (2009); and Madhok & Keyhani (2012) to suggests that four factors – global market context; country of establishment; industry; and stage of EMNC development - influence the mode of market entry selected by EMNCs however, Ramamurti's model does not incorporate the importance of business networks in emerging market internationalisation which is suggested in contemporary academic literature (Khanna & Palepu, 1997; Khanna & Palepu, 2000; Johanson & Vahlne, 2009; Bouquet & Birkinshaw, 2011; Rivera-Santos et al, 2012; Karabag & Berggren, 2014; Alcácer et al, 2016; Ferrucci et al, 2017) and is thus insufficient for understanding EMNCs market entry strategies in emerging market contexts.

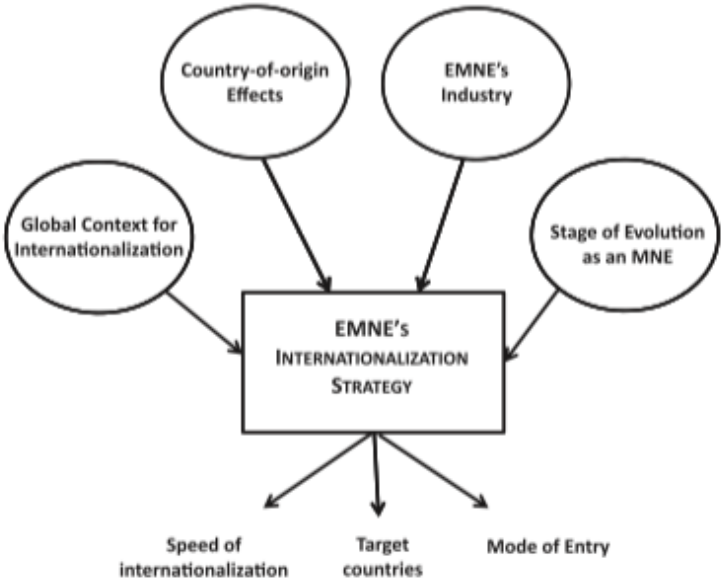

Figure 2: Determinants of EMNE internationalisation (Ramamurti, 2012, p. 45)

Johanson & Vahlne (1977) propose that market entry takes on an incremental nature as MNCs use each stage to expand their market knowledge and market commitment. Additionally, MNCs may use head office environmental scanning; communication with in market contact points from subsidiary offices, suppliers and customers; or direct market expansion examination with executives in subsidiaries in order to understand the global opportunities and threats to the business (Bouquet, Morrison, & Birkinshaw, 2009). Bouquet & Birkinshaw (2011) suggest that an MNC's market expansion strategy leverages the information and exposure to emerging markets through the company's network and the interactions of its senior leadership within that network through engagements and discussions in the course of doing business. Another explanation is offered by Verbeke & Zargarzadeh (2014) who propose that the mode of market entry that is selected for internationalisation efforts by an MNC is forecasted by internalisation theory in that it is a factor of firm specific advantages and the result of how resources available in the company can be combined with resources available in the market.

Literature on international new ventures has suggested that current internationalisation theory does not sufficiently explain the expansion approaches that are demonstrated by MNCs who are considered to be born global in that they bypass the expected incremental internationalisation stages (Oviatt & McDougall, 1994; Madsen & Servais, 1997; Zahra et al, 2000). Johanson & Vahlne (2009) suggest that internationalisation theory dealing with the staged approach to market expansion has applicability to both new ventures and

to MNCs entering new markets albeit at differing paces. However, Verbeke & Zargarzadeh (2014) suggest that the existing internalisation theory is sufficient to explain incremental market entry (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009) and the international new venture (Oviatt & McDougall, 1994; Zahra et al, 2000) or born global concept (Madsen & Servais, 1997). The implication from Verbeke & Zargarzadeh (2014) and Johanson & Vahlne (2009) that no new theory is required to account for market entry approaches. In terms of EMNCs, Verbeke & Kano (2015) put forward that the emerging market context of these companies does not require the development of new theory as internalisation theory is still applicable and that while EMNCs firm specific advantages may differ from those of MNCs, they are no less valuable in explaining internalisation approaches of EMNCs. Verbeke & Kano (2015) further suggest that firm specific advantages, such as technology or marketing know-how, that are not market or location specific and which can be disseminated through an MNE's network enables the network to differentiate itself through its resources and capabilities in new markets. The supposition is that while emerging markets are expected to have institutional voids, internalisation theory suggests that EMNCs will utilise firm specific advantages and networks to overcome these voids (Verbeke & Kano, 2015). Thus, it should be noted that the development of new theory is not required in order to understand market entry strategies that are relevant to EMNCs. Specifically, incremental market entry, international new ventures and born globals as internationalisation approaches are applicable to EMNCs in that they can be seen as strategically leveraging their firm specific advantages depending on the target market context.

The Uppsala model of expansion into foreign markets describes a specific model for market entry which deals with businesses taking steps through an establishment chain that demonstrate increasing levels of commitment to the target market (Johanson & Vahlne, 1977). The establishment chain is generalised as incremental internationalisation in which *"firms start exporting to a country via an agent, later establish a sales subsidiary, and eventually, in some cases, begin production in the host country."* (Johanson & Vahlne, 1977, p. 24). The Uppsala model suggests that an incremental approach is taken due to insufficient market knowledge and the fact that it is difficult to get more market specific information from outside the market which creates uncertainty and results in a tentative approach to entering a market. Establishment chain as described by Johanson & Vahlne (1977) describes that companies start their internationalisation endeavours through modes of entry that require low commitment to the market, and display a gradual increase their commitment through incremental shifts

in their involvement in the market. The 1977 Uppsala model of internationalisation (Johanson & Vahlne, 1977) is shown in Figure 3.

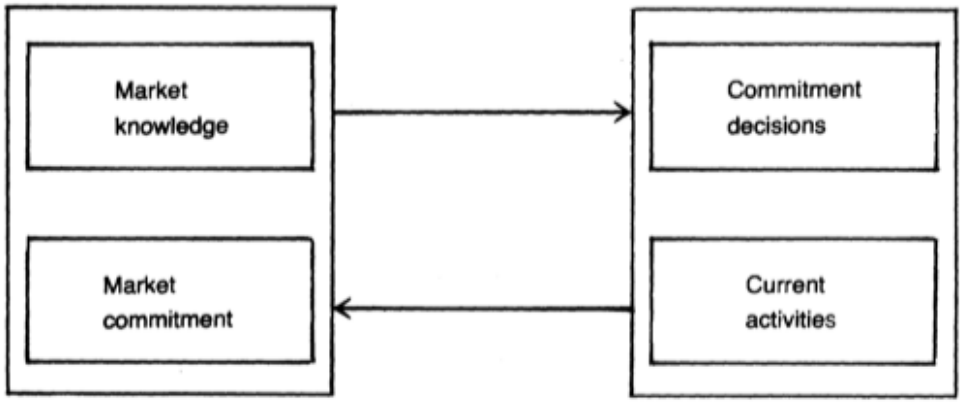

Figure 3: 1977 Uppsala Model of Internationalisation (Johanson & Vahlne, 1977, p. 26)

Johanson & Vahlne (2009) acknowledged and responded to criticisms of the 1977 Uppsala model (Johanson & Vahlne, 1977) and provided a revised model that delved into the impact of business networks on internationalisation which will be described next. However, it is important for the purposes of this study to understand two key criticisms in order to fully appreciate the model's evolution. The first key criticism from Forsgren (2002) is the assumptions around how market knowledge is attained through experiential learning in the 1977 Uppsala model – that is, the limitation of learning to individuals in organisations and the concept that bringing of individuals with specific knowledge into the business is a means to acquire their knowledge. Forsgren (2002) suggests that knowledge may in fact be acquired through multiple means including business partners, suppliers and customers who have market experience as opposed to each business having to experience the same things in order to learn from them. Petersen et al (2003) add to the criticism of the Uppsala model's handling of knowledge in terms of limiting learning and knowledge to being market specific in order for internationalisation attempts to be successful. This criticism is based on the idea that learning and understanding more general aspects of internationalisation are necessary in addition to market specific knowledge (Petersen et al, 2003). While it is evident that market specific knowledge is in fact an important and necessary factor in the internationalisation process (Barkema, Bell, & Pennings, 1996; Erramilli, 1991; Luo & Peng, 1999; Eriksson, Johanson, Majkgard, & Sharma, 1997), Johanson & Vahlne (2009) recognise the significance of these criticisms on how they handled what knowledge is important and how it is acquired in the internationalisation process and to this end have incorporated learning through business networks, knowledge about relationships and general internationalisation

knowledge into the revised model. In terms of this study, this revision to the model is significant because it shifts the role of business networks in internationalisation beyond demand and supply relationships in a value chain and shows the relationships within a network ecosystem to be integral and valuable to market expansion because of the different market specific and general internationalisation knowledge that is held inside each organisation.

The second key criticism of the 1977 Uppsala Model (Johanson & Vahlne, 1977) speaks to the establishment chain that explains the incremental commitment to new markets that businesses make during the internationalisation process. Hedlund & Kverneland (1985) suggest that over time MNCs have evolved their market entry strategies and demonstrate a preference for skipping stages in the establishment chain and thus demonstrate market commitment much faster than proposed by Johanson & Vahlne in the Uppsala model (1977). The reason given for the establishment chain not being as relevant, is that market entry strategies that utilise joint ventures or strategic alliances as opposed to sales agents enable more rapid learning in the market which reduces uncertainty and perceived risk which facilitates increased commitment. Additionally, Oviatt & McDougall (1994) question the relevance of the establishment chain's applicability to new ventures who they believe have the most reason to be incremental in their approach – due to their lack of resources and knowledge, and their investment in volatile markets – but do not exhibit the suggested stage approach in their market entry. A further viewpoint on the establishment chains relevance is offered by Madsen & Servais (1997) who support the idea that new ventures and particularly "Born Globals" begin with global presence in mind which drives a faster approach to internationalisation that renders the incremental theories irrelevant. Johanson & Vahlne (2009) acknowledge that evolution of the international business environment has resulted in increased use of business networks which as described previously contribute to knowledge and learning about target markets that may account for deviations from their original definition of the establishment chain. They further purport that new ventures and specifically born globals are in fact more regionally focused and that they do not demonstrate true internationalisation immediately at birth. In response to these criticisms, Johanson & Vahlne (2009) contend that the incremental approach is still relevant, although at an increased pace and with different involvement of network participants than originally proposed. Barkema & Drogendijk (2007) support both viewpoints but propose that incremental steps are indicative of a business exploiting what they already know and offers an approach that can be used when new markets are similar to markets that they already operate in. On the other hand, large steps, that seemingly deviate from the

establishment chain, are relevant in explorative situations where a business lacks knowledge about the market but perceives a significant opportunity and thus invests at a pace that is much faster than proposed in the 1977 Uppsala model (Johanson & Vahlne, 1977). In terms of this study, the implication is that the while the steps proposed in the establishment chain may be relevant, the pace will vary depending on the type of business – new venture or established players; whether their focus is explorative or exploitative; and, the participation in a business network or not.

As an outcome of the authors acknowledgement of key criticisms to their original mode, a revised Uppsala model of expansion was proposed by Johanson & Vahlne (2009) in which they provided clarifications of certain aspects of the model which are pertinent for this study. Firstly, they stipulate that the form of commitment is not limited and may be seen in terms of resource, capital investment, customer commitments and ongoing business activities. Secondly, commitment and learning are incremental particularly when the psychic distance between the organisation and the target market is large. However, it is also noted that general market knowledge has been proven to be of more importance than stated in the original model. The revised Uppsala model (Johanson & Vahlne, 2009) endeavours to highlight the significance of business networks in overcoming liability of outsidership and institutional voids in the target market with respect to market entry for MNCs. This implies established cross-border relationships must exist between the MNC and operating companies in the target country. However, a critical assumption, which may not hold true, is made here in that the institutional voids apparent in the target country do not affect the companies in the target market that the MNC has a relationship with. This suggests a change from 1977 Uppsala model (Johanson & Vahlne, 1977) in that while the experiential learning referred to in the original model holds true, the need for two-way learning between the business and those partners and suppliers in the market that they do business with must occur in order for the knowledge to be useful. The implication is the formation of a knowledge or experience network due to the relationships that exist in a business network. Furthermore, the authors define the business in terms of its network relationships and the network structure that is formed as a result of relationships in a market.

Johanson & Vahlne (2009) further recognise that opportunity development plays a large role in internationalisation which was not evident in their original model (Johanson & Vahlne, 1977). In the revised model (Johanson & Vahlne, 2009), opportunity development is seen as distinct from opportunity creation and is described as requiring a deep level of trust in the context of a business network. Opportunity development is a

result of incremental learning garnered from business operations which facilitates the recognition of opportunities. In terms of business networks, the acquisition of market knowledge through interactions with members of the business network serves, as described earlier, serves to improve opportunity recognition and requires that the market knowledge is gained from trusted sources. On the other hand, opportunity creation reflects the company's commitment in a particular market as it requires investment of resources and a deeper entrenchment of relationships with participants in the company's business network in order to exploit the opportunity. It is evident that the increased commitment of investing in an opportunity hinges on a sense of trust being established with business partners that are involved in the execution of business operations related to the opportunity.

The revised 2009 model of internationalisation (Johanson & Vahlne, 2009, p. 1424) is shown in Figure 4 and is referred to by the authors as a business network model of internationalisation.

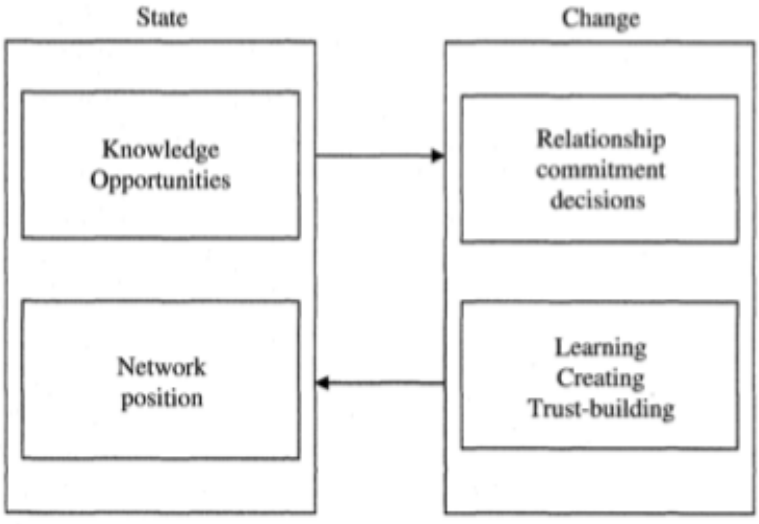

Figure 4: 2009 Uppsala Model: The business network internationalisation process model (Johanson & Vahlne, 2009, p. 1424)

It is important to note the implications of the revised model (Johanson & Vahlne, 2009) as they pertain to this study's focus on business networks and modes of market entry. The first implication is that a company's network is a key factor in the internationalisation process and in particular commitment and trust will increase the likelihood of successful expansion to other markets. The second inference is that the selection of markets for expansion will be determined by opportunities identified by the company and its partners in the network or based on the strength of position a partner already has in a market.

The third effect relates to market entry in that it may come from following a partner if the partner has established a position in the target market because the company recognises an opportunity for their own expansion. Alternatively, market entry may be due to a request from a partner to enter a particular market because they plan to do so or already have done so and thus the partner sees an opportunity to leverage the relationship in that market.

2.5 Conclusion

This literature review has attempted to provide a theoretical basis for this research study by exploring key elements of international business theory. Firstly, academic sources on business networks and market knowledge were studied in order to better understand both constructs. Market knowledge was a common thread through the literature review and may be useful in overcoming institutional voids. It is further evident from a theoretical perspective that business networks aid in the acceleration of gaining market knowledge and that they alleviate the need for each business to experience every scenario because participants in the network learn from each other. Additionally, business networks play a significant role in market expansion due to participants following each other to new markets which leads into the research problem as to whether business networks can themselves provide a mode of market entry.

Secondly, a review of institutional theory was conducted with specific focus on institutional voids and their prevalence in emerging markets. This has provided an understanding of the types of market challenges that EMNCs are likely to face when and proposed methods for overcoming institutional gaps from an academic standpoint which will be a key factor in answering the research problem.

Lastly, a review of relevant modes of market entry was performed in order to understand from an international business perspective how businesses approach market expansion. The revised Uppsala model (Johanson & Vahlne, 2009) which focuses on business network internationalisation was incorporated into the review and introduced the significance of business networks for market expansion. In particular, business networks are offered as a means to accelerate the steps in the establishment chain; provide additional sources for market knowledge; enhance opportunity development and creation; and, encourage market expansion in network participants. Further analysis into the significant role of networks was conducted in which it is evident that networks span customer and supplier; social; and institutional networks (Ferrucci et al, 2017) and that the diversity of a business network is as important as belonging to a business network

in terms of EMNCs being able to thrive in emerging market contexts (Rivera-Santos et al, 2012; Karabag & Berggren, 2014). In terms of this research study, this aspect of the literature review provides a theoretical foundation for analysing market entry as a business network.

Chapter 3: Research Questions

3.1 Research overview

This study sought to contribute to the business network literature with respect to market entry in emerging markets, overcoming institutional voids, the significance of business networks when entering a new market, and the potential of business networks as a mode of entry for EMNCs entering emerging markets. The institutional voids in emerging markets are well documented (Parmigiani & Rivera-Santos, 2015; Kim & Song, 2017; Doh et al, 2017; Johanson & Vahlne, 2009; Khanna & Palepu, 1997) and they are challenges that EMNCs must overcome in the business context in order to thrive in these markets. Within a market institutional voids impact all existing companies in the territory albeit in varying degrees (Marano, Tashman, & Kostova, 2017; Luo & Tung, 2007) which may affect an EMNC's ability to leverage an in-country network when trying to enter that market. However, given that EMNCs are born and developed in this context, they have gathered knowledge within their organisations for overcoming emerging market challenges and thus are potentially better equipped to face these challenges in other emerging markets that are targeted for expansion (Marano et al, 2017). The opportunity then to enter an emerging market with a business network that contains EMNCs who already possess knowledge and the capability to overcome institutional voids is one that this study will delve into.

This research study focused on key constructs from international business theory in order to answer the research questions and will be bound by the following definitions. Firstly, institutional voids such as weak legal and regulatory frameworks, poor infrastructure and skills gaps (Khanna & Palepu, 1997; Parmigiani & Rivera-Santos, 2015; Kim & Song, 2017) will be considered with particular focus on their impact on EMNCs market entry into emerging markets. Secondly, while modes of market entry include start-up, acquisitions, licensing agreements, export transactions (Zahra et al, 2000) and joint-ventures Johanson & Vahlne (2009), this research study will focus on business networks as a mode of market entry. Finally, business networks will be considered in terms of business transactions and interactions which may span relationships in customer and supplier networks, social networks and institutional networks (Ferrucci et al, 2017).

3.2 Research questions

The overarching research question that has been identified for this study is: *How are EMNCs leveraging business networks as a mode of market entry in emerging markets?*

The following research questions will be addressed by individual hypothesis in order to answer the overarching research question are described below.

3.2.1 Research question 1

Research Question 1: Knowledge & learning is positively influenced by EMNCs belonging to a business network

Research question 1 was included in order to confirm that there is a positive relationship between belonging to a business network and the acquisition of knowledge & learning which was part of the model that was proposed for this research study based on the findings of previous studies (Johanson & Vahlne, 1977; Alcácer et al, 2016; Ferrucci et al, 2017). The following hypothesis will be tested in order to answer research question 1:

> H_1: A significant relationship exists between Business networks and knowledge & learning.

3.2.2 Research question 2

Research Question 2: Overcoming institutional voids is positively influenced by EMNCs belonging to a business network

The proposed model of this research study is built on the outcomes of prior literature which indicates that business networks can be leveraged in order to overcome institutional voids (Johanson & Vahlne, 2009; Rivera-Santos et al, 2012; Karabag & Berggren, 2014). Research question 2 attempts to confirm the existence of a relationship between business networks and institutional voids as part of the overall study. The following hypothesis will be tested in order to answer research question 2:

> H_2: A significant relationship exists between business networks and institutional voids.

3.2.3 Research question 3

Research Question 3: Knowledge & learning positively influence and EMNCs ability to overcome institutional voids

Research question 3 attempts to confirm the findings of previous studies on which this research study was developed which indicate that knowledge & learning are key to overcoming institutional voids in emerging markets (Zhao et al, 2014; Alcácer et al, 2016). The following hypothesis will be tested in order to answer research question 3:

H_3: A significant relationship exists between knowledge & learning and institutional voids.

3.2.4 Research question 4

Research Question 4: Business networks, knowledge & learning, and institutional voids predict the mode of market entry used by EMNCs when expanding into emerging markets.

The proposed model for this research study was developed to understand the impact of business networks, knowledge & learning and institutional voids on mode of market entry based on the prior research which indicates that each of these constructs have a part to play in how EMNCs enter emerging markets (Khanna & Palepu, 1997; Parmigiani & Rivera-Santos, 2015; Kim & Song, 2017; Parmigiani & Rivera-Santos, 2015; Kim & Song, 2017; Doh et al, 2017; Johanson & Vahlne, 2009; Khanna & Palepu, 1997; Alcácer et al, 2016; Ferrucci et al, 2017). The following hypotheses will be tested in order to answer research question 4:

H_4: Institutional voids have an effect on mode of market entry.

H_5: Business networks have an effect on mode of market entry.

H_6: Knowledge & learning has an effect on mode of market entry.

Chapter 4: Research methodology

4.1 Introduction

As described in chapter 2, the existing international business literature has focused on the value of business networks, the effect of institutional voids and the significance of knowledge and learning as they relate to organisations' internationalisation processes. Furthermore, there has been focus in the literature on market entry strategies for emerging markets by EMNCs. While models such as the Uppsala model (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009) and the business network model (Ferucci et al, 2017) express the role and significance of business networks once an organisation has entered a market, there has not yet been a study that looks at the potential of business networks as a mode of market entry. This research study focused on how EMNCs internationalise into emerging markets through leveraging business networks to overcome institutional voids which exist in these markets. Thus, the study of the key constructs (institutional voids, business networks, knowledge & learning, and market entry) and the interactions between them were required.

4.2 Research Methodology & Design

4.2.1 Philosophy

Research philosophy is defined by Saunders & Lewis (2012) as the questioning of notions that are held in a particular field of interest within academic and business thinking as reflected in theoretical models and business decisions. It is important to make a conscious selection of research philosophy as it is the starting point for the rest of the research design (Saunders & Lewis, 2012). For this research study the researcher used a positivist approach was utilised whereby structured methods were used for data collection and analysis in order to explain cause and effect relationships between the core constructs (Saunders & Lewis, 2012). The positivist paradigm was appropriate in the context of this research study because it is known that EMNCs engage in market expansion activities into other emerging markets, however the researcher sought to describe the ability of independent variables - institutional voids, knowledge & learning and business networks – to predict the dependent variable - the mode of market entry that is selected.

4.2.2 Approach

Saunders & Lewis (2012) describe the research approach as the researcher's focus on either measuring the applicability of existing theory, or contributing to theory by modifying or adding to existing theory. A deductive focus speaks to applying existing theory to a particular context in order to measure its usefulness at explaining a specific phenomenon

in that context (Dahlberg & McCaig, 2010). An inductive focus, on the other hand, endeavours to explain a specific phenomenon that has been noted in general terms that form or contribute to a theoretical framework (Dahlberg & McCaig, 2010).

A deductive research approach was used in this research study as it involved testing hypotheses that have been developed from existing theories (Saunders & Lewis, 2012). In particular, the 2009 revision of the Uppsala model (Johanson & Vahlne, 2009) provided the theoretical basis for this study in that the business network outcomes defined by this model was tested in the context of market entry in emerging markets. In addition, the relationship of institutional voids, business networks and knowledge & learning to the mode of entry chosen by EMNCs was measured. Given the breadth and depth of theory that is available in the international business space that deals with institutional voids, business networks, knowledge & learning, and modes of entry, the researcher tested the relationships between these constructs in relation to EMNCs in the emerging market context in order to measure their applicability which required a deductive approach for this research study.

4.2.3 Methodological choices

This study used a mono method approach and was conducted using a quantitative survey. In order to describe the relationship between the modes of market entry used by EMNCs and institutional voids, business networks and knowledge & learning these specific constructs were focused on in terms of the questions selected. A quantitative study (Saunders & Lewis, 2012) was thus a suitable for the particular research problem as the questions will be closed-ended and does not require any explorative elements (Zikmund, Babin, Carr & Griffin, 2012). Creswell (2012), further suggests that quantitative research is appropriate when the research study is attempting to confirm or explain relationships between variables and how the variables affect each other as is the case in this study. This chosen of approach however, limits research findings to the responses provided to the specific closed-ended questions that are posed to respondents which implies that the researcher was not be able to ask further probing questions due to the anonymity of the survey and the exclusion of free-text inputs on the questionnaire. However, given that this study aimed to understand if EMNCs are leveraging business networks as a mode of market entry, it was important to measure the specific variables that have been described across multiple EMNCs.

The research study was been designed to accommodate the descriptive rather than explorative nature of the research problem. A descriptive study was selected as there is

a large body of relevant academic literature (Saunders & Lewis, 2012) in the field of international business that speak to the research problem (Johanson & Vahlne, 2009; Forsgren 2016; Ferrucci et al, 2017; Parmigiani & Rivera-Santos, 2015; Khanna & Palepu, 1997; Kim & Song 2017; Ramamurti, 2012), but as described in Chapter 2 the specific elements on business networks as a mode of entry into emerging markets needed to be measured in order to sufficiently answer the research problem.

4.2.4 Strategy

Research strategy is the means by which a particular research problem and its associate research questions are best answered (Saunders & Lewis, 2012). Based on the existing literature (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009; Forsgren, 2016; Zhao et al, 2014); Alcácer et al, 2016); Ferrucci et al, 2017), the researcher noted that a relationship between EMNCs' business networks and the acquisition of knowledge & learning is expected for EMNCs during their market expansion process. Additionally, the research identified from literature that institutional voids in emerging markets drive EMNCs to leverage business networks as they internationalise (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009; Forsgren, 2016; Ferrucci et al, 2017; Parmigiani & Rivera-Santos, 2015; Khanna & Palepu, 1997; Madhok & Keyhani, 2012; Kostova & Hult, 2016; Puffer et al, 2010; Stephan et al, 2015; Kim & Song, 2017; Doh et al, 2017). Furthermore, it was evident from existing literature (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009; Ferrucci et al, 2017; Parmigiani & Rivera-Santos, 2015; Khanna & Palepu, 1997; Madhok & Keyhani, 2012; Kostova & Hult, 2016; Puffer et al, 2010; Stephan et al, 2015; Kim & Song, 2017) knowledge & learning is a key input for EMNCs to overcome institutional voids as they internationalise into additional emerging markets. It is therefore evident that for this research study, the appropriate strategy is to gather data about EMNCs operating in emerging markets through a standardised set of questions in order to confirm these relationships in order to answer the research questions.

The study utilised a questionnaire administered via an online survey tool in order to collect data from multiple EMNCs across different geographical locations. In addition, a survey allowed for a structured and standardised set of questions (Zikmund et al, 2012) that speak to the key dependent and independent constructs described above to be measured across multiple industries, levels of an organisation and across business network partners.

4.2.5 Time horizon

The research study used a cross-sectional time horizon as the responses will only be collected once at a specific point in time during the research timeline (Saunders & Lewis, 2012). The revised Uppsala model (Johanson & Vahlne, 2009) notes that a key criticism of the 1977 version of the model (Johanson & Vahlne, 1977) is that it did not account for evolution of business strategies in line with the evolution of macro-economic and institutional factors over time despite utilising data about organisations that was measured over time. However, this research study, while dealing with key constructs of internationalisation such as business networks, knowledge & learning, institutional voids and market entry, is focused on describing the relationships between these constructs as perceived by EMNCs in their current operating context. It is therefore relevant for this study to use a cross-sectional approach while acknowledging that it cannot account for shifts in underlying factors over time because they are intended to provide a snap-shot "*current attitudes, beliefs, opinions, or practices*" (Creswell, 2012, p. 377). Furthermore, the benefits of performing a cross-sectional study for this research problem should not be ignored as it allowed the researcher to get an in-depth view of contemporary business behaviour (Saunders & Lewis, 2012).

4.2.6 Techniques and procedures

This study utilised self-completed online surveys (Saunders, Lewis & Thornhill, 2016) that were distributed via a web link. This technique allowed for respondents from multiple geographical locations which was required in order ensure that the population was appropriately represented in the sample. It should be noted self-completed online surveys may have a lower response rate (Saunders et al, 2016) because there is no direct contact between researcher and respondent and a link sent via email may be forgotten or ignored. For this reason, the survey was distributed broadly to ensure that the required number of responses, 100 for this research study, was attained.

In order to ensure the required number of responses was received, respondents were encouraged to share the link with other participants in their professional network in order to gather responses from multiple sources and various EMNCs. However, the online survey included qualifying questions, as shown in Table 1 to ensure that respondents are from relevant organisations and at the appropriate decision-making level in those organisations. Responses from respondents who did not match the qualifying criteria were automatically precluded from responding to the rest of the survey.

Table 1: Survey questions for qualifying criteria

Qualifying questions
1. Was the organisation that you are employed by founded in an emerging/developing market? ___ Yes ___ No
2. A business network can be defined as clusters of relationships between companies in which the companies engage in business interactions and transactions. Based on this definition, would you say your organisation is part of a business network? ___ Yes ___ No
3. Does the organisation that you are employed by have an operating presence or footprint in more than one emerging/developing market? ___ Yes ___ No
4. What level in your organization would you describe your current role as? ___ Administrative ___ Specialist ___ Junior Management ___ Middle Management ___ Senior Management ___ General Management ___ Executive

Due to the descriptive nature of this research study, it was deemed appropriate to use closed-ended questions in the survey rather than asking respondents to provide commentary and free-text responses which would be appropriate for explorative studies (Zikmund et al, 2012; Saunders & Lewis, 2012). The survey was primarily made up of closed-ended questions that uses 5-point and 7-point Likert-scale (Wegner, 2010) in order to measure the relationship between the institutional voids, business networks and knowledge & learning on the modes of market entry that are selected by EMNCs in emerging markets. Likert scales are beneficial when the researcher wants to provide respondents with a limited set of responses for categorical questions, however it should be noted that the disadvantage here is knowing whether respondents can sufficiently discriminate between the options in the scale. In this study a combination of 5-point and 7-point scales with clear labels was provided in order to assist respondents with distinguishing between categories.

4.3 Population

Allen (2017) defines the population as being made up of the all entities or representations of entities that a researcher is endeavouring to study in order to gain further insights about the entities. This research study aimed to understand business networks as a mode of market entry for EMNCs into emerging markets. Thus, the entity being studied was emerging market multinational corporations as they have demonstrated market entry into an emerging market. In order to study the EMNC, the researcher was reliant on the responses of its employees and the feedback they were able to provide on the market entry strategies employed by the EMNC and they will therefore be used as the representation of the entity being studied. Based on this definition, the population for this

study comprised of EMNCs operating in emerging markets. In order to address the research problem effectively, it was imperative that the individuals participating in the survey were at a level in their organisation that exposes them to the market entry strategies that have been used when entering the emerging market territories.

4.4 Unit of analysis

According to Vogt (2005), the unit of analysis represents the entity being studied. This may also be defined as the target that the researcher is attempting to establish generalisation around (Lewis-Beck, Bryman & Futing Liao, 2004; Salkind, 2010). For this research study, the unit of analysis was emerging market multinational corporations as the study endeavoured to generalise about market entry by EMNCs with a pre-existing business network as a mode of entry.

4.5 Sampling method and size

Sample method

According to Lavrakas (2008), sampling is an attempt to choose a set of units of analysis that reflect the characteristics of the population. Salkind (2010) argues that in order to achieve a sample that is representative of the population, the researcher must achieve a sample that is "*free from bias*" (Salkind, 2010, p. 1303) and that is deemed reliable in terms of results being the same or comparable if the research were conducted again on another sample of the population.

The sampling method selected for this research study is two-fold. In terms of the EMNCs that will be relevant to the study a heterogeneous purposive sampling, which is a non-probability sampling technique, was used. Saunders and Lewis (2012) indicate that this is a technique that is typically applied in a qualitative study, however Saunders et al (2016) purport that a heterogeneous purposive technique may be appropriate for a study where key themes are the focus and where judgement is required to ensure that the research questions can be appropriately answered by the selected cases. Given that this study sought to evaluate if business networks can be used as a mode of market entry into emerging markets, it was imperative that respondents are employees of EMNCs. In order to get access to appropriate respondents, the researcher used their professional network (via LinkedIn) which includes employees of several EMNCs. In addition, some of the researcher's professional network contacts have access to other employees of EMNCs which could be accessed through colleagues sharing the link to the survey. It is also noteworthy that the online survey included qualifying criteria, as discussed in section 4.1.7, which will ensure that any respondents who are not from EMNCs were excluded

from the survey. Individual respondents from these types of organisations were attained through a combination of self-selection and snowball sampling techniques. Access to managers and senior managers in these organisations will be achieved by publicising the survey through professional networks. Participants who agree to complete the survey will be requested to share the survey with other professionals within their organisations and in their professional network.

Sample size

Selecting a sufficiently large sample to be representative of the population is a factor that enables generalisation of results from the sample to the population (Saunders et al, 2016). The required confidence level when reporting results is another key factor in determining how large a sample should be used as the smaller a sample is the higher the likelihood of the results not being generalizable.

The researcher endeavoured to find a statistic for the number of EMNCs that exist at present and was unable to find a direct figure, but Casanova & Miroux (2017) report that 146 of the Fortune Global 500 companies are emerging market multinationals which gives an indication of the economic value being generated by EMNCs. However, in the absence of a verifiable number of EMNCs, the researcher determined that it was important to evaluate similar studies to ascertain a range that would be relevant in the field for the study. Similar studies in the field of international business that deal with emerging markets, modes of entry and performance factors have been evaluated it was found that Borda, Geleilate, Newburry and Kundu (2017) studied business data from 103 firms with respect to internationalisation and business groups; a study of firm performance and business groups used responses from 243 CEOs (Karabag & Berggren, 2014); and, Khanna and Palepu (2000) collected data from 655 businesses for a study focused on the profitability of group affiliation in emerging markets.

This research study focuses on how EMNCs leverage business networks as a mode of market entry which is similar to the study conducted by Borda et al (2017). Thus, it was deemed that for this research study a sample size of 100 respondents consisting of managers and senior managers from EMNCs was be adequate to answer the research problem. The final sample size that was achieved was 107 respondents which aligns with study of business groups and internationalisation conducted by Borda et al (2017). It was preferable for the EMNCs to reflect different industries and the researcher must endeavour to target the publicising of the survey appropriately to ensure this and multiple

industries were represented as shown in Table 15 which will be discussed further in section 5.2.

4.6 Measurement instrument

This research study sought to test established international business theoretical constructs for which there are established measurement scales. The nature of this study was thus quantitative with descriptive facets that needed to be measured (Saunders & Lewis, 2012). Additionally, there were exploratory facets to the research problem with respect to applying business network theoretical constructs from academic literature (Saunders & Lewis, 2012) to pre-existing networks being formed outside of the target country as a mode of entry instead of leveraging an in-country business network to facilitate market entry. The measurement instrument for collection of primary data in this research study was a questionnaire completed using an online survey tool. According to Saunders et al (2016), questionnaires are appropriate measurement instruments when a researcher requires all responses to a predefined set of questions to be answered in a specific order from all respondents.

Appendix 1 provides the full questionnaire that was used for data collection and at this point it should be noted that the questions were developed from the literature review by adapting the questions asked for relevant constructs in previous studies. It is also important to acknowledge that many of the previous studies were conducted on secondary data or did not use surveys for data collection and thus this research study has had to restructure the questions into a survey format that leverages a Likert scale. In order to gather data for the Institutional Voids construct, the questions asked by the previous research of Meyer et al (2009); Puffer et al (2010); Doh et al (2017); and, Kim & Song (2017) were used as the basis of the questions included in the final survey. The questions for the Knowledge & Learning construct were developed from the questions that were explored by Petersen et al (2003); Barkema et al (1996); and Eriksson et al (1997) in their research. The Business Networks construct has been explored by several researcher, but this research study focused on the works of Johanson & Vahlne (1977); Johanson & Vahlne (2009); Alcácer et al (2016); Borda et al (2017); Ferrucci et al (2017); Karabag & Berggren (2014) in order to develop survey questions. Finally, the questions for the Mode of Market Entry were developed based on previous research by Johanson, J., & Vahlne, J.-E. (2010); Misati et al (2017); Alcácer et al (2016); Bouquet & Birkinshaw (2011); and Erramilli (1991).

4.7 Data collection

According to Saunders et al (2016), the type of questionnaire that is used to gather data should be based on the sample size that is required, key features of the respondent such as location and the nature of questions being asked. For this study, the respondents were from multiple geographical locations given that it targets EMNCs. Additionally, they were be managers, senior managers, general managers and executives within the EMNCs and were likely to have access to email and internet. The questions used existing measurement scales with no open-ended questions and no interviewer intervention required. The time frame for data collection was limited to 6 weeks. Given these characteristics, it was appropriate to use an Internet based survey tool to gather primary data. Furthermore, Internet based survey tools automate the data input and typically offer the ability to download all the data consolidated CSV or Excel based at the end of the data gathering window. This data can then be uploaded into an appropriate data analysis tool for processing.

The data collection survey was created using SurveyMonkey and ran from 7 August 2018 to 15 September 2018. The survey was initially distributed via LinkedIn in order to access the researcher's professional network. Due to a slow response rate in the first two weeks of the survey's availability, the researcher also distributed the survey via WhatsApp, Facebook and email in order to access additional professional connections who may not have seen the post on LinkedIn. The researcher also requested all respondents to forward the survey link to other potential respondents.

4.8 Coding

Appendix 1 includes the full set of survey questions from which it is evident that the use of Likert scales that were coded for the purpose of data analysis. In addition, there were some Yes/No questions and single selection list-based questions in the survey that have also been coded for data analysis. For clarity, the following coding has been applied

- For questions using 5-point Likert scales for Agree/Disagree: 1 =Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree
- For questions using 7-point Likert scales for Not at all/Significantly: 1 = Not at all, 7 = Significantly and all numbers selected in between were used as per respondent selection
- For Yes/No questions: Yes = 1; No = 2

- For mode of entry, a single selection from a provided list: 1 = Start-up; 2 =Acquisition; 3 = Joint venture; 4= Exporting; 5 = Contractual agreement; 6 = Part of a business network

4.9 Analysis approach

Firstly, collected data was analysed to provide descriptive statistics which describe the concentration of data values, the dispersion of the data around the central location and the distribution of the data values. This enabled an understanding of the behaviour of the data that has been collected and identify outliers in order to handle them appropriately in the data analysis process (Wegner, 2010).

Secondly, the study collected categorical data from the questionnaires which was used to understand elements such the industries of EMNCs represented; the modes of entry used; and the respondents' organisational level. This data was analysed to provide a description of the sample's characteristics.

Thirdly, the data collected included ordinal or ranked data which will be used to understand details such as the degree to which institutional voids impacted market entry or degree to which business networks assist in overcoming institutional voids. This type of data is a subset of categorical data and a coding approach was taken in order create measures for each of the defined constructs.

4.9.1 Qualifying Criteria

The first four questions of the survey were used as qualifying criteria to ensure that respondents could appropriately represent the unit of analysis which was the emerging market multinational. The qualifying criteria that was used can be summarised as:

- Respondent's organisation had to have been founded in an emerging market.
- Respondent's organisation had to have a footprint in more than one emerging market.
- Respondent's organisation had to belong to a business network.
- Respondent's organisation had to be in middle management or above

4.9.2 Response rate

Given that the survey was distributed via social media and that respondents were requested to distribute the survey to additional respondents, it is difficult to accurately ascertain the total number of respondents that were polled for this study. However, given

that the researcher's social media and personal network is in excess of 1500 people, it can be inferred that the response rate for this study was low as a total of only 154 responses to the survey were received.

4.9.3 Questions per construct

Table 2 indicates the survey questions that were associated with each of the constructs for this research study.

Table 2: Survey questions per construct

Construct	Survey Question
Institutional Voids	6. To what extent has your organisation been affected by infrastructure challenges in emerging markets? (1 = not at all, 7 = significantly)
	7. To what extent has your organisation been affected by legal and regulatory framework challenges in emerging markets? (1 = not at all, 7 = significantly)
	8. To what extent has your organisation been affected by local market skills gaps in emerging markets? (1 = not at all, 7 = significantly)
	9. Infrastructure challenges in a targeted emerging market makes entering the market difficult? (1 = Strongly agree 5 = Strongly disagree)
	10. Legal and regulatory framework challenges in a targeted emerging market makes entering the market difficult? (1 = Strongly agree 5 = Strongly disagree)
	11. Local market skills gaps in a targeted emerging market makes entering the market difficult? (1 = Strongly agree 5 = Strongly disagree)
	12. Infrastructure challenges in a targeted emerging market can be overcome by improving market specific knowledge? (1 = Strongly agree 5 = Strongly disagree)
	13. Legal and regulatory framework challenges in a targeted emerging market can be overcome by improving market specific knowledge? (1 = Strongly agree 5 = Strongly disagree)
	14. Local market skills gaps in a targeted emerging market can be overcome by improving market specific knowledge? (1 = Strongly agree 5 = Strongly disagree)
	15. Infrastructure challenges in a targeted emerging market can be overcome by leveraging in-country relationships? (1 = Strongly agree 5 = Strongly disagree)
	16. Legal and regulatory framework challenges in a targeted emerging market can be overcome by leveraging in-country relationships? (1 = Strongly agree 5 = Strongly disagree)
	17. Local market skills gaps in a targeted emerging market can be overcome by leveraging in-country relationships? (1 = Strongly agree 5 = Strongly disagree)
Business Networks	18. To what extent has your organisation's participation in a business network assisted your organisation with overcoming infrastructure related challenges in emerging markets? (1 = not at all, 7 = significantly)
	19. How would you rate the usefulness of business networks in overcoming infrastructure challenges in markets that your business enters? (1 = very poor, 7 = excellent)

	20. To what extent has your organisation's participation in a business network assisted your organisation with overcoming legal and regulatory related challenges in emerging markets? (1 = not at all, 7 = significantly)
	21. How would you rate the usefulness of business networks in overcoming legal & regulatory challenges in markets that your business enters? (1 = very poor, 7 = excellent)
	22. To what extent has your organisation's participation in a business network assisted your organisation with overcoming local market skills gaps in emerging markets? (1 = not at all, 7 = significantly)
	23. How would you rate the usefulness of business networks in overcoming local market labour force skills gaps in markets that your business enters? (1 = very poor, 7 = excellent)
	24. To what extent has your organisation's business network contributed to your organisation's choice of emerging markets to enter? (1 = not at all, 7 = significantly)
	26. To what extent has your organisation's participation in a business network contributed to your organisation's recognition of opportunities in emerging markets? (1 = not at all, 7 = significantly)
	27. To what extent has your organisation's participation in a business network contributed to your organisation's creation of opportunities in emerging markets? (1 = not at all, 7 = significantly)
	28. To what extent has your organisation's participation in a business network contributed to your organisation's development of market knowledge? (1 = not at all, 7 = significantly)
	29. To what extent does your organisation rely on the business network for market knowledge about emerging markets that are targeted for market entry? (1 = not at all, 7 = significantly)
	30. To what extent do other organisations in your business network rely on your organisation for market knowledge about emerging markets that are targeted for market entry? (1 = not at all, 7 = significantly)
Knowledge & Learning	31. To what extent has your organisation gained general internationalisation knowledge from your business network? (1 = not at all, 7 = significantly)
	32. Has your organisation's participation in a business network accelerated your organisation's acquisition of general internationalisation knowledge? (1 = Strongly agree 5 = Strongly disagree)
	33. To what extent has your organisation gained market specific knowledge from your business network? (1 = not at all, 7 = significantly)
	34. Has your organisation's participation in a business network accelerated your organisation's acquisition of market specific knowledge? (1 = Strongly agree 5 = Strongly disagree)
	35. To what extent has your organisation gained knowledge for overcoming infrastructure related challenges in emerging markets from your business network? (1 = not at all, 7 = significantly)

	36. Has your organisation's participation in a business network accelerated your organisation's ability to overcome infrastructure related challenges in emerging markets? (1 = Strongly agree 5 = Strongly disagree)
	37. To what extent has your organisation gained knowledge for overcoming legal and regulatory framework challenges in emerging markets from your business network? (1 = not at all, 7 = significantly)
	38. Has your organisation's participation in a business network accelerated your organisation's ability to overcome legal and regulatory framework challenges in emerging markets? (1 = Strongly agree 5 = Strongly disagree)
	39. To what extent has your organisation gained knowledge for overcoming local market skills gaps in emerging markets from your business network? (1 = not at all, 7 = significantly)
	40. Has your organisation's participation in a business network accelerated your organisation's ability to overcome local market skills gaps in emerging markets? (1 = Strongly agree 5 = Strongly disagree)
Market Entry	42. To what extent does your organisation focus on developing in-country business networks before entering an emerging market? (1 = not at all, 7 = significantly)
	43. To what extent does your organisation select emerging markets to enter based on the similarity of the target market to markets in which you already operate? (1 = not at all, 7 = significantly)
	44. To what extent does your organisation focus on developing market specific knowledge before entering an emerging market? (1 = not at all, 7 = significantly)
	45. How much do infrastructure challenges impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)
	46. How much do legal and regulatory challenges impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)
	47. How much do local market labour force skills gaps impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)
	48. To what extent does participation in a business network aid your organisation in overcoming infrastructure challenges when entering an emerging market? (1 = not at all, 7 = significantly)
	49. To what extent does participation in a business network aid your organisation in overcoming legal and regulatory framework challenges when entering an emerging market? (1 = not at all, 7 = significantly)
	50. To what extent does participation in a business network aid your organisation in overcoming local market skills gaps when entering an emerging market? (1 = not at all, 7 = significantly)
	51. How would you rate the overall usefulness of business networks when entering an emerging market? (1 = not at all, 7 = significantly)

4.9.4 Internal Reliability of constructs

The survey used for this research study used multiple questions grouped per construct in order to build up a single measure for the construct. However, due to the aggregation of multiple questions per construct, there is a possibility that not all variables are measuring the same construct (Hair, Black, Babin, & Anderson, 2010). The internal degree of consistency for a construct endeavours to ensure that all variables included in the construct are valid measures of that construct. This research study utilised the Cronbach's Alpha procedure to measure the internal consistency of constructs. Where variables are found not to have the appropriate level of internal consistency with the construct an iterative process of removing the variable and repeating the Cronbach's Alpha procedure was performed until an acceptable Cronbach's alpha value was reached. The remaining variables in each construct were utilised as a refined construct for further analysis.

The internal degree of consistency amongst variables that make up a construct is commonly measured using the Cronbach's Alpha procedure with the intention of ensuring that all variables are in fact measuring the same construct (Hair et al, 2010). Given that the survey for this study split the survey questions by research construct, a Cronbach's alpha analysis was performed for each group of questions that represented a construct. An acceptable range for Cronbach's Alpha is between 0.60 and 0.70 per construct (Hair et al, 2009) and thus for the purpose of this study a minimum threshold value of 0.65 was utilised. The results of the Cronbach's Alpha test per construct are described in the following sections.

4.9.4.1 Institutional Voids

The survey was set up with 12 questions, (refer to Appendix 1 for details of questions 6 to 17), representing the institutional voids construct. A Cronbach's Alpha test for reliability was run in SPSS on the responses for these 12 questions and an initial alpha value of 0.552 was returned which was below the preferred value of 0.65 for Cronbach's alpha. An iterative process of removing one question at a time to improve the Cronbach's alpha value for the construct was conducted 4 times in total in an attempt to achieve a Cronbach's alpha of 0.65 for the institutional voids construct and the alpha values of each iteration are shown in Table 3. At this point no further improvement to Cronbach's alpha could be achieved by removal of any further questions. It was thus determined to move forward with the 9 questions that remained for the institutional voids construct for the rest of the analysis despite the final Cronbach's alpha value of 0.638 being below the preferred value of 0.65.

Table 3: Institutional Voids - Cronbach's Alpha Reliability Test Output

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Iteration 1: Original 12 questions	0.552	0.541	12
Iteration 2: Question 6 removed *Q6. To what extent has your organisation been affected by infrastructure challenges in emerging markets? (1 = not at all, 7 = significantly)*	0.601	0.580	11
Iteration 3: Question 9 removed *Q9. Infrastructure challenges in a targeted emerging market makes entering the market difficult? (1 = Strongly agree 5 = Strongly disagree)*	0.628	0.634	10
Iteration 4: Question 7 removed *Q7. To what extent has your organisation been affected by legal and regulatory framework challenges in emerging markets? (1 = not at all, 7 = significantly)*	0.638	0.640	9

4.9.4.2 Business Networks

The survey was set up with 12 questions, (refer to Appendix 1 for details of questions 18 to 24 and 26 to 30), representing the business network construct. A Cronbach's Alpha test for reliability was run on the responses for these 12 questions and an initial alpha value of 0.826 as shown in Table 4 was returned which was above the preferred value of 0.65 for Cronbach's alpha. Thus, it was determined that the business networks construct would be taken forward with all 12 questions for further analysis and testing.

Table 4: Business Networks - Cronbach's Alpha Reliability Test Output

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Iteration 1: Original 12 questions	0.826	0.827	12

4.9.4.3 Knowledge & Learning

The survey was set up with 10 questions, (refer to Appendix 1 for details of questions 31 to 40), representing the knowledge construct. A Cronbach's Alpha test for reliability was run on the responses for these 10 questions and an initial alpha value of 0.827 as shown in Table 5 was returned which was above the preferred value of 0.65 for Cronbach's alpha. Thus, it was determined that the business networks construct would be taken forward with all 12 questions for further analysis and testing.

Table 5: Knowledge - Cronbach's Alpha Reliability Test Output

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Iteration 1: Original 10 questions	0.827	0.827	10

4.9.4.4 Market Entry

The survey was set up with 10 questions, (refer to Appendix 1 for details of questions 42 to 51), representing the knowledge construct. A Cronbach's Alpha test for reliability was run on the responses for these 10 questions and an initial alpha value of 0.804 as shown in Table 6 was returned which was above the preferred value of 0.65 for Cronbach's alpha. Thus, it was determined that the business networks construct would be taken forward with all 12 questions for further analysis and testing.

Table 6: Market Entry - Cronbach's Alpha Reliability Test Output

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Iteration 1: Original 10 questions	0.804	0.801	10

4.9.5 Factor Analysis

Given that there are multiple variables within each construct, it is important to understand the structural components of each construct which was achieved by conducting a factor analysis on each construct (Hair et al, 2010). Based on the sample size of 107 responses, a confirmatory factor analysis was deemed inappropriate as model fit indices would not have been attained with such a small sample which necessitated the use of exploratory factor analysis (Beavers, Lounsbury, Richards, Huck, Skolits & Esquivel, 2013). It is noteworthy that the refined constructs – post the Cronbach's Alpha procedure

– were utilised in the factor analysis process. The Factor Analysis procedure involves three key steps:

1. The first phase of a factor analysis evaluated the Kaiser-Meyer-Olkin (KMO) factor
2. The second phase evaluated of the outcomes of Bartlett's Test of Sphericity
3. The third phase provides a component definition which reduces the variables of a construct into fewer representative components.

Factor analysis is a multivariate analysis technique which identifies the structural components of a particular construct (Hair et al, 2010). Utilising the adjusted set of questions per construct that were defined from the Cronbach's Alpha analysis, factor analysis processing was performed on each construct using SPSS. The first phase of a factor analysis evaluates the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy with a value of 0.60 and above being considered mediocre (Kaiser, 1974) but treated as sufficient for the purposes of this study. The second phase, is the evaluation of the outcomes of Bartlett's Test of Sphericity which measures "*overall significance of all correlations within a correlation matrix*" (Hair et al, 2010, p.90) where a p-value of less than 0.05 is deemed acceptable at a 95% significance level. The final outcome of the factor analysis is a component definition which attempts to simplify the variables within a construct by grouping them into a smaller set of components that effectively represent the variables (Hair et al, 2010). Factor analysis was performed on each individual construct using an Eigenvalue of 1 for correlations and the outcome of the SPSS procedure is described in the following section.

4.9.5.1 Institutional Voids

The institutional voids construct consisted of 9 questions following the Cronbach's Alpha processing described in section 5.3.1. A factor analysis was conducted using the SPSS dimension reduction function in order to understand the principal components of the construct. Table 7 shows the output of the KMO and Bartlett's Test that was conducted on the institutional voids construct. The KMO value of 0.603 for the institutional voids construct is considered mediocre (Kaiser, 1974), however, it is deemed sufficient to proceed with further analysis. With respect to the Bartlett's test of sphericity, the p-value (Sig.) in Table 7 is 0.000 which is less than 0.05 at a 95% confidence level which indicates that a principal components analysis is suitable.

Table 7: Institutional Voids – Factor Analysis: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.603
Bartlett's Test of Sphericity	Approx. Chi-Square	134.244
	df	36
	Sig.	0.000

The dimension reduction was conducted which resulted in 4 components being extracted which explained 66.202% of the variance in the institutional voids construct. Table 8 shows the component that each variable in the institutional void construct loads the highest on the associated component renaming that will be utilised for further analysis.

Table 8: Institutional Voids – Questions per Renamed Component

Component 1: Local market skills gaps	
Q8.	To what extent has your organisation been affected by local market skills gaps in emerging markets? (1 = not at all, 7 = significantly)
Q11.	Local market skills gaps in a targeted emerging market makes entering the market difficult?
Component 2: Market knowledge	
Q12.	Infrastructure challenges in a targeted emerging market can be overcome by improving market specific knowledge?
Q14.	Local market skills gaps in a targeted emerging market can be overcome by improving market specific knowledge?
Component 3: In-country relationships	
Q15.	Infrastructure challenges in a targeted emerging market can be overcome by leveraging in-country relationships?
Q16.	Legal and regulatory framework challenges in a targeted emerging market can be overcome by leveraging in-country relationships?
Q17.	Local market skills gaps in a targeted emerging market can be overcome by leveraging in-country relationships?
Component 4: Legal & Regulatory Framework Challenges	
Q10.	Legal and regulatory framework challenges in a targeted emerging market makes entering the market difficult?
Q13.	Legal and regulatory framework challenges in a targeted emerging market can be overcome by improving market specific knowledge?

4.9.5.2 Business Networks

The business network construct consisted of 12 questions following the Cronbach's Alpha processing described in section 5.3.2. A factor analysis was conducted using the SPSS dimension reduction function in order to understand the principal components of the construct. Table 9 shows the output of the KMO and Bartlett's Test that was conducted on the business networks construct. The KMO value of 0.725 for the business networks construct is considered middling (Kaiser, 1974), however, it is deemed sufficient to proceed with further analysis. With respect to the Bartlett's test of sphericity, the p-value (Sig.) in Table 9 is 0.000 which is less than 0.05 at a 95% confidence level which indicates that a principal components analysis is suitable.

Table 9: Business Networks – Factor Analysis: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.725
Bartlett's Test of Sphericity	Approx. Chi-Square	490.179
	df	66
	Sig.	0.000

The dimension reduction was conducted which resulted in 4 components being extracted which explained 69.135% of the variance in the business networks construct. Table 10 shows the component that each variable in the business network construct loads the highest on the associated component renaming that will be utilised for further analysis.

Table 10: Business Networks – Variable load values with Component Renaming

Component 1: Market opportunity	
Q24.	To what extent has your organisation's business network contributed to your organisation's choice of emerging markets to enter? (1 = not at all, 7 = significantly)
Q26.	To what extent has your organisation's participation in a business network contributed to your organisation's recognition of opportunities in emerging markets? (1 = not at all, 7 = significantly)
Q27.	To what extent has your organisation's participation in a business network contributed to your organisation's creation of opportunities in emerging markets? (1 = not at all, 7 = significantly)
Q28.	To what extent has your organisation's participation in a business network contributed to your organisation's development of market knowledge? (1 = not at all, 7 = significantly)
Component 2: Local market know-how	

Q22.	To what extent has your organisation's participation in a business network assisted your organisation with overcoming local market skills gaps in emerging markets? (1 = not at all, 7 = significantly)
Q23.	How would you rate the usefulness of business networks in overcoming local market labour force skills gaps in markets that your business enters? (1 = very poor, 7 = excellent)
Q29.	To what extent does your organisation rely on the business network for market knowledge about emerging markets that are targeted for market entry? (1 = not at all, 7 = significantly)
Q30.	To what extent do other organisations in your business network rely on your organisation for market knowledge about emerging markets that are targeted for market entry? (1 = not at all, 7 = significantly)
Component 3: Legal & Regulatory Assistance	
Q20.	To what extent has your organisation's participation in a business network assisted your organisation with overcoming legal and regulatory related challenges in emerging markets? (1 = not at all, 7 = significantly)
Q21.	How would you rate the usefulness of business networks in overcoming legal & regulatory challenges in markets that your business enters? (1 = very poor, 7 = excellent)
Component 4: Infrastructure Assistance	
Q18.	To what extent has your organisation's participation in a business network assisted your organisation with overcoming infrastructure related challenges in emerging markets? (1 = not at all, 7 = significantly)
Q19.	How would you rate the usefulness of business networks in overcoming infrastructure challenges in markets that your business enters? (1 = very poor, 7 = excellent)

4.9.5.3 Knowledge & Learning

The knowledge & learning construct consisted of 10 questions following the Cronbach's Alpha processing described in section 5.3.3. A factor analysis was conducted using the SPSS dimension reduction function in order to understand the principal components of the construct. Table 11 shows the output of the KMO and Bartlett's Test that was conducted on the knowledge & learning construct. The KMO value of 0.728 for the knowledge & learning construct is considered middling (Kaiser, 1974), however, it is deemed sufficient to proceed with further analysis. With respect to the Bartlett's test of sphericity, the p-value (Sig.) in Table 11 is 0.000 which is less than 0.05 at a 95% confidence level which indicates that a principal components analysis is suitable.

Table 11: Knowledge & Learning – Factor Analysis: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.728
Bartlett's Test of Sphericity	Approx. Chi-Square	430.717
	df	45
	Sig.	0.000

The dimension reduction was conducted which resulted in 4 components being extracted which explained 76.145% of the variance in the knowledge & learning construct. Table 12 shows the component that each variable in the market entry construct loads the highest on the associated component renaming that will be utilised for further analysis.

Table 12: Knowledge & Learning – Variable load values with Component Renaming

Component 1: Market specific knowledge	
Q33.	To what extent has your organisation gained market specific knowledge from your business network? (1 = not at all, 7 = significantly)
Q37.	To what extent has your organisation gained knowledge for overcoming legal and regulatory framework challenges in emerging markets from your business network? (1 = not at all, 7 = significantly)
Q38.	Has your organisation's participation in a business network accelerated your organisation's ability to overcome legal and regulatory framework challenges in emerging markets?
Component 2: General Internationalisation knowledge	
Q31.	To what extent has your organisation gained general internationalisation knowledge from your business network? (1 = not at all, 7 = significantly)
Q32.	Has your organisation's participation in a business network accelerated your organisation's acquisition of general internationalisation knowledge?
Q34.	Has your organisation's participation in a business network accelerated your organisation's acquisition of market specific knowledge?
Component 3: Infrastructure knowledge	
Q35.	To what extent has your organisation gained knowledge for overcoming infrastructure related challenges in emerging markets from your business network? (1 = not at all, 7 = significantly)
Q36.	Has your organisation's participation in a business network accelerated your organisation's ability to overcome infrastructure related challenges in emerging markets?
Component 4: Local market skills knowledge	
Q39.	To what extent has your organisation gained knowledge for overcoming local market skills gaps in emerging markets from your business network? (1 = not at all, 7 = significantly)

Q40.	Has your organisation's participation in a business network accelerated your organisation's ability to overcome local market skills gaps in emerging markets?

4.9.5.4 Market Entry

The market entry construct consisted of 10 questions following the Cronbach's Alpha processing described in section 5.3.3. A factor analysis was conducted using the SPSS dimension reduction function in order to understand the principal components of the construct. Table 13 shows the output of the KMO and Bartlett's Test that was conducted on the market entry construct. The KMO value of 0.728 for the market entry construct is considered middling (Kaiser, 1974), however, it is deemed sufficient to proceed with further analysis. With respect to the Bartlett's test of sphericity, the p-value (Sig.) in Table 13 is 0.000 which is less than 0.05 at a 95% confidence level which indicates that a principal components analysis is suitable.

Table 13: Mode of Market Entry – Factor Analysis: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.753
Bartlett's Test of Sphericity	Approx. Chi-Square	298.982
	df	45
	Sig.	0.000

The dimension reduction was conducted which resulted in 3 components being extracted which explained 61.408% of the variance in the market entry construct. Table 14 shows the component that each variable in the market entry construct loads the highest on the associated component renaming that will be utilised for further analysis.

Table 14: Mode of Market Entry – Variable load values with Component Renaming

Component 1: Market entry strategy	
Q43.	To what extent does your organisation select emerging markets to enter based on the similarity of the target market to markets in which you already operate? (1 = not at all, 7 = significantly)
Q44.	To what extent does your organisation focus on developing market specific knowledge before entering an emerging market? (1 = not at all, 7 = significantly)
Q46.	How much do legal and regulatory challenges impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)
Q47.	How much do local market labour force skills gaps impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)

Component 2: Building Business Networks	
Q42.	To what extent does your organisation focus on developing in-country business networks before entering an emerging market? (1 = not at all, 7 = significantly)
Q45.	How much do infrastructure challenges impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)
Q50.	To what extent does participation in a business network aid your organisation in overcoming local market skills gaps when entering an emerging market? (1 = not at all, 7 = significantly)
Q51	How would you rate the overall usefulness of business networks when entering an emerging market? (1 = not at all, 7 = significantly)
Component 3: Overcoming Institutional voids	
Q48.	To what extent does participation in a business network aid your organisation in overcoming infrastructure challenges when entering an emerging market? (1 = not at all, 7 = significantly)
Q49.	To what extent does participation in a business network aid your organisation in overcoming legal and regulatory framework challenges when entering an emerging market? (1 = not at all, 7 = significantly)

4.9.6 Validity

Saunders and Lewis (2012) describe validity in terms of accuracy of measurement achieved given the selected data collection methods; and with respect to the applicability of the findings to the research problem being studied. In order to achieve validity for this study, it was imperative that participant selection was unbiased and from a wide array of organisations to ensure generalisability of results. To this end the sampling method was defined in order to obtain respondents from multiple companies who met the classification of an EMNC across industries. Additionally, the use of an online survey tool as the method of data collection reduced interviewer influence over the respondents which aided the validity of the study as it was more likely that the responses collected reflected reality. Given the cross-sectional nature of the study, the participant feedback was only required once making mortality a non-issue for this study.

4.9.7 Descriptive Statistics

For each construct, descriptive statistics were calculated after completion of the factor analysis. The purpose of descriptive statistics is to indicate the specific behaviour of constructs with respect to location, spread and shape of the sample data (Wegner, 2010). This allows the researcher to understand whether the sample data needs to be handled in a particular way or not. In particular, sample data that is not normally

distributed will require alternate or additional non-parametric testing to be conducted (Razali & Wah, 2011; Shapiro & Wilk, 1965). Shapiro & Wilk (1965) further suggest that the Shapiro-Wilk test for normality is more effective at measuring the distribution of data than Kurtosis and skewness measures. A Shapiro-Wilks test for normality was conducted on each construct to determine whether non-parametric testing was required for this research study.

In addition, analysis of the SPSS histogram, q-q plots and detrended q-q plots were performed to confirm findings from the Shapiro-Wilks test. A histogram provides a visual representation of the frequency of data and for a normal frequency distribution is expected to have bell shape with 68% of the values occurring in the middle (Aldrich & Rodríguez, 2013). If data is not normally distributed, it will demonstrate a positive or negative skewness which can be confirmed through visual analysis of the histogram (Aldrich & Rodríguez, 2013). Q-Q plots provide an alternative visual representation for the distribution of data and shows the deviation of data from the normal distribution and identifies outliers (Salkind, 2007). The detrended Q-Q plot shows the same information as the Q-Q plot but represents the magnitude and direction of deviation of the data.

4.9.8 Correlation Analysis

Correlation analysis is conducted when trying to understand the relationship between variables (Hair et al, 2010; Zikmund et al, 2012) and in the case of this research study is relevant for research questions 1, 2 and 3 which all endeavour to confirm co-variance between two constructs. Correlation analysis can be performed using a Pearson's correlation which is a relevant test where the sample data is found to be continuous, have paired variables with a linear relationship, with no significant outliers and be normally distributed (Hair et al, 2010; Zikmund et al, 2012). However, in the case where the sample data is found not to meet these assumptions, a non-parametric correlation such as Spearman's Correlation should be done.

For this study, all constructs have been measured through Likert scales which ensures that the sample data will meet the continuous data requirement. However, the normality of data using the Shapiro-Wilks testing as described in section 4.9.7 was assessed in order to determine whether a Pearson's correlation or a Spearman's Rho test was the correct test for correlation for research question 1, 2 and 3. As discussed in section 4.9.5, all 4 constructs in this study consisted of underlying components which necessitated running correlations at the component level of each construct.

4.9.9 Multiple Regression Analysis

Multiple regression analysis provides the ability to build a prediction model (Wegner, 2010) that will assist with answering the research questions in terms of measuring the relationships between multiple specific independent and dependent variables. Additionally, multiple regression provides a representation of the strength of the prediction relationship between the independent variables and the dependent variables (Saunders & Lewis, 2012) Multiple regression analysis requires all independent and dependent variables to be numeric (Wegner, 2010), and given the categorical nature of the constructs it was imperative that the data be transformed via coding into numeric data as described in section 4.8.

Research question 4 endeavoured to evaluate the relationship between 3 independent variables – Institutional Voids, Business Networks, and Knowledge & Learning – with a single dependent variable – Market Entry. A multiple regression analysis was used in order to assess the relationship between the study's independent variables and the dependent variable as well as to understand the strength of the relationship between them. As discussed in section 4.9.5, all 4 constructs in research question 4 consisted of underlying components which necessitated running a multiple regression for each independent variable against each component of the dependent variable.

4.10 Limitations

The first limitation with this study is related to the sampling methods (purposive, self-selection and snowball) that was be used. In order to achieve a sample that is truly bias-free, every member of the population must have an equal chance of being selected (Salkind, 2010), which implies a random sample using a probability or non-subjective sampling technique. Additionally, samples selected using subjective sampling methods are unlikely to be representative of the population (Saunders et al, 2016) and it was thus important for the researcher to ensure that the sample was not biased or limited by this. Given the quantitative nature of this research study and the focus of the research problem on EMNCs, a subjective sampling method was still deemed to be the most appropriate selection method in order to answer the research problem.

A further limitation of the study is that of the online survey which allows participants to send the survey to potential respondents who do not match the qualifying criteria for the target population. In order to mitigate this, it was imperative that specific qualifying

questions relating to organisation, industry, operating territory and individuals' organisational level are included in the questionnaire.

Finally, Table 15 describes the spread of industries that qualified respondents to the survey originate from. Based on this, it should be noted that due to the researcher's career history, their professional network is skewed towards telecommunications and this is reflected in the sample with 40% of respondents belonging to the telecommunications sector. This implies a limitation for this research in that the results may be influenced by operational and strategic factors that are telecommunications sector specific.

Table 15: Respondent Industries

Industry	Number of respondents	Percentage of respondents
Telecommunications	43	40%
Other	14	13%
Banking/Finance/Insurance	10	9%
Media/Printing/Publishing	9	8%
Professional Services	9	8%
Consulting	7	7%
Marketing/Market Research	6	6%
Engineering	4	4%
Construction	2	2%
Transportation/Distribution/Logistics	2	2%
Education	1	1%
Total	**107**	**100%**

Chapter 5: Results

5.1 Introduction

The purpose of this chapter is to describe the results of this study. The first level of analysis provides a view of the descriptive characteristics and statistics of the sample data which gives contextualises the sample. Thereafter, the results of the statistical analysis of constructs as they relate to each research question are presented. The tests for reliability of each construct and the outcomes of the factor analysis for each of the constructs were presented in the previous chapter.

The overarching research question for this study focused on how EMNCs are leveraging business networks as a mode of market in emerging markets. In order to address this question, the study delved into three potential constructs – institutional voids, business networks and knowledge & learning – which could predict the fourth construct, mode of market entry. In order to completely address this research question, the study evaluated relationships between the three independent constructs and the effect of all three constructs on the fourth construct – mode of market entry.

5.2 Descriptive characteristics of sample data

Table 16 shows the sample size that was attained after the application of the qualifying criteria and exclusion of incomplete surveys as 107 respondents which exceeds the requisite sample size in order to answer the research question.

Table 16 further indicates that 114 respondents met the qualifying criteria for the survey which sought to ensure that respondents were middle management or above and from EMNCs with a footprint in more than one emerging market as detailed in section 4.9. It should also be noted that 7 respondents only partially completed the survey. Of the partially completed surveys, 5 respondents completed only 12 questions of the 46 mandatory questions excluding the 5 qualifying criteria questions which is 26% of the survey. The remaining 2 partially complete surveys had 25 questions of the 46 mandatory questions excluding the 5 qualifying criteria questions which is 54% of the survey. Given that the missing data for the incomplete surveys could not be attained through other means (Scheffer, 2002), and since the requisite sample size was met without these cases, it was deemed appropriate to delete these incomplete cases from further analysis.

Table 16: Overview of sample

Total respondents	154
Qualified respondents	114
Respondents who did not meet qualifying criteria	40
Respondents who partially completed the survey after meeting qualifying criteria	7
Completed responses	107

Table 17 indicates the type of organisational roles that respondents held at the time of the survey and demonstrates that all respondents that met the qualifying criteria are at the correct decision-making level to describe the actions taken by emerging market multinationals.

Table 17: Respondent Organisational Roles

Role	Respondents
Executive	11
General Management	14
Senior Management	36
Middle Management	46
Total	**107**

Table 18 shows the split of most frequently used modes of market entry as reported by the survey respondents. It is noteworthy that 27.10% of respondents indicated that the most frequent mode of entry was “Part of a business network” which implies that business networks are being leveraged as mode of market entry in business.

Table 18: Most frequently used mode of market entry

Mode entry	Respondents	Percentage
Contractual agreement	33	30.84%
Part of a business network	29	27.10%
Acquisition	16	14.95%
Joint venture	15	14.02%
Start-up	11	10.28%
Exporting	3	2.80%
Total	**107**	**100.0%**

5.5 Descriptive statistics of constructs

Table 19 provides a summary of the descriptive statistics of each construct following the principal component analysis that was detailed in section 4.9.4.

Table 19: Summary of Descriptive Statistics for all constructs after PCA

	N	Minimum	Maximum	Mean	Std. Dev.	Kurtosis	Skewness
Institutional Voids	107	2.75	5.04166667	4.1635514	0.44320742	0.12971369	-0.7156527
Business Networks	107	2.5625	6.5	5.19275701	0.66963944	2.41474444	-1.3487127
Knowledge & Learning	107	2.20833333	5.29166667	4.56542056	0.59192107	3.70084277	-1.7905836
Market Entry	107	3.08333333	6.5	5.25700935	0.66559677	1.34583905	-1.1435779

Based on the negative skewness that is evident in each construct as shown in Table 19, a Shapiro-Wilk's test was performed on the constructs in order to evaluate the normality of the sample data before further tests were performed (Razali & Wah, 2011; Shapiro & Wilk, 1965). Appendix 4 provides the histograms, normal q-q plots and detrended normal q-q plots for each construct for confirmatory reference of the sample data not having normal distributions for these constructs. The results of this test are shown in Table 20 from which it is evident that all constructs have a p-value (Sig.) less than 0.05 indicating that the sample data for each construct is not normally distributed. The implication of this was that in addition to the Pearson correlations that were intended to test Research Question 1, 2 and 3, Spearman correlations (a non-parametric correlation) were also conducted.

Table 20: Shapiro-Wilk's test for normality

	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
Institutional Voids	0.954	107	0.001
Business Networks	0.899	107	0.000
Knowledge & Learning	0.830	107	0.000
Market Entry	0.909	107	0.000

5.6 Research Hypotheses

5.6.1 Research Question 1

Knowledge & learning is positively influenced by EMNCs belonging to a business network

- H_1: A significant relationship exists between business networks and knowledge & learning.

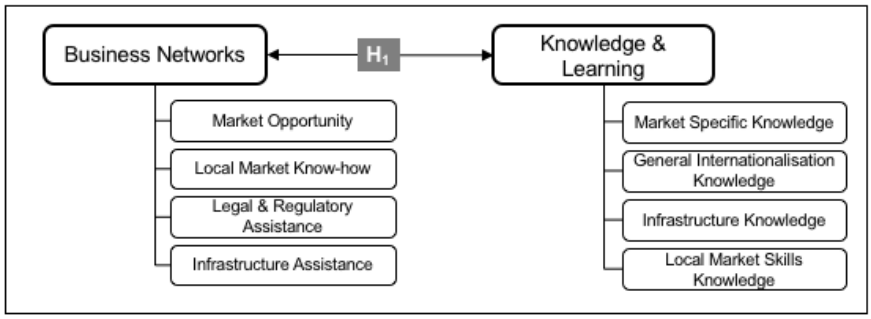

Figure 5: Proposed relationship between business networks and knowledge & learning

Research question 1 focuses on whether a relationship exists between business networks and knowledge & learning which are constructs that were measured through specific questions in the research survey as described in section 5.3. Figure 5 describes the relationship proposed between these constructs by H_1 of this study. However, as described in section 4.9.4, the business network and knowledge & learning constructs were found to consist of 4 underlying components each. This necessitated correlation testing to be conducted of each component of business networks against each component of knowledge & learning. As described in section 5.5, both the business network and knowledge & learning constructs were found to be not normally distributed indicating that a non-parametric test for correlation – Spearman's correlation – be completed. The rest of this section details the results of each correlation test that was conducted.

5.6.1.1 Market Opportunity and Market Specific Knowledge

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 12 indicates that the first component of Knowledge & Learning is Market Specific Knowledge. Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.210 that indicates a positive relationship between the market opportunity component of business networks and the market specific knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.030.

Table 21: Spearman's Correlation between Market Opportunity & Market Specific Knowledge

			Market Opportunity	Market Specific Knowledge
Spearman's rho	**Market Opportunity**	**Correlation Coefficient**	1.000	.210*
		Sig. (2-tailed)	.	.030
		N	107	107
	Market Specific Knowledge	**Correlation Coefficient**	.210*	1.000
		Sig. (2-tailed)	.030	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.1.2 Market Opportunity and General Internationalisation Knowledge

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 12 indicates that the second component of Knowledge & Learning is General Internationalisation Knowledge. Table 22 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.242 that indicates a positive relationship between the market opportunity component of business networks and the general internationalisation knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.012.

Table 22: Spearman's Correlation between Market Opportunity & General Internationalisation Knowledge

			Market Opportunity	General Internationalisation Knowledge
Spearman's rho	**Market Opportunity**	**Correlation Coefficient**	1.000	.242*
		Sig. (2-tailed)	.	.012
		N	107	107
		Correlation Coefficient	.242*	1.000

	General Internationalisation Knowledge	**Sig. (2-tailed)**	.012	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.1.3 Market Opportunity and Infrastructure Knowledge

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 12 indicates that the third component of Knowledge & Learning is Infrastructure Knowledge. Table 23Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.333 that indicates a positive relationship between the market opportunity component of business networks and the infrastructure knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.000.

Table 23: Spearman's Correlation between Market Opportunity & Infrastructure Knowledge

			Market Opportunity	**Infrastructure Knowledge**
Spearman's rho	**Market Opportunity**	**Correlation Coefficient**	1.000	.333**
		Sig. (2-tailed)	.	.000
		N	107	107
	Infrastructure Knowledge	**Correlation Coefficient**	.333**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.4 Market Opportunity and Local Market Skills Knowledge

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 12 indicates that the fourth component of Knowledge & Learning is Local Market Skills Knowledge. Table 24 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.419 that indicates a positive relationship between the market opportunity component of business networks and the local market skills knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.000.

Table 24: Spearman's Correlation between Market Opportunity & Local Market Skills Knowledge

			Market Opportunity	Local Market Skills Knowledge
Spearman's rho	Market Opportunity	Correlation Coefficient	1.000	.419**
		Sig. (2-tailed)	.	.000
		N	107	107
	Local Market Skills Knowledge	Correlation Coefficient	.419**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.5 Local Market Know-How and Market Specific Knowledge

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 12 indicates that the first component of Knowledge & Learning is Market Specific Knowledge. Table 25 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.442 that indicates a positive relationship between the local market know-how component of business networks and the market specific knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.000.

Table 25: Spearman's Correlation between Local Market Know-How & Market Specific Knowledge

			Local Market Know-How	Market Specific Knowledge
Spearman's rho	Local Market Know-How	Correlation Coefficient	1.000	.442**
		Sig. (2-tailed)	.	.000
		N	107	107
	Market Specific Knowledge	Correlation Coefficient	.442**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.6 Local Market Know-How and General Internationalisation Knowledge

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 12 indicates that the second component of Knowledge & Learning

is General Internationalisation Knowledge. Table 26 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.272 that indicates a positive relationship between the local market know-how component of business networks and the general internationalisation knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.005.

Table 26: Spearman's Correlation between Local Market Know-How & General Internationalisation Knowledge

			Local Market Know-How	General Internationalisation Knowledge
Spearman's rho	**Local Market Know-How**	**Correlation Coefficient**	1.000	.272**
		Sig. (2-tailed)	.	.005
		N	107	107
	General Internationalisation Knowledge	**Correlation Coefficient**	.272**	1.000
		Sig. (2-tailed)	.005	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.7 Local Market Know-How and Infrastructure Knowledge

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 12 indicates that the third component of Knowledge & Learning is Infrastructure Knowledge. Table 27Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.170 that indicates a positive relationship between the local market know-how component of business networks and the infrastructure knowledge component of knowledge & learning. However, the p-value (Sig.) of 0.080 indicates that the relationship between the components is not significant at the 95% significance level.

Table 27: Spearman's Correlation between Local Market Know-How & Infrastructure Knowledge

			Local Market Know-How	Infrastructure Knowledge
		Correlation Coefficient	1.000	.170

Spearman's rho	**Local Market Know-How**	**Sig. (2-tailed)**	.	.080
		N	107	107
	Infrastructure Knowledge	**Correlation Coefficient**	.170	1.000
		Sig. (2-tailed)	.080	.
		N	107	107

5.6.1.8 Local Market Know-How and Local Market Skills Knowledge

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 12 indicates that the fourth component of Knowledge & Learning is Local Market Skills Knowledge. Table 28 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.546 that indicates a positive relationship between the local market know-how component of business networks and the local market skills knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.000.

Table 28: Spearman's Correlation between Local Market Know-How & Local Market Skills Knowledge

			Local Market Know-How	**Local Market Skills Knowledge**
Spearman's rho	**Local Market Know-How**	**Correlation Coefficient**	1.000	.546**
		Sig. (2-tailed)	.	.000
		N	107	107
	Local Market Skills Knowledge	**Correlation Coefficient**	.546**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.9 Legal & Regulatory Assistance and Market Specific Knowledge

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 12 indicates that the first component of Knowledge & Learning is Market Specific Knowledge.

Table 29 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.585 that indicates a positive relationship between the legal & regulatory assistance component of business networks

and the market specific knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.000.

Table 29: Spearman's Correlation between Legal & Regulatory Assistance and Market Specific Knowledge

			Legal & Regulatory Assistance	Market Specific Knowledge
Spearman's rho	Legal & Regulatory Assistance	Correlation Coefficient	1.000	.585**
		Sig. (2-tailed)	.	.000
		N	107	107
	Market Specific Knowledge	Correlation Coefficient	.585**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.10 Legal & Regulatory Assistance and General Internationalisation Knowledge

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 12 indicates that the second component of Knowledge & Learning is General Internationalisation Knowledge. Table 30 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.190 that indicates a positive relationship between the legal & regulatory assistance component of business networks and the general internationalisation knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.050.

Table 30: Spearman's Correlation between Legal & Regulatory Assistance and General Internationalisation Knowledge

			Legal & Regulatory Assistance	General Internationalisation Knowledge
Spearman's rho	Legal & Regulatory Assistance	Correlation Coefficient	1.000	.190*
		Sig. (2-tailed)	.	.050
		N	107	107
		Correlation Coefficient	.190*	1.000

	General Internationalisation Knowledge	**Sig. (2-tailed)**	.050	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.1.11 Legal & Regulatory Assistance and Infrastructure Knowledge

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 12 indicates that the third component of Knowledge & Learning is Infrastructure Knowledge. Table 31Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.104 that indicates a positive relationship between the legal & regulatory assistance of business networks and the infrastructure knowledge component of knowledge & learning. However, the p-value (Sig.) of 0.288 indicates that the relationship between the components is not significant at the 95% significance level.

Table 31: Spearman's Correlation between Legal & Regulatory Assistance and Infrastructure Knowledge

			Legal & Regulatory Assistance	**Infrastructure Knowledge**
Spearman's rho	**Legal & Regulatory Assistance**	**Correlation Coefficient**	1.000	.104
		Sig. (2-tailed)	.	.288
		N	107	107
	Infrastructure Knowledge	**Correlation Coefficient**	.104	1.000
		Sig. (2-tailed)	.288	.
		N	107	107

5.6.1.12 Legal & Regulatory Assistance and Local Market Skills Knowledge

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 12 indicates that the fourth component of Knowledge & Learning is Local Market Skills Knowledge. Table 32 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.226 that indicates a positive relationship between the legal & regulatory assistance of business networks and the local market skills knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.019.

Table 32: Spearman's Correlation between Legal & Regulatory Assistance and Local Market Skills Knowledge

			Legal & Regulatory Assistance	Local Market Skills Knowledge
Spearman's rho	Legal & Regulatory Assistance	Correlation Coefficient	1.000	.226*
		Sig. (2-tailed)	.	.019
		N	107	107
	Local Market Skills Knowledge	Correlation Coefficient	.226*	1.000
		Sig. (2-tailed)	.019	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.1.13 Infrastructure Assistance and Market Specific Knowledge

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 12 indicates that the first component of Knowledge & Learning is Market Specific Knowledge. Table 33 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.255 that indicates a positive relationship between the infrastructure assistance component of business networks and the market specific knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.008.

Table 33: Spearman's Correlation between Infrastructure Assistance & Market Specific Knowledge

			Infrastructure Assistance	Market Specific Knowledge
Spearman's rho	Infrastructure Assistance	Correlation Coefficient	1.000	.255**
		Sig. (2-tailed)	.	.008
		N	107	107
	Market Specific Knowledge	Correlation Coefficient	.255**	1.000
		Sig. (2-tailed)	.008	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.14 Infrastructure Assistance and General Internationalisation Knowledge

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 12 indicates that the second component of Knowledge & Learning is General Internationalisation Knowledge. Table 34Table 22 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.225 that indicates a positive relationship between the infrastructure assistance component of business networks and the general internationalisation knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.020.

Table 34: Spearman's Correlation between Infrastructure Assistance & General Internationalisation Knowledge

			Infrastructure Assistance	General Internationalisation Knowledge
Spearman's rho	**Infrastructure Assistance**	**Correlation Coefficient**	1.000	.225*
		Sig. (2-tailed)	.	.020
		N	107	107
	General Internationalisation Knowledge	**Correlation Coefficient**	.225*	1.000
		Sig. (2-tailed)	.020	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.1.15 Infrastructure Assistance and Infrastructure Knowledge

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 12 indicates that the third component of Knowledge & Learning is Infrastructure Knowledge. Table 35Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.539 that indicates a positive relationship between the infrastructure assistance component of business networks and the infrastructure knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.000.

Table 35: Spearman's Correlation between Infrastructure Assistance & Infrastructure Knowledge

			Infrastructure Assistance	Infrastructure Knowledge
Spearman's rho	Infrastructure Assistance	Correlation Coefficient	1.000	.539**
		Sig. (2-tailed)	.	.000
		N	107	107
	Infrastructure Knowledge	Correlation Coefficient	.539**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.1.16 Infrastructure Assistance and Local Market Skills Knowledge

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 12 indicates that the fourth component of Knowledge & Learning is Local Market Skills Knowledge. Table 36 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.232 that indicates a positive relationship between the infrastructure assistance component of business networks and the local market skills knowledge component of knowledge & learning at a 95% significance level given the p-value (Sig.) of 0.016.

Table 36: Spearman's Correlation between Infrastructure Assistance & Local Market Skills Knowledge

			Infrastructure Assistance	Local Market Skills Knowledge
Spearman's rho	Infrastructure Assistance	Correlation Coefficient	1.000	.232*
		Sig. (2-tailed)	.	.016
		N	107	107
	Local Market Skills Knowledge	Correlation Coefficient	.232*	1.000
		Sig. (2-tailed)	.016	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.1.17 Summary of Results for Research Question 1

Table 37 provides a summary of the correlation coefficients for each Spearman's Rho correlation test that was conduct between each component of the Business Network construct and each component of the Knowledge & Learning construct. Of the 16 correlation tests, 14 demonstrated positive correlations that were significant at a 95% significance level. However, 2 of the tests resulted in positive correlations which were not found to be significant at a 95% significance level. Based on the positive correlations demonstrated by the Spearman's Rho correlation tests that were conducted in response to research question 1, H_1 is accepted.

Table 37: Summary of Spearman's Rho Correlations for Research Question 1

Business Network Component	Knowledge & Learning Component	Spearman's Correlation Coefficient	Sig. Value	Outcome
Market Opportunity	Market Specific Knowledge	0.210	0.030	Significant positive correlation
Market Opportunity	General Internationalisation Knowledge	0.242	0.012	Significant positive correlation
Market Opportunity	Infrastructure Knowledge	0.333	0.000	Significant positive correlation
Market Opportunity	Local Market Skills Knowledge	0.419	0.000	Significant positive correlation
Local Market Know-How	Market Specific Knowledge	0.442	0.000	Significant positive correlation
Local Market Know-How	General Internationalisation Knowledge	0.272	0.005	Significant positive correlation
Local Market Know-How	Local Market Skills Knowledge	0.546	0.000	Significant positive correlation
Legal & Regulatory Assistance	Market Specific Knowledge	0.585	0.000	Significant positive correlation
Legal & Regulatory Assistance	General Internationalisation Knowledge	0.190	0.050	Significant positive correlation

Business Network Component	Knowledge & Learning Component	Spearman's Correlation Coefficient	Sig. Value	Outcome
Legal & Regulatory Assistance	Local Market Skills Knowledge	0.226	0.019	Significant positive correlation
Infrastructure Assistance	Market Specific Knowledge	0.255	0.008	Significant positive correlation
Infrastructure Assistance	General Internationalisation Knowledge	0.225	0.020	Significant positive correlation
Infrastructure Assistance	Infrastructure Knowledge	0.539	0.000	Significant positive correlation
Infrastructure Assistance	Local Market Skills Knowledge	0.232	0.016	Significant positive correlation
Local Market Know-How	Infrastructure Knowledge	0.170	0.080	Correlation not significant
Legal & Regulatory Assistance	Infrastructure Knowledge	0.104	0.288	Correlation not significant

5.6.2 Research Question 2

Overcoming institutional voids is positively influenced by EMNCs belonging to a business network

- H_2: A significant relationship exists between business networks and institutional voids.

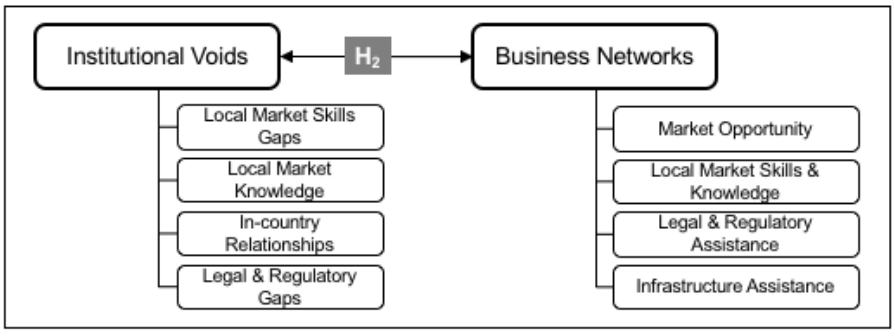

Figure 6: Proposed relationship between business networks and institutional voids

Research question 2 focuses on whether a relationship exists between business networks and institutional voids which are constructs that were measured through

specific questions in the research survey as described in section 5.3. Figure 6 describes the relationship proposed between these constructs by H_2 of this study. However, as described in section 4.9.4, the business network and institutional voids constructs were found to consist of 4 underlying components each. This necessitated correlation testing to be conducted of each component of business networks against each component of institutional voids. As described in section 5.5, both the business network and institutional voids constructs were found to be not normally distributed indicating that a non-parametric test for correlation – Spearman's correlation – be completed. The rest of this section details the results of each correlation test that was conducted.

5.6.2.1 Market Opportunity and Local Market Skills Gaps

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 38 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of -0.96 that indicates a negative correlation between the market opportunity component of business networks and the local market skills gaps component of institutional voids. This indicates that as local market skills gaps decrease, market opportunities improve and if local market skills gaps increase then market opportunities worsen. However, the p-value (Sig.) of 0.325 indicates that the relationship between the components is not significant at the 95% significance level.

Table 38: Spearman's Correlation between Market Opportunity & Local Market Skills Gaps

			Market Opportunity	Local Market Skills Gaps
Spearman's rho	Market Opportunity	Correlation Coefficient	1.000	-.096
		Sig. (2-tailed)	.	.325
		N	107	107
	Local Market Skills Gaps	Correlation Coefficient	-.096	1.000
		Sig. (2-tailed)	.325	.
		N	107	107

5.6.2.2 Market Opportunity and Market Knowledge Improvement

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 8 indicates that the second component of Institutional Voids is Market Knowledge Improvement. Table 39 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.053 that indicates a positive relationship between the market opportunity component of business networks and the market knowledge improvement component of institutional voids. However, the p-value (Sig.) of 0.587 indicates that the relationship between the components is not significant at the 95% significance level.

Table 39: Spearman's Correlation between Market Opportunity & Market Knowledge Improvement

			Market Opportunity	Market Knowledge Improvement
Spearman's rho	**Market Opportunity**	**Correlation Coefficient**	1.000	.053
		Sig. (2-tailed)	.	.587
		N	107	107
	Market Knowledge Improvement	**Correlation Coefficient**	.053	1.000
		Sig. (2-tailed)	.587	.
		N	107	107

5.6.2.3 Market Opportunity and In-country relationships

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 8 indicates that the third component of Institutional Voids is In-country relationships. Table 40Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.212 that indicates a positive relationship between the market opportunity component of business networks and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.029.

Table 40: Spearman's Correlation between Market Opportunity & In-country relationships

			Market Opportunity	In-country relationships
		Correlation Coefficient	1.000	.212*

Spearman's rho	**Market Opportunity**	**Sig. (2-tailed)**	.	.029
		N	107	107
	In-country relationships	**Correlation Coefficient**	.212*	1.000
		Sig. (2-tailed)	.029	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.2.4 Market Opportunity and Legal & Regulatory Framework

As described in Table 10, the first component of Business Networks is Market Opportunity; and Table 8 indicates that the fourth component of Institutional Voids Legal & Regulatory Frameworks. Table 41 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.062 that indicates a positive relationship between the market opportunity component of business networks and the legal & regulatory framework component of institutional voids. However, the p-value (Sig.) of 0.523 indicates that the relationship between the components is not significant at the 95% significance level.

Table 41: Spearman's Correlation between Market Opportunity & Legal & Regulatory Framework

			Market Opportunity	**Legal & Regulatory Framework**
Spearman's rho	**Market Opportunity**	**Correlation Coefficient**	1.000	.062
		Sig. (2-tailed)	.	.523
		N	107	107
	Legal & Regulatory Framework	**Correlation Coefficient**	.062	1.000
		Sig. (2-tailed)	.523	.
		N	107	107

5.6.2.5 Local Market Know-How and Local Market Skills Gaps

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 42 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.162 that indicates a positive relationship between the local market know-how component of business networks and the local market skills gaps component of institutional voids. However, the p-value (Sig.) of 0.096 indicates that the relationship between the components is not significant at the 95% significance level.

Table 42: Spearman's Correlation between Local Market Know-How & Local Market Skills Gaps

			Local Market Know-How	Local Market Skills Gaps
Spearman's rho	Local Market Know-How	Correlation Coefficient	1.000	.162
		Sig. (2-tailed)	.	.096
		N	107	107
	Local Market Skills Gaps	Correlation Coefficient	.162	1.000
		Sig. (2-tailed)	.096	.
		N	107	107

5.6.2.6 Local Market Know-How and Market Knowledge Improvement

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 8 indicates that the second component of Institutional Voids is Market Knowledge Improvement. Table 43 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.285 that indicates a positive relationship between the local market know-how component of business networks and the market knowledge improvement component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.003.

Table 43: Spearman's Correlation between Local Market Know-How & Market Knowledge Improvement

			Local Market Know-How	Market Knowledge Improvement
Spearman's rho	Local Market Know-How	Correlation Coefficient	1.000	.285**
		Sig. (2-tailed)	.	.003
		N	107	107
	Market Knowledge Improvement	Correlation Coefficient	.285**	1.000
		Sig. (2-tailed)	.003	.
		N	107	107

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

5.6.2.7 Local Market Know-How and In-country Relationships

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 8 indicates that the third component of Institutional voids is In-country Relationships. Table 44Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.170 that indicates a positive relationship between the local market know-how component of business networks and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.003.

Table 44: Spearman's Correlation between Local Market Know-How & In-country Relationships

			Local Market Know-How	In-country Relationships
Spearman's rho	**Local Market Know-How**	**Correlation Coefficient**	1.000	.254**
		Sig. (2-tailed)	.	.008
		N	107	107
	In-country Relationships	**Correlation Coefficient**	.254**	1.000
		Sig. (2-tailed)	.008	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.2.8 Local Market Know-How and Legal & Regulatory Framework

As described in Table 10, the second component of Business Networks is Local Market Know-How; and Table 8 indicates that the fourth component of Institutional Voids is Legal & Regulatory Framework. Table 45 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.199 that indicates a positive relationship between the local market know-how component of business networks and the legal & regulatory framework component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.040.

Table 45: Spearman's Correlation between Local Market Know-How and Legal & Regulatory Framework

			Local Market Know-How	Local Market Skills Knowledge
Spearman's rho	Local Market Know-How	Correlation Coefficient	1.000	.199*
		Sig. (2-tailed)	.	.040
		N	107	107
	Local Market Skills Knowledge	Correlation Coefficient	.199*	1.000
		Sig. (2-tailed)	.040	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.2.9 Legal & Regulatory Assistance and Local Market Skills Gaps

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 46 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.124 that indicates a positive relationship between the legal & regulatory assistance component of business networks and the local market skills gaps component of institutional voids. However, the p-value (Sig.) of 0.202 indicates that the relationship between the components is not significant at the 95% significance level.

Table 46: Spearman's Correlation between Legal & Regulatory Assistance and Local Market Skills Gaps

			Legal & Regulatory Assistance	Local Market Skills Gaps
Spearman's rho	Legal & Regulatory Assistance	Correlation Coefficient	1.000	.124
		Sig. (2-tailed)	.	.202
		N	107	107
	Local Market Skills Gaps	Correlation Coefficient	.124	1.000
		Sig. (2-tailed)	.202	.
		N	107	107

5.6.2.10 Legal & Regulatory Assistance and Market Knowledge Improvement

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 8 indicates that the second component of Institutional Voids is Market Knowledge Improvement. Table 47 shows the output of the Spearman's

correlation test that was run for these two components which gives a correlation coefficient of -0.015 that indicates a negative correlation between the legal & regulatory assistance component of business networks and the market knowledge improvement component of knowledge & learning. This implies that as market knowledge improves, legal and regulatory assistance from the business network occurs less. However, the p-value (Sig.) of 0.877 indicates that the relationship between the components is not significant at the 95% significance level.

Table 47: Spearman's Correlation between Legal & Regulatory Assistance and Market Knowledge Improvement

			Legal & Regulatory Assistance	Market Knowledge Improvement
Spearman's rho	Legal & Regulatory Assistance	Correlation Coefficient	1.000	-.015
		Sig. (2-tailed)	.	.877
		N	107	107
	Market Knowledge Improvement	Correlation Coefficient	-.015	1.000
		Sig. (2-tailed)	.877	.
		N	107	107

5.6.2.11 Legal & Regulatory Assistance and In-country Relationships

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 8 indicates that the third component of Institutional voids is In-country Relationships. Table 48Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.215 that indicates a positive relationship between the legal & regulatory assistance of business networks and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.026.

Table 48: Spearman's Correlation between Legal & Regulatory Assistance and In-country Relationships

			Legal & Regulatory Assistance	In-country Relationships
Spearman's rho		Correlation Coefficient	1.000	.215*
		Sig. (2-tailed)	.	.026

	Legal & Regulatory Assistance	**N**	107	107
	In-country Relationships	**Correlation Coefficient**	.215*	1.000
		Sig. (2-tailed)	.026	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.2.12 Legal & Regulatory Assistance and Legal & Regulatory Framework

As described in Table 10, the third component of Business Networks is Legal & Regulatory Assistance; and Table 8 indicates that the fourth component of Institutional Voids is Legal & Regulatory Framework. Table 49cshows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.327 that indicates a positive relationship between the legal & regulatory assistance of business networks and the legal & regulatory framework component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.001.

Table 49: Spearman's Correlation between Legal & Regulatory Assistance and Legal & Regulatory Framework

			Legal & Regulatory Assistance	**Legal & Regulatory Framework**
Spearman's rho	**Legal & Regulatory Assistance**	**Correlation Coefficient**	1.000	.327**
		Sig. (2-tailed)	.	.001
		N	107	107
	Legal & Regulatory Framework	**Correlation Coefficient**	.327**	1.000
		Sig. (2-tailed)	.001	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.2.13 Infrastructure Assistance and Local Market Skills Gaps

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 50 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.236 that indicates a positive relationship between the infrastructure assistance component of business networks and the local market skills gaps component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.015.

Table 50: Spearman's Correlation between Infrastructure Assistance & Local Market Skills Gaps

			Infrastructure Assistance	Local Market Skills Gaps
Spearman's rho	Infrastructure Assistance	Correlation Coefficient	1.000	.236*
		Sig. (2-tailed)	.	.015
		N	107	107
	Local Market Skills Gaps	Correlation Coefficient	.236*	1.000
		Sig. (2-tailed)	.015	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.2.14 Infrastructure Assistance and Market Knowledge Improvement

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 8 indicates that the second component of Institutional Voids is Market Knowledge Improvement. Table 51Table 22 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.184 that indicates a positive relationship between the infrastructure assistance component of business networks and the general internationalisation knowledge component of institutional voids. However, the p-value (Sig.) of 0.058 indicates that the relationship between the components is not significant at the 95% significance level.

Table 51: Spearman's Correlation between Infrastructure Assistance & Market Knowledge Improvement

			Infrastructure Assistance	Market Knowledge Improvement
Spearman's rho	Infrastructure Assistance	Correlation Coefficient	1.000	.184
		Sig. (2-tailed)	.	.058
		N	107	107
	Market Knowledge Improvement	Correlation Coefficient	.184	1.000
		Sig. (2-tailed)	.058	.
		N	107	107

5.6.2.15 Infrastructure Assistance and In-country Relationships

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 8 indicates that the third component of Institutional voids is In-country Relationships. Table 52Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.352 that indicates a positive relationship between the infrastructure assistance component of business networks and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.000.

Table 52: Spearman's Correlation between Infrastructure Assistance & In-country Relationships

			Infrastructure Assistance	In-country Relationships
Spearman's rho	**Infrastructure Assistance**	**Correlation Coefficient**	1.000	.352**
		Sig. (2-tailed)	.	.000
		N	107	107
	In-country Relationships	**Correlation Coefficient**	.352**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.2.16 Infrastructure Assistance and Legal & Regulatory Framework

As described in Table 10, the fourth component of Business Networks is Infrastructure Assistance; and Table 8 indicates that the fourth component of Institutional Voids is Legal & Regulatory Framework. Table 53 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of -0.078 that indicates a negative correlation between the infrastructure assistance component of business networks and the legal & regulatory framework component of institutional voids. However, the p-value (Sig.) of 0.426 indicates that the relationship between the components is not significant at the 95% significance level.

Table 53: Spearman's Correlation between Infrastructure Assistance and Legal & Regulatory Framework

	Infrastructure Assistance	Local Market Skills Knowledge

Spearman's rho	**Infrastructure Assistance**	**Correlation Coefficient**	1.000	-.078
		Sig. (2-tailed)	.	.426
		N	107	107
	Local Market Skills Knowledge	**Correlation Coefficient**	-.078	1.000
		Sig. (2-tailed)	.426	.
		N	107	107

5.6.2.17 Summary of Results for Research Question 2

Table 37 provides a summary of the correlation coefficients for each Spearman's Rho correlation test that was conduct between each component of the Business Network construct and each component of the Knowledge & Learning construct. Of the 16 correlation tests, 8 demonstrated positive correlations that were significant at a 95% significance level. However, 8 of the tests resulted in correlations which were not found to be significant at a 95% significance level. Based on the positive correlations demonstrated by the Spearman's Rho correlation tests that were conducted in response to research question 2, H_2 fails to be rejected.

Table 54: Summary of Spearman's Rho Correlations for Research Question 2

Business Network Component	Institutional Voids Component	Spearman's Correlation Coefficient	Sig. Value	Outcome
Market Opportunity	In-country Relationships	0.212	0.029	Significant positive correlation
Local Market Know-How	Market Knowledge Improvement	0.285	0.003	Significant positive correlation
Local Market Know-How	In-country Relationships	0.254	0.008	Significant positive correlation
Local Market Know-How	Legal & Regulatory Framework	0.199	0.040	Significant positive correlation
Legal & Regulatory Assistance	In-country Relationships	0.215	0.026	Significant positive correlation
Legal & Regulatory Assistance	Legal & Regulatory Framework	0.327	0.001	Significant positive correlation
Infrastructure Assistance	Local Market Skills Gaps	0.236	0.015	Significant positive correlation
Infrastructure Assistance	In-country Relationships	0.352	0.000	Significant positive correlation

Business Network Component	Institutional Voids Component	Spearman's Correlation Coefficient	Sig. Value	Outcome
Market Opportunity	Local Market Skills Gaps	-0.096	0.325	Correlation not significant
Market Opportunity	Market Knowledge Improvement	0.053	0.587	Correlation not significant
Market Opportunity	Legal & Regulatory Framework	0.062	0.523	Correlation not significant
Local Market Know-How	Local Market Skills Gaps	0.162	0.096	Correlation not significant
Legal & Regulatory Assistance	Local Market Skills Gaps	0.124	0.202	Correlation not significant
Legal & Regulatory Assistance	Market Knowledge Improvement	-0.15	0.877	Correlation not significant
Infrastructure Assistance	Market Knowledge Improvement	0.184	0.058	Correlation not significant
Infrastructure Assistance	Legal & Regulatory Framework	-0.078	0.426	Correlation not significant

5.6.3 Research Question 3

Knowledge & learning positively influence an EMNCs ability to overcome institutional voids

- H_3: A significant relationship exists between knowledge & learning and institutional voids.

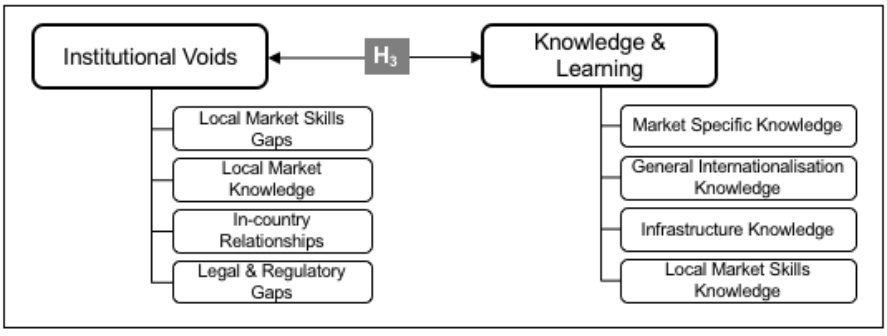

Figure 7: Proposed relationship between knowledge & learning and institutional voids

Research question 3 focuses on whether a relationship exists between knowledge & learning and institutional voids which are constructs that were measured through specific questions in the research survey as described in section 5.3. Figure 7 describes the relationship proposed between these constructs by H_3 of this study. However, as described in section 4.9.4, the institutional voids and knowledge & learning constructs were found to consist of 4 underlying components each. This necessitated correlation testing to be conducted of each component of institutional voids against each component of knowledge & learning. As described in section 5.5, both the institutional voids and knowledge & learning constructs were found to be not normally distributed indicating that a non-parametric test for correlation – Spearman's correlation – be completed. The rest of this section details the results of each correlation test that was conducted.

5.6.3.1 Market Specific Knowledge and Local Market Skills Gaps

As described in Table 12, the first component of Knowledge & Learning is Market Specific Knowledge; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 55 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.227 that indicates a positive relationship between the market specific knowledge component of knowledge & learning and the local market skills gaps component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.019.

Table 55: Spearman's Correlation between Market Specific Knowledge & Local Market Skills Gaps

			Market Specific Knowledge	Local Market Skills Gaps
Spearman's rho	**Market Specific Knowledge**	**Correlation Coefficient**	1.000	.227*
		Sig. (2-tailed)	.	.019
		N	107	107
	Local Market Skills Gaps	**Correlation Coefficient**	.227*	1.000
		Sig. (2-tailed)	.019	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.3.2 Market Specific Knowledge and Market Knowledge Improvement

As described in Table 12, the first component of Knowledge & Learning is Market Specific Knowledge; and Table 8 indicates that the second component of Institutional

Voids is Market Knowledge Improvement. Table 56 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.194 that indicates a positive relationship between the market specific knowledge component of knowledge & learning and the market knowledge improvement component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.046.

Table 56: Spearman's Correlation between Market Specific Knowledge & Market Knowledge Improvement

			Market Specific Knowledge	Market Knowledge Improvement
Spearman's rho	**Market Specific Knowledge**	**Correlation Coefficient**	1.000	.194*
		Sig. (2-tailed)	.	.046
		N	107	107
	Market Knowledge Improvement	**Correlation Coefficient**	.194*	1.000
		Sig. (2-tailed)	.046	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.3.3 Market Specific Knowledge and In-country relationships

As described in Table 12, the first component of Knowledge & Learning is Market Specific Knowledge; and Table 8 indicates that the third component of Institutional Voids is In-country relationships. Table 57Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.294 that indicates a positive relationship between the market specific knowledge component of knowledge & learning and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.002.

Table 57: Spearman's Correlation between Market Specific Knowledge & In-country relationships

			Market Specific Knowledge	In-country relationships
		Correlation Coefficient	1.000	.294**

Spearman's rho	**Market Specific Knowledge**	**Sig. (2-tailed)**	.	.002
		N	107	107
	In-country relationships	**Correlation Coefficient**	.294**	1.000
		Sig. (2-tailed)	.002	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.3.4 Market Specific Knowledge and Legal & Regulatory Framework

As described in Table 12, the first component of Knowledge & Learning is Market Specific Knowledge; and Table 8 indicates that the fourth component of Institutional Voids Legal & Regulatory Frameworks. Table 58 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.235 that indicates a positive relationship between the market specific knowledge component of knowledge & learning and the legal & regulatory framework component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.015.

Table 58: Spearman's Correlation between Market Specific Knowledge & Legal & Regulatory Framework

			Market Specific Knowledge	**Legal & Regulatory Framework**
Spearman's rho	**Market Specific Knowledge**	**Correlation Coefficient**	1.000	.235*
		Sig. (2-tailed)	.	.015
		N	107	107
	Legal & Regulatory Framework	**Correlation Coefficient**	.235*	1.000
		Sig. (2-tailed)	.015	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.3.5 General Internationalisation Knowledge and Local Market Skills Gaps

As described in Table 12, the second component of Knowledge & Learning is General Internationalisation Knowledge; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 59 shows the output of the Spearman's correlation test that was run for these two components which gives a

correlation coefficient of 0.071 that indicates a positive relationship between the general internationalisation knowledge component of knowledge & learning and the local market skills gaps component of institutional voids. However, the p-value (Sig.) of 0.470 indicates that the relationship between the components is not significant at the 95% significance level.

Table 59: Spearman's Correlation between General Internationalisation Knowledge & Local Market Skills Gaps

			General Internationalisation Knowledge	Local Market Skills Gaps
Spearman's rho	**General Internationalisation Knowledge**	**Correlation Coefficient**	1.000	.071
		Sig. (2-tailed)	.	.470
		N	107	107
	Local Market Skills Gaps	**Correlation Coefficient**	.071	1.000
		Sig. (2-tailed)	.470	.
		N	107	107

5.6.3.6 General Internationalisation Knowledge and Market Knowledge Improvement

As described in Table 12, the second component of Knowledge & Learning is General Internationalisation Knowledge; and Table 8 indicates that the second component of Institutional Voids is Market Knowledge Improvement. Table 60 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.039 that indicates a positive relationship between the general internationalisation knowledge component of knowledge & learning and the market knowledge improvement component of institutional voids. However, the p-value (Sig.) of 0.690 indicates that the relationship between the components is not significant at the 95% significance level.

Table 60: Spearman's Correlation between General Internationalisation Knowledge & Market Knowledge Improvement

			General Internationalisation Knowledge	Market Knowledge Improvement
Spearman's rho	**General Internationalisation Knowledge**	**Correlation Coefficient**	1.000	.039
		Sig. (2-tailed)	.	.690
		N	107	107
	Market Knowledge Improvement	**Correlation Coefficient**	.039	1.000
		Sig. (2-tailed)	.690	.
		N	107	107

5.6.3.7 General Internationalisation Knowledge and In-country relationships

As described in Table 12, the second component of Knowledge & Learning is General Internationalisation Knowledge; and Table 8 indicates that the third component of Institutional Voids is In-country relationships. Table 61Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.231 that indicates a positive relationship between the general internationalisation knowledge component of knowledge & learning and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.017.

Table 61: Spearman's Correlation between General Internationalisation Knowledge & In-country relationships

			General Internationalisation Knowledge	In-country relationships
Spearman's rho	**General Internationalisation Knowledge**	**Correlation Coefficient**	1.000	.231*
		Sig. (2-tailed)	.	.017
		N	107	107
	In-country relationships	**Correlation Coefficient**	.231*	1.000
		Sig. (2-tailed)	.017	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.3.8 General Internationalisation Knowledge and Legal & Regulatory Framework

As described in Table 12, the second component of Knowledge & Learning is General Internationalisation Knowledge; and Table 8 indicates that the fourth component of Institutional Voids Legal & Regulatory Frameworks. Table 62 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.057 that indicates a positive relationship between the general internationalisation knowledge component of knowledge & learning and the legal & regulatory framework component of institutional voids. However, the p-value (Sig.) of 0.557 indicates that the relationship between the components is not significant at the 95% significance level.

Table 62: Spearman's Correlation between General Internationalisation Knowledge & Legal & Regulatory Framework

			General Internationalisation Knowledge	Legal & Regulatory Framework
Spearman's rho	**General Internationalisation Knowledge**	**Correlation Coefficient**	1.000	.057
		Sig. (2-tailed)	.	.557
		N	107	107
	Legal & Regulatory Framework	**Correlation Coefficient**	.057	1.000
		Sig. (2-tailed)	.557	.
		N	107	107

5.6.3.9 Infrastructure Knowledge and Local Market Skills Gaps

As described in Table 12, the third component of Knowledge & Learning is Infrastructure Knowledge; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 63 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.110 that indicates a positive relationship between the infrastructure knowledge component of knowledge & learning and the local market skills gaps component of institutional voids. However, the p-value (Sig.) of 0.259 indicates that the relationship between the components is not significant at the 95% significance level.

Table 63: Spearman's Correlation between Infrastructure Knowledge and Local Market Skills Gaps

			Infrastructure Knowledge	Local Market Skills Gaps
Spearman's rho	Infrastructure Knowledge	Correlation Coefficient	1.000	.110
		Sig. (2-tailed)	.	.259
		N	107	107
	Local Market Skills Gaps	Correlation Coefficient	.110	1.000
		Sig. (2-tailed)	.259	.
		N	107	107

5.6.3.10 Infrastructure Knowledge and Market Knowledge Improvement

As described in Table 12, the third component of Knowledge & Learning is Infrastructure Knowledge; and Table 8 indicates that the second component of Institutional Voids is Market Knowledge Improvement. Table 64 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.193 that indicates a positive relationship between the infrastructure knowledge component of knowledge & learning and the market knowledge improvement component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.047.

Table 64: Spearman's Correlation between Infrastructure Knowledge and Market Knowledge Improvement

			Infrastructure Knowledge	Market Knowledge Improvement
Spearman's rho	Infrastructure Knowledge	Correlation Coefficient	1.000	.193*
		Sig. (2-tailed)	.	.047
		N	107	107
	Market Knowledge Improvement	Correlation Coefficient	.193*	1.000
		Sig. (2-tailed)	.047	.
		N	107	107

*. Correlation is significant at the 0.05 level (2-tailed).

5.6.3.11 Infrastructure Knowledge and In-country relationships

As described in Table 12, the third component of Knowledge & Learning is Infrastructure Knowledge; and Table 8 indicates that the third component of Institutional Voids is In-country relationships. Table 65 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.449 that indicates a positive relationship between the infrastructure knowledge component of knowledge & learning and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.000.

Table 65: Spearman's Correlation between Infrastructure Knowledge and In-country relationships

			Infrastructure Knowledge	In-country relationships
Spearman's rho	**Infrastructure Knowledge**	**Correlation Coefficient**	1.000	.449**
		Sig. (2-tailed)	.	.000
		N	107	107
	In-country relationships	**Correlation Coefficient**	.449**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.3.12 Infrastructure Knowledge and Legal & Regulatory Framework

As described in Table 12, the third component of Knowledge & Learning is Infrastructure Knowledge; and Table 8 indicates that the fourth component of Institutional Voids Legal & Regulatory Frameworks. Table 66 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of -0.010 that indicates a negative correlation between the infrastructure knowledge component of knowledge & learning and the legal & regulatory framework component of institutional voids. However, the p-value (Sig.) of 0.920 indicates that the relationship between the components is not significant at the 95% significance level.

Table 66: Spearman's Correlation between Infrastructure Knowledge and Legal & Regulatory Framework

	Infrastructure Knowledge	Legal & Regulatory Framework

Spearman's rho	**Infrastructure Knowledge**	**Correlation Coefficient**	1.000	-.010
		Sig. (2-tailed)	.	.920
		N	107	107
	Legal & Regulatory Framework	**Correlation Coefficient**	-.010	1.000
		Sig. (2-tailed)	.920	.
		N	107	107

5.6.3.13 Local Market Skills Knowledge and Local Market Skills Gaps

As described in Table 12, the fourth component of Knowledge & Learning is Local Market Skills Knowledge; and Table 8 indicates that the first component of Institutional Voids is Local Market Skills Gaps. Table 67 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.281 that indicates a positive relationship between the local market skills knowledge component of knowledge & learning and the local market skills gaps component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.003.

Table 67: Spearman's Correlation between Local Market Skills Knowledge & Local Market Skills Gaps

			Local Market Skills Knowledge	**Local Market Skills Gaps**
Spearman's rho	**Local Market Skills Knowledge**	**Correlation Coefficient**	1.000	.281**
		Sig. (2-tailed)	.	.003
		N	107	107
	Local Market Skills Gaps	**Correlation Coefficient**	.281**	1.000
		Sig. (2-tailed)	.003	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.3.14 Local Market Skills Knowledge and Market Knowledge Improvement

As described in Table 12, the fourth component of Knowledge & Learning is Local Market Skills Knowledge; and Table 8 indicates that the second component of Institutional Voids is Market Knowledge Improvement. Table 68 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.219 that indicates a positive relationship between the local market skills

knowledge component of knowledge & learning and the market knowledge improvement component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.023.

Table 68: Spearman's Correlation between Local Market Skills Knowledge & Market Knowledge Improvement

			Local Market Skills Knowledge	Market Knowledge Improvement
Spearman's rho	**Local Market Skills Knowledge**	**Correlation Coefficient**	1.000	.219*
		Sig. (2-tailed)	.	.023
		N	107	107
	Market Knowledge Improvement	**Correlation Coefficient**	.219*	1.000
		Sig. (2-tailed)	.023	.
		N	107	107
*. Correlation is significant at the 0.05 level (2-tailed).				

5.6.3.15 Local Market Skills Knowledge and In-country relationships

As described in Table 12, the fourth component of Knowledge & Learning is Local Market Skills Knowledge; and Table 8 indicates that the third component of Institutional Voids is In-country relationships. Table 69Table 21 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.414 that indicates a positive relationship between the local market skills knowledge component of knowledge & learning and the in-country relationships component of institutional voids at a 95% significance level given the p-value (Sig.) of 0.000.

Table 69: Spearman's Correlation between Local Market Skills Knowledge & In-country relationships

			Local Market Skills Knowledge	In-country relationships
Spearman's rho	**Local Market Skills Knowledge**	**Correlation Coefficient**	1.000	.414**
		Sig. (2-tailed)	.	.000
		N	107	107
	In-country relationships	**Correlation Coefficient**	.414**	1.000
		Sig. (2-tailed)	.000	.
		N	107	107
**. Correlation is significant at the 0.01 level (2-tailed).				

5.6.3.16 Local Market Skills Knowledge and Legal & Regulatory Framework

As described in Table 12, the fourth component of Knowledge & Learning is Local Market Skills Knowledge; and Table 8 indicates that the fourth component of Institutional Voids Legal & Regulatory Frameworks. Table 70 shows the output of the Spearman's correlation test that was run for these two components which gives a correlation coefficient of 0.169 that indicates a positive relationship between the local market skills knowledge component of knowledge & learning and the legal & regulatory framework component of institutional voids. However, the p-value (Sig.) of 0.082 indicates that the relationship between the components is not significant at the 95% significance level.

Table 70: Spearman's Correlation between Local Market Skills Knowledge and Legal & Regulatory Framework

			Local Market Skills Knowledge	Legal & Regulatory Framework
Spearman's rho	Local Market Skills Knowledge	Correlation Coefficient	1.000	.169
		Sig. (2-tailed)	.	.082
		N	107	107
	Legal & Regulatory Framework	Correlation Coefficient	.169	1.000
		Sig. (2-tailed)	.082	.
		N	107	107

5.6.3.17 Summary of Results for Research Question 3

Table 37 provides a summary of the correlation coefficients for each Spearman's Rho correlation test that was conduct between each component of the Institutional Voids construct and each component of the Knowledge & Learning construct. Of the 16 correlation tests, 11 demonstrated positive correlations that were significant at a 95% significance level. However, 5 of the tests resulted in correlations which were not found to be significant at a 95% significance level. Based on the positive correlations demonstrated by the Spearman's Rho correlation tests that were conducted in response to research question 3, H_3 is accepted.

Table 71: Summary of Spearman's Rho Correlations for Research Question 3

Knowledge & Learning Component	Institutional Voids Component	Spearman's Correlation Coefficient	Sig. Value	Outcome
Market Specific Knowledge	Local Market Skills Gaps	0.227	0.019	Significant positive correlation
Market Specific Knowledge	Market Knowledge Improvement	0.194	0.046	Significant positive correlation
Market Specific Knowledge	In-country Relationships	0.294	0.002	Significant positive correlation
Market Specific Knowledge	Legal & Regulatory Framework	0.235	0.015	Significant positive correlation
General Internationalisation Knowledge	In-country Relationships	0.231	0.017	Significant positive correlation
Infrastructure Knowledge	Market Knowledge Improvement	0.193	0.047	Significant positive correlation
Infrastructure Knowledge	In-country Relationships	0.449	0.000	Significant positive correlation
Infrastructure Knowledge	Legal & Regulatory Framework	-0.010	0.920	Correlation not significant
Local Market Skills Knowledge	Local Market Skills Gaps	0.281	0.003	Significant positive correlation
Local Market Skills Knowledge	Market Knowledge Improvement	0.219	0.023	Significant positive correlation
Local Market Skills Knowledge	In-country Relationships	0.414	0.000	Significant positive correlation
General Internationalisation Knowledge	Local Market Skills Gaps	0.071	0.470	Correlation not significant
General Internationalisation Knowledge	Market Knowledge Improvement	0.039	0.690	Correlation not significant
General Internationalisation Knowledge	Legal & Regulatory Framework	0.057	0.557	Correlation not significant
Infrastructure Knowledge	Local Market Skills Gaps	0.110	0.259	Correlation not significant
Local Market Skills Knowledge	Legal & Regulatory Framework	0.169	0.082	Correlation not significant

5.6.4 Research Question 4

Business networks, knowledge & learning, and institutional voids predict the mode of market entry used by EMNCs when expanding into emerging markets.

- H_4: Institutional voids have an effect on mode of market entry
- H_5: Business networks have an effect on mode of market entry
- H_6: Knowledge & learning has an effect on mode of market entry

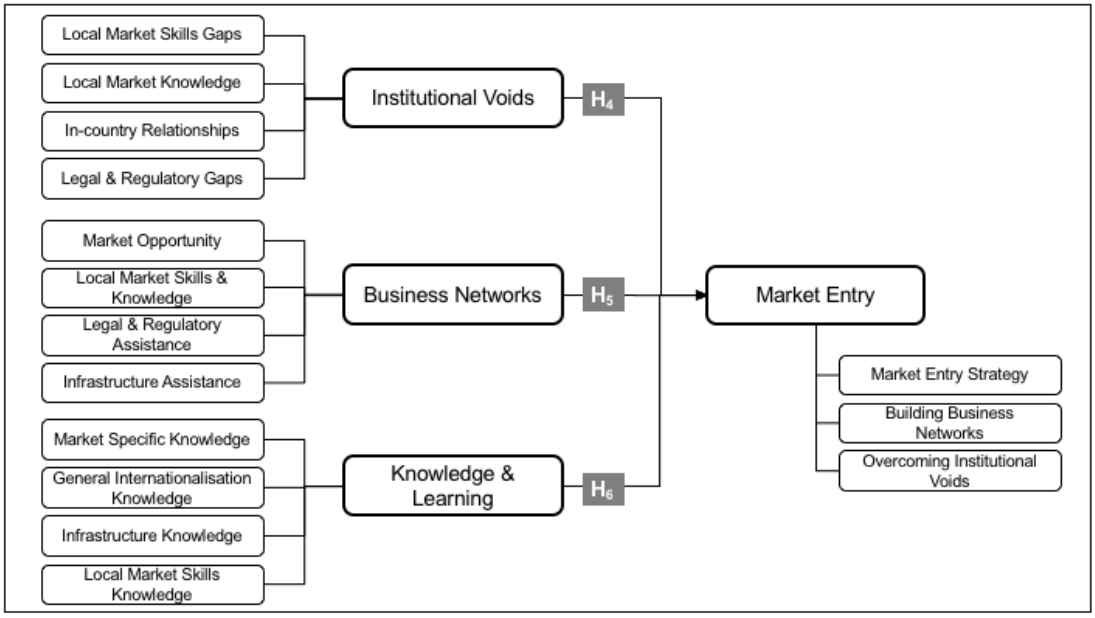

Figure 8: Proposed model for choice of mode of market entry

Research question 4, deals with whether the mode of market entry of EMNCs in emerging markets is predicted by the presence of institutional voids, knowledge & learning and business networks. Figure 8 describes the proposed model for mode of market entry of EMNCs entering emerging markets and depicts that institutional voids, knowledge & learning and business networks act as independent variables that predict the mode of market entry which is the dependent variable. As described in section 4.9.4, each construct (Institutional voids, Business networks, Knowledge & Learning and Market Entry) contains underlying components as depicted in Figure 8. The presence of underlying components necessitated running multiple regression analysis of each independent variable against each component of the dependent variable – Market Entry.

5.6.4.1 Institutional Voids & Market Entry Strategy – Multiple Regression Analysis

A multiple regression analysis was conducted to test H_4. The underlying components of the independent variable, institutional voids – Local Market Skills Gaps, Local Market Knowledge, In-country Relationships, and Legal & Regulatory gaps – were tested against the Market Entry Strategy which is the first component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 72, Table 73 and Table 74.

Table 72: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.369	.136	.103

From Table 72 the R, which is the multiple correlation coefficient, of 0.369 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in market entry strategy is explained by the underlying components of institutional voids. In the case of the H_4, it is determined that the underlying components of institutional voids explain 36.9% of the variance in market entry strategy. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 13.6% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 73: Multiple Regression Output – ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.520	4	2.630	4.026	.005
	Residual	66.627	102	.653		
	Total	77.147	106			

Table 73 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of market entry strategy by the components of institutional voids described by H_4. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the

table, Sig. = 0.005 which is less than 0.05 and it is therefore determined that the model proposed in H_4 is a good fit for the data.

Table 74 provides Sig. values for the components of the institutional voids variable which must each be evaluated to determine if it is a significant predictor of the market entry strategy component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, local market skills gaps was found to be a significant predictor with a Sig value of 0.005. However, the market knowledge improvement, in-country relationships and legal & regulatory framework components were deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

Table 74: Multiple Regression Output - Results

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.622	.823		3.185	.002	.989	4.255
	IV - Local Market Skills Gaps	.255	.089	.275	2.865	.005	.078	.431
	IV - Market Knowledge Improvement	-.017	.110	-.015	-.158	.875	-.235	.200
	IV - In-country relationships	.108	.151	.070	.716	.475	-.191	.408
	IV - Legal & Regulatory Framework	.269	.159	.164	1.691	.094	-.047	.585

5.6.4.2 Institutional Voids & Building Business Networks – Multiple Regression Analysis

A multiple regression analysis was conducted to test H_4. The underlying components of the independent variable, institutional voids – Local Market Skills Gaps, Local Market Knowledge, In-country Relationships, and Legal & Regulatory gaps – were tested against the Building Business Networks which is the second component of the

dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 75, Table 76 and Table 77.

Table 75: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.363[a]	.132	.098

From Table 75 the R, which is the multiple correlation coefficient, of 0.363 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in building business networks is explained by the underlying components of institutional voids. In the case of the H_4, it is determined that the underlying components of institutional voids explain 13.2% of the variance in building business networks. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 9.8% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 76: Multiple Regression Output – ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.009	4	2.002	3.866	.006[b]
	Residual	52.830	102	.518		
	Total	60.839	106			

Table 76 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of building business networks by the components of institutional voids described by H_4. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.006 which is less than 0.05 and it is therefore determined that the model proposed in H_4 is a good fit for the data.

Table 77 provides Sig. values for the components of the institutional voids variable which must each be evaluated to determine if it is a significant predictor of the building business network component of mode of market entry using the 95% confidence level. This means

that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, in-country relationships was found to be a significant predictor with a Sig value of 0.005. However, the market knowledge improvement, local market skills gaps and legal & regulatory framework components were deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

Table 77: Multiple Regression Output - Results

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.738	.733		3.736	.000	1.284	4.192
	IV - Local Market Skills Gaps	.087	.079	.106	1.101	.273	-.070	.244
	IV - Market Knowledge Improvement	.065	.098	.065	.670	.504	-.128	.259
	IV - In-country relationships	.387	.135	.281	2.879	.005	.120	.654
	IV - Legal & Regulatory Framework	.075	.142	.052	.531	.597	-.206	.356

5.6.4.3 Institutional Voids & Overcoming Institutional Voids – Multiple Regression Analysis

A multiple regression analysis was conducted to test H_4. The underlying components of the independent variable, institutional voids – Local Market Skills Gaps, Local Market Knowledge, In-country Relationships, and Legal & Regulatory gaps – were tested against Overcoming Institutional Voids which is the third component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 78, Table 79 and Table 80.

Table 78: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square

1	.445[a]	.198	.167

From Table 78 the R, which is the multiple correlation coefficient, of 0.445 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in the overcoming institutional voids component of mode of market entry is explained by the underlying components of the institutional voids construct. In the case of the H_4, it is determined that the underlying components of institutional voids explain 19.8% of the variance in the overcoming institutional voids component of mode of market entry. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 16.7% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 79: Multiple Regression Output – ANOVA

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	17.687	4	4.422	6.310	.000[b]
	Residual	71.481	102	.701		
	Total	89.168	106			

Table 79 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of overcoming institutional voids by the components of institutional voids described by H_4. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.000 which is less than 0.05 and it is therefore determined that the model proposed in H_4 is a good fit for the data.

Table 80: Multiple Regression Output - Results

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**			**95.0% Confidence Interval for B**	
		B	**Std. Error**	**Beta**	**t**	**Sig.**	**Lower Bound**	**Upper Bound**
1	**(Constant)**	1.895	.853		2.223	.028	.204	3.586

	IV - Local Market Skills Gaps	.139	.092	.140	1.506	.135	-.044	.322
	IV - Market Knowledge Improvement	-.030	.114	-.025	-.267	.790	-.256	.195
	IV - In-country relationships	.668	.157	.401	4.266	.000	.357	.978
	IV - Legal & Regulatory Framework	-.008	.165	-.005	-.048	.962	-.335	.319

Table 80 provides Sig. values for the components of the institutional voids variable which must each be evaluated to determine if it is a significant predictor of the overcoming institutional voids component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, in-country relationships was found to be a significant predictor with a Sig value of 0.005. However, the market knowledge improvement, local market skills gaps and legal & regulatory framework components were deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

5.6.4.4 Business Networks & Market Entry Strategy – Multiple Regression Analysis

A multiple regression analysis was conducted to test H_5. The underlying components of the independent variable, business networks – Market Opportunity, Local Market Know-how, Legal & Regulatory Assistance, and Infrastructure Assistance – were tested against Market Entry Strategy which is the first component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 81, Table 82 and Table 83.

Table 81: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.600[a]	.360	.335

From Table 81 the R, which is the multiple correlation coefficient, of 0.600 was evaluated and it was determined that there is a correlation between the variables in the model and

that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in the market entry strategy component of mode of market entry is explained by the underlying components of the business networks construct. In the case of the H_5, it is determined that the underlying components of business networks explain 36.0% of the variance in the institutional voids component of mode of market entry. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 33.5% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 82: Multiple Regression Output – ANOVA

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	27.755	4	6.939	14.329	.000[b]
	Residual	49.392	102	.484		
	Total	77.147	106			

Table 82 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of market entry strategy by the components of business networks described by H_5. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.000 which is less than 0.05 and it is therefore determined that the model proposed in H_5 is a good fit for the data.

Table 83: Multiple Regression Output - Results

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**			**95.0% Confidence Interval for B**	
		B	**Std. Error**	**Beta**	**t**	**Sig.**	**Lower Bound**	**Upper Bound**
1	**(Constant)**	1.475	.553		2.666	.009	.377	2.572
	BN - Market Opportunity	.067	.082	.077	.819	.415	-.096	.231
	BN - Local market know-how	.270	.092	.282	2.940	.004	.088	.451

	BN - Legal & Regulatory Assistance	.283	.071	.341	4.008	.000	.143	.423
	BN - Infrastructure Assistance	.130	.081	.134	1.614	.110	-.030	.290

Table 83 provides Sig. values for the components of the business networks variable which must each be evaluated to determine if it is a significant predictor of the market entry strategy component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, local market know-how and legal & regulatory assistance were found to be significant predictors with a Sig values less than 0.05. However, the market opportunity and infrastructure assistance components were deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

5.6.4.5 Business Networks & Building Business Networks – Multiple Regression Analysis

A multiple regression analysis was conducted to test H_5. The underlying components of the independent variable, business networks – Market Opportunity, Local Market Know-how, Legal & Regulatory Assistance, and Infrastructure Assistance – were tested against Building Business Networks which is the second component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 84, Table 85 and Table 86.

Table 84: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.732[a]	.535	.517

From Table 84 the R, which is the multiple correlation coefficient, of 0.732 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in the building business networks component of mode of market entry is explained by the underlying components of the business networks construct. In the case of the H_5, it

is determined that the underlying components of business networks explain 53.5% of the variance in the building business networks component of mode of market entry. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 51.7% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 85: Multiple Regression Output – ANOVA

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	32.574	4	8.144	29.388	.000[b]
	Residual	28.265	102	.277		
	Total	60.839	106			

Table 85 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of building business networks by the components of business networks described by H_5. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.000 which is less than 0.05 and it is therefore determined that the model proposed in H_5 is a good fit for the data.

Table 86: Multiple Regression Output - Results

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**			**95.0% Confidence Interval for B**	
		B	**Std. Error**	**Beta**	**t**	**Sig.**	**Lower Bound**	**Upper Bound**
1	**(Constant)**	1.156	.418		2.763	.007	.326	1.986
	BN - Market Opportunity	.239	.062	.307	3.832	.000	.115	.362
	BN - Local market know-how	.353	.069	.415	5.084	.000	.215	.490
	BN - Legal & Regulatory Assistance	.039	.053	.053	.730	.467	-.067	.145
	BN - Infrastructure Assistance	.171	.061	.199	2.812	.006	.051	.292

Table 86 provides Sig. values for the components of the business networks variable which must each be evaluated to determine if it is a significant predictor of the building business network component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, market opportunity, local market know-how and infrastructure assistance were found to be significant predictors with a Sig values less than 0.05. However, the legal & regulatory assistance component was deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

5.6.4.6 Business Networks & Overcoming Institutional Voids – Multiple Regression Analysis

A multiple regression analysis was conducted to test H_5. The underlying components of the independent variable, business networks – Market Opportunity, Local Market Know-how, Legal & Regulatory Assistance, and Infrastructure Assistance – were tested against Overcoming Institutional Voids which is the third component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 87, Table 88 and Table 89.

Table 87: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.527[a]	.278	.249

From Table 87 the R, which is the multiple correlation coefficient, of 0.527 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in the overcoming institutional voids component of mode of market entry is explained by the underlying components of the business networks construct. In the case of the H_5, it is determined that the underlying components of business networks explain 27.8% of the variance in the overcoming institutional voids component of mode of market entry. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 24.9% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 88: Multiple Regression Output – ANOVA

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	**Regression**	24.748	4	6.187	9.796	.000[b]
	Residual	64.420	102	.632		
	Total	89.168	106			

Table 88 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of overcoming institutional voids by the components of business networks described by H_5. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.000 which is less than 0.05 and it is therefore determined that the model proposed in H_5 is a good fit for the data.

Table 89 provides Sig. values for the components of the business networks variable which must each be evaluated to determine if it is a significant predictor of the overcoming institutional voids component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, market opportunity, legal & regulatory assistance and infrastructure assistance were found to be significant predictors with a Sig values less than 0.05. However, the local market know-how component was deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

Table 89: Multiple Regression Output - Results

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**			**95.0% Confidence Interval for B**	
		B	**Std. Error**	**Beta**	**t**	**Sig.**	**Lower Bound**	**Upper Bound**
1	**(Constant)**	1.599	.632		2.531	.013	.346	2.852
	BN - Market Opportunity	.246	.094	.261	2.617	.010	.060	.432
	BN - Local market know-how	-.119	.105	-.116	-1.136	.259	-.327	.089

	BN - Legal & Regulatory Assistance	.187	.081	.210	2.319	.022	.027	.347
	BN - Infrastructure Assistance	.363	.092	.348	3.942	.000	.180	.545

5.6.4.7 Knowledge & Learning & Market Entry Strategy – Multiple Regression Analysis

A multiple regression analysis was conducted to test $H_{6.}$ The underlying components of the independent variable, knowledge & learning – Market Specific Knowledge, General Internationalisation Knowledge, Infrastructure Knowledge, and Local Market Skills Knowledge – were tested against Market Entry Strategy which is the first component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 90, Table 91 and Table 92.

Table 90: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.548[a]	.301	.273

From Table 90 the R, which is the multiple correlation coefficient, of 0.548 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in the market entry strategy component of mode of market entry is explained by the underlying components of the knowledge & learning construct. In the case of the H_6, it is determined that the underlying components of knowledge & learning explain 30.1% of the variance in the market entry strategy component of mode of market entry. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 27.3% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 91: Multiple Regression Output – ANOVA

ANOVA[a]					
Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**

1	**Regression**	23.187	4	5.797	10.958	.000[b]
	Residual	53.960	102	.529		
	Total	77.147	106			

Table 91 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of market entry strategy by the components of knowledge & learning described by H_6. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.000 which is less than 0.05 and it is therefore determined that the model proposed in H_6 is a good fit for the data.

Table 92: Multiple Regression Output - Results

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**			**95.0% Confidence Interval for B**	
		B	**Std. Error**	**Beta**	**t**	**Sig.**	**Lower Bound**	**Upper Bound**
1	**(Constant)**	1.817	.622		2.920	.004	.583	3.051
	Knowledge & Learning - Market specific knowledge	.148	.122	.136	1.212	.228	-.094	.391
	Knowledge & Learning - General Internationalisation Knowledge	.339	.148	.218	2.295	.024	.046	.631
	Knowledge & Learning - Infrastructure Knowledge	-.031	.090	-.032	-.338	.736	-.210	.149
	Knowledge & Learning - Local Market Skills Knowledge	.319	.092	.346	3.454	.001	.136	.503

Table 92 provides Sig. values for the components of the knowledge & learning variable which must each be evaluated to determine if it is a significant predictor of the market

entry strategy component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, general internationalisation knowledge and local market skills knowledge were found to be significant predictors with a Sig values less than 0.05. However, the market specific knowledge and infrastructure knowledge components was deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

5.6.4.8 Knowledge & Learning & Building Business Networks – Multiple Regression Analysis

A multiple regression analysis was conducted to test $H_{6.}$ The underlying components of the independent variable, knowledge & learning – Market Specific Knowledge, General Internationalisation Knowledge, Infrastructure Knowledge, and Local Market Skills Knowledge – were tested against Building Business Networks which is the second component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 93, Table 94 and Table 95.

Table 93: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.783[a]	.613	.597

From Table 93 the R, which is the multiple correlation coefficient, of 0.783 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in the building business networks component of mode of market entry is explained by the underlying components of the knowledge & learning construct. In the case of the H_6, it is determined that the underlying components of knowledge & learning explain 61.3% of the variance in the building business networks component of mode of market entry. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 59.7% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 94: Multiple Regression Output – ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.274	4	9.318	40.335	.000[b]
	Residual	23.565	102	.231		
	Total	60.839	106			

Table 94 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of building business networks by the components of knowledge & learning described by H_6. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.000 which is less than 0.05 and it is therefore determined that the model proposed in H_6 is a good fit for the data.

Table 95: Multiple Regression Output - Results

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.817	.622		2.920	.004	.583	3.051
	Knowledge & Learning - Market specific knowledge	.148	.122	.136	1.212	.228	-.094	.391
	Knowledge & Learning - General Internationalisation Knowledge	.339	.148	.218	2.295	.024	.046	.631
	Knowledge & Learning - Infrastructure Knowledge	-.031	.090	-.032	-.338	.736	-.210	.149
	Knowledge & Learning - Local Market Skills Knowledge	.319	.092	.346	3.454	.001	.136	.503

Table 95 provides Sig. values for the components of the knowledge & learning variable which must each be evaluated to determine if it is a significant predictor of the building

business networks component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, general internationalisation knowledge and local market skills knowledge were found to be significant predictors with a Sig values less than 0.05. However, the market specific knowledge and infrastructure knowledge components was deemed to be poor predictors of market entry strategy with a Sig values exceeding 0.05.

5.6.4.9 Knowledge & Learning & Overcoming Institutional Voids – Multiple Regression Analysis

A multiple regression analysis was conducted to test $H_{6.}$ The underlying components of the independent variable, knowledge & learning – Market Specific Knowledge, General Internationalisation Knowledge, Infrastructure Knowledge, and Local Market Skills Knowledge – were tested against Overcoming Institutional Voids which is the third component of the dependent variable, mode of market entry. The outputs of the multiple regression test are shown in Table 96, Table 97 and Table 98.

Table 96: Multiple Regression Output - Regression Statistics

Model	R	R Square	Adjusted R Square
1	.573[a]	.328	.302

From Table 96 the R, which is the multiple correlation coefficient, of 0.573 was evaluated and it was determined that there is a correlation between the variables in the model and that there is some level of prediction found in the independent variables. The R Square value, or the coefficient of determination, gives an indication of how much of the variance in the overcoming institutional voids component of mode of market entry is explained by the underlying components of the knowledge & learning construct. In the case of the H_6, it is determined that the underlying components of knowledge & learning explain 32.8% of the variance in the overcoming institutional voids component of mode of market entry. However, due to the sample based biased that R Square is subject to, the Adjusted R Square value of 30.2% is a more appropriate measure of the variance in the dependent variable that is explained by the independent variables.

Table 97: Multiple Regression Output – ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.245	4	7.311	12.445	.000[b]
	Residual	59.924	102	.587		
	Total	89.168	106			

Table 97 provides insights into the ANOVA outputs of the multiple regression analysis and is an indicator of the fit of the proposed predictability of the overcoming institutional voids component of mode of market entry by the components of knowledge & learning described by H_6. In order to measure the model's fit, the Sig. or p-value is evaluated using a 95% confidence level. Thus, if the p-value is less than 0.05 then the model is deemed to be a good fit for the data. As can be seen in the table, Sig. = 0.000 which is less than 0.05 and it is therefore determined that the model proposed in H_6 is a good fit for the data.

Table 98: Multiple Regression Output - Results

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.849	.411		2.065	.041	.034	1.665
	Knowledge & Learning - Market specific knowledge	.190	.081	.196	2.352	.021	.030	.350
	Knowledge & Learning - General Internationalisation Knowledge	.225	.097	.163	2.305	.023	.031	.418
	Knowledge & Learning - Infrastructure Knowledge	.215	.060	.254	3.605	.000	.097	.334
	Knowledge & Learning - Local Market Skills Knowledge	.343	.061	.419	5.611	.000	.222	.464

Table 98 provides Sig. values for the components of the knowledge & learning variable which must each be evaluated to determine if it is a significant predictor of the

overcoming institutional voids component of mode of market entry using the 95% confidence level. This means that any independent variable component that has a p-value greater than 0.05 was deemed to be not a significant predictor. Based on this, the market specific knowledge, general internationalisation knowledge, infrastructure knowledge and local market skills knowledge components were all found to be significant predictors with a Sig value of less than 0.05.

5.6.4.10 Summary of Results for Research Question 4

Table 99 provides a summary of the Adjust R-Squared and Sig. values from all multiple regression tests that were conducted for research question 4. Based on this data, the following results were derived:

- H_4 is rejected as only 3 out of 12 components of the institutional voids construct were significant predictors of the mode of market entry construct - Market entry strategy = 1 out of 4 components; Building business networks = 1 out of 4 components; Overcoming Institutional Voids = 1 out of 4 components. This implies that institutional voids are not a good predictor of mode of market entry.
- H_5 is accepted as 8 out of 12 components of the business networks construct were significant predictors of the mode of market entry construct - Market entry strategy = 2 out of 4 components; Building business networks = 3 out of 4 components; Overcoming Institutional Voids = 3 out of 4 components. This implies that business networks are a good predictor of mode of market entry.
- H_6 is accepted as 7 out of 12 components the knowledge & learning construct were significant predictors of the mode of market entry construct - Market entry strategy = 2 out of 4 components; Building business networks = 4 out of 4 components; Overcoming Institutional Voids = 1 out of 4 components. This implies that knowledge & learning is a good predictor of mode of market entry.

Table 99: Summary of Multiple Regression Analysis

Hypothesis	Independent Variable Component	Dependent Variable Component	Overall Adjusted R-Squared	Sig.
H_4	Institutional Voids - Local Market Skills Gaps	Mode of Market Entry – Market Entry Strategy	0.103	0.005

Hypothesis	Independent Variable Component	Dependent Variable Component	Overall Adjusted R-Squared	Sig.
H_4	Institutional Voids - Market Knowledge Improvement	Mode of Market Entry – Market Entry Strategy		0.875
H_4	Institutional Voids - In-country relationships	Mode of Market Entry – Market Entry Strategy		0.475
H_4	Institutional Voids - Legal & Regulatory Framework	Mode of Market Entry – Market Entry Strategy		0.094
H_4	Institutional Voids - Local Market Skills Gaps	Mode of Market Entry – Building Business Networks		0.273
H_4	Institutional Voids - Market Knowledge Improvement	Mode of Market Entry – Building Business Networks	0.098	0.504
H_4	Institutional Voids - In-country relationships	Mode of Market Entry – Building Business Networks		0.005
H_4	Institutional Voids - Legal & Regulatory Framework	Mode of Market Entry – Building Business Networks		0.597
H_4	Institutional Voids - Local Market Skills Gaps	Mode of Market Entry – Overcoming Institutional Voids		0.135
H_4	Institutional Voids - Market Knowledge Improvement	Mode of Market Entry – Overcoming Institutional Voids	0.167	0.790
H_4	Institutional Voids - In-country relationships	Mode of Market Entry – Overcoming Institutional Voids		0.000
H_4	Institutional Voids - Legal & Regulatory Framework	Mode of Market Entry – Overcoming Institutional Voids		0.962
H_5	Business Networks - Market Opportunity	Mode of Market Entry – Market Entry Strategy		0.415
H_5	Business Networks - Local market know-how	Mode of Market Entry – Market Entry Strategy		0.004
H_5	Business Networks - Legal & Regulatory Assistance	Mode of Market Entry – Market Entry Strategy	0.335	0.000
H_5	Business Networks - Infrastructure Assistance	Mode of Market Entry – Market Entry Strategy		0.110
H_5	Business Networks - Market Opportunity	Mode of Market Entry – Building Business Networks		0.000
H_5	Business Networks - Local market know-how	Mode of Market Entry – Building Business Networks		0.000
H_5	Business Networks - Legal & Regulatory Assistance	Mode of Market Entry – Building Business Networks	0.517	0.467

Hypothesis	Independent Variable Component	Dependent Variable Component	Overall Adjusted R-Squared	Sig.
H_5	Business Networks - Infrastructure Assistance	Mode of Market Entry – Building Business Networks		0.006
H_5	Business Networks - Market Opportunity	Mode of Market Entry – Overcoming Institutional Voids		0.010
H_5	Business Networks - Local market know-how	Mode of Market Entry – Overcoming Institutional Voids		0.259
H_5	Business Networks - Legal & Regulatory Assistance	Mode of Market Entry – Overcoming Institutional Voids	0.249	0.022
H_5	Business Networks - Infrastructure Assistance	Mode of Market Entry – Overcoming Institutional Voids		0.000
H_6	Knowledge & Learning - Market specific knowledge	Mode of Market Entry – Market Entry Strategy		0.228
H_6	Knowledge & Learning - General Internationalisation Knowledge	Mode of Market Entry – Market Entry Strategy	0.273	0.024
H_6	Knowledge & Learning - Infrastructure Knowledge	Mode of Market Entry – Market Entry Strategy		0.736
H_6	Knowledge & Learning - Local Market Skills Knowledge	Mode of Market Entry – Market Entry Strategy		0.001
H_6	Knowledge & Learning - Market specific knowledge	Mode of Market Entry – Building Business Networks		.021
H_6	Knowledge & Learning - General Internationalisation Knowledge	Mode of Market Entry – Building Business Networks	0.597	.023
H_6	Knowledge & Learning - Infrastructure Knowledge	Mode of Market Entry – Building Business Networks		.000
H_6	Knowledge & Learning - Local Market Skills Knowledge	Mode of Market Entry – Building Business Networks		.000
H_6	Knowledge & Learning - Market specific knowledge	Mode of Market Entry – Overcoming Institutional Voids		0.172
H_6	Knowledge & Learning - General Internationalisation Knowledge	Mode of Market Entry – Overcoming Institutional Voids	0.302	0.495

Hypothesis	Independent Variable Component	Dependent Variable Component	Overall Adjusted R-Squared	Sig.
H_6	Knowledge & Learning - Infrastructure Knowledge	Mode of Market Entry – Overcoming Institutional Voids		0.000
H_6	Knowledge & Learning - Local Market Skills Knowledge	Mode of Market Entry – Overcoming Institutional Voids		0.702

Chapter 6: Discussion of results

6.1 Introduction

As described in Chapter 1 study aimed to understand how EMNCs use business networks as a mode of market entry into emerging markets. Chapter 2 provided insight into existing literature which described the presence of institutional voids in emerging markets, the contribution of business networks in the attainment of knowledge and the role of knowledge in both overcoming institutional voids as well as market entry. From a business and academic perspective, it was evident that there was a need to further understand the role that business networks in market entry for EMNCs which led to the development of the research questions defined in Chapter 3. In order to answer the research questions, a questionnaire was developed and distributed to respondents applying the methodology set out in Chapter 4. Chapter 5 provided the results of the statistical analysis that was performed on the sample data which included correlation and multiple regression testing as deemed necessary by the research questions. Chapter 6 will discuss in finer detail the findings of the statistical analysis as they relate to the research questions and demonstrate the relationship of the results with existing emerging market internationalisation literature that deals with market entry, institutional voids, business networks and knowledge.

The proposed model for this study as described in Figure 8 is based on the findings of the literature review that was provided in Chapter 2 and deals with four primary constructs – institutional voids, business networks, knowledge & learning and market entry. From existing literature, we understand institutions to be formal and informal systems that enable organisations' business operations in a country (Khanna & Palepu, 1997) and that the absence, weakened or ineffective institutions are termed institutional voids (Khanna & Palepu, 1997; Parmigiani & Rivera-Santos, 2015; Kim & Song, 2017). Strong institutions enable effective business operations in a market (Meyer et al, 2009) and reduce uncertainty in the course of doing business (Kim & Song, 2017) – both of which contribute to creating a better operating context for organisations. Of interest is the suggestion by Verbeke & Kano (2015) that institutional voids faced by EMNCs in each market create firm specific advantages which can provide them with the ability to succeed in challenging market contexts (Cuervo-Cazurra & Genc, 2008). Furthermore, it is noteworthy for the purposes of this study that institutional voids are found to be prevalent in emerging markets but this does not deter EMNCs from pursuing growth opportunities in these markets (Parmigiani & Rivera-Santos, 2015). Based on the available literature on institutional voids, it is was determined that institutional voids have relevance to emerging market internationalisation strategies at some level.

Knowledge and learning in the context of this study includes market specific and general internationalisation knowledge, as well as knowledge about customer, demand drivers, suppliers and government, which supports organisational decision making (Johanson & Vahlne, 1977) and requires ongoing investment in acquiring or accessing the most recent and relevant information (Forsgren, 2002) through continuous learning (Bouquet et al, 2009). While contemporary literature has focused on different ways of overcoming institutional voids (Marano et al, 2017; Doh et al, 2017), Kim & Song (2017) specifically focus on the influence of information flow and availability as a means to deal with institutional voids and suggest that knowledge & learning can be attained through leveraging a cross-border business network. Marano et al, (2017) add that generalised knowledge and information can be utilised through internationalisation standards and best practice which also facilitate overcoming the challenges posed by institutional voids in emerging markets. The available literature on market knowledge indicates that knowledge and learning are key to market entry in emerging markets and that there is a relationship between knowledge and institutional voids.

Business networks are defined as clusters of relationships (Johanson & Vahlne, 2010) spanning customers, suppliers, social and institutional networks (Ferrucci et al, 2017). Ferrucci et al (2017) further suggest that cross-border business networks may highlight foreign market opportunities and provide knowledge about foreign markets both of which support the internationalisation process. Business network theory in the emerging market context suggest that in addition to a business network spanning multiple countries (Ferrucci et al, 2017), it should also cross industry and sector borders to include many different kinds of partners in order to increase the breadth and depth of internationalisation knowledge (Rivera-Santos et al, 2012; Karabag & Berggren, 2014). As described above, knowledge and learning are key to overcoming institutional voids, and it is evident that knowledge can be attained through a business network which demonstrates that all three of these constructs contribute to emerging market internationalisation approaches.

The primary modes of market entry that are used by internationalising organisations are defined as start-ups, acquisitions, licensing agreements and export transactions (Zahra et al, 2000) and joint ventures (Luo & Tung, 2007; Johanson & Vahlne, 2009). It is suggested that the value of joint venture to EMNCs may be that it provides access to resources, skills or knowledge from partners through the market expansion process (Luo & Tung, 2007) which may be of particular relevance in weak institutional context (Meyer et al, 2009; Brouthers, 2013). Knowledge is a key factor for market entry strategies and

specifically knowledge attained through leveraging network relationships (Bouquet et al, 2009; Bouquet & Birkinshaw, 2011). Contemporary literature has developed an understanding that business networks have a significant role to play in internationalisation (Khanna & Palepu, 1997; Khanna & Palepu, 2000; Johanson & Vahlne, 2009; Bouquet & Birkinshaw, 2011; Rivera-Santos et al, 2012; Karabag & Berggren, 2014; Alcácer et al, 2016; Ferrucci et al, 2017), however it should be noted that Ramamurti (2012) provides a model for EMNC internationalisation which does not support the idea that business networks are a key factor in the emerging market internationalisation strategy.

It is evident from the literature review that institutional voids, knowledge and business networks have been found to play a role in internationalisation approaches in the emerging market context. However, the aim of this study was to understand the how EMNCs are leveraging business networks as a mode of market entry in emerging markets which requires analysis of the relationships that exist between the constructs - institutional voids, knowledge, business networks and mode of market entry. Chapter 5 provided the results of the statistical tests that were conducted on the sample data in order to measure the relationships between these constructs. The sections that follow in Chapter 6 will discuss the findings as they relate to the literature in order to draw conclusions about the relationships with respect to the overarching research question.

6.2 Research Question 1

Knowledge & learning is positively influenced by EMNCs belonging to a business network.

- H_1: A significant relationship exists between business networks and knowledge & learning.

Research question 1 aimed to understand if EMNCs perceive a relationship between business networks and the attainment of knowledge both in terms of general internationalisation as well as market specific knowledge. This is key to the study as it demonstrates that business networks offer EMNCs a route to increasing their knowledge and learning opportunities as part of their internationalisation efforts which become ingrained in organisations as part of their decision structures (Johanson & Vahlne, 1977). A review of the literature indicated that knowledge has a role to play in overcoming liabilities of foreignness (Johanson & Vahlne, 1977; Forsgren 2016) which is important for organisations that are internationalising as it provides information about customers, demand, supply and institutions within the targeted market (Zhao et al, 2014). Alcácer et

al (2016) suggest that while the digital age has opened up access to information about new markets for internationalising organisations, the role of business networks in gaining knowledge is still significant. In particular, Ferrucci et al (2017) refer to the types of networks including social, customer, supplier and institutional networks which provides different types of information about the market and enables organisations to navigate new markets where some knowledge has broader applicability than others. Thus, this research question was an attempt to confirm the relationship between business networks and knowledge & learning which was described by the literature.

With respect to the knowledge & learning construct, it is noteworthy that respondents answered questions that pertained to both general internationalisation knowledge as well as market specific knowledge. Additionally, Table 12 provides the detail of the questions which were included in the knowledge & learning construct for analysis, and it can be seen that respondents were asked to evaluate knowledge in terms of specific factors such as local market skills, legal & regulatory frameworks & infrastructure challenges. The business networks construct included questions which covered components of opportunity recognition and creation as well how EMNCs leverage them to overcome key internationalisation challenges as detailed in Table 10.

In order to answer research question, a Spearman's Rho correlation were conducted on each underlying component of the business network construct against each underlying component of the knowledge & learning construct due to the sample data for these two constructs not being normally distributed. The outcome of the tests are described in section 5.6.1 which indicates that a positive correlation was confirmed for 14 out 16 component tests that were conducted at a 95% significance level. H_1 was thus accepted which is congruent with the existing literature (Johanson & Vahlne, 1977; Forsgren 2016; Zhao et al, 2014; Alcácer et al; 2016; Ferrucci et al, 2017). With respect to this study, this confirmation is imperative as it demonstrates that business networks are being used by EMNCs to build knowledge about general internationalisation as well as market specific knowledge.

6.3 Research Question 2

Overcoming institutional voids is positively influenced by EMNCs belonging to a business network.

- H_2: A significant relationship exists between business networks and institutional voids.

The purpose of research question 2 was to determine if EMNCs perceive a relationship between business networks and overcoming the challenges that institutional voids pose to the internationalisation process. This question adds value to the study because it demonstrates that beyond the attainment of knowledge, business networks add value in the internationalisation process because they offer EMNCs assistance in overcoming institutional voids through the relationships that exist within the network and through the knowledge that exists in each organisation within the network. The literature review revealed that institutional voids are prevalent in emerging markets (Parmigiani & Rivera-Santos, 2015) which can be attributed poverty (Khanna & Palepu, 1997), underdevelopment of regulatory frameworks (Madhok & Keyhani, 2012) coupled with the overbearing regulatory bodies (Khanna & Palepu, 1997; Kostova & Hult, 2016) and the direction of political agendas in these markets (Puffer et al, 2010; Stephan et al, 2015). However, despite the prevalence of institutional voids, Parmigiani & Rivera-Santos (2015) note that there are significant growth opportunities in emerging markets that attract internationalisation attempts by MNCs and EMNCs alike. Kim & Song (2017) propose that EMNCs can leverage business networks in order to overcome institutional voids in emerging markets.

In terms of the institutional voids construct, it should be noted that three specific factors were considered for this study – local market skills, infrastructure and legal and regulatory frameworks – as these offered common factors for various industries that are represented in the study. Table 8 provides details of the questions that were aggregated for the statistical analysis of this construct and the components that were identified through factor analysis of this construct.

A Spearman's Rho correlation was conducted on each underlying component of the business network construct against each underlying component of the institutional voids due to the constructs not being normally distributed. The outcome of the tests are described in section 5.6.2 which indicates that a positive correlation was confirmed for 8 out of the 16 component tests that were conducted at a 95% significance level. Thus, H_2 failed to be rejected. While existing literature (Kim & Song, 2017; Doh et al, 2017) suggests a correlation between business networks and institutional voids, it must be noted that for this study cannot confirm this. Furthermore, this study sought this confirmation as a foundational element to answer the overarching research question on how EMNCs are leveraging business networks to overcome institutional voids during the

internationalisation process and the absence of this confirmation indicates that the proposed model described Figure 8 requires further refinement.

6.4 Research Question 3

Knowledge & learning positively influence and EMNCs ability to overcome institutional voids.

- H_3: A significant relationship exists between knowledge & learning and institutional voids.

Research question 3 focused on how EMNCs leverage knowledge & learning to overcome institutional voids that they encounter in the course of entering emerging markets. A review of literature provided insight into the potential of knowledge & learning as a solution to overcome institutional voids (Kim & Song, 2017) making the attainment of knowledge about customers, demand, supply and institutions imperative in a new market (Zhao et al, 2014).

A Spearman's Rho correlation was conducted on each underlying component of the knowledge & learning construct against each underlying component of the institutional voids due to the constructs not being normally distributed. The outcome of the tests are described in section 5.6.3 which indicates that a positive correlation was confirmed for 11 out of the 16 component tests that were conducted at a 95% significance level. H_3 was thus accepted which is congruent with the existing literature (Kim & Song, 2017; Zhao et al, 2014). With respect to this study, this confirmation is noteworthy as it confirms that knowledge & learning are key elements of EMNCs internationalisation strategies to overcome institutional voids when entering new markets.

6.5 Research Question 4

Business networks, knowledge & learning, and institutional voids predict the mode of market entry used by EMNCs when expanding into emerging markets.

- H_4: Institutional voids have an effect on mode of market entry
- H_5: Business networks have an effect on mode of market entry
- H_6: Knowledge & learning has an effect on mode of market entry

The purpose of research question is to address how EMNCs mode of market entry into emerging markets is influenced by business networks, knowledge and institutional voids. The model proposed by this research question is described in Figure 8. The study's literature review indicated that the mode of market entry that is selected by an EMNC reflects the level of control that the organisation hopes to exert in that market (Erramilli, 1991) and the level of commitment to the target market (Johanson & Vahlne, 1977). The most common modes of entry are suggested to be start-ups, acquisitions, licensing agreements, export transactions (Zahra et al, 2000) and joint ventures (Luo & Tung, 2007; Johanson & Vahlne, 2009). However, the presence of institutional voids can influence the EMNCs mode of market entry with joint ventures enabling access to resources and improved ability to overcome legal restrictions in weak institutional contexts (Meyer et al, 2009; Brouthers, 2013). H_4, as part of research question 4, deals specifically with the perception of respondents about the influence of institutional voids on the mode of market entry.

In addition, the literature review demonstrated that business networks have an effect on the mode of market entry selected for internationalisation in terms of opportunity recognition and opportunity creation in new markets (Johanson & Vahlne, 2009). Alcácer et al (2016) suggest that belonging to a business network as well as the organisations position in that network drives internationalisation strategies due to the knowledge exchange within the network. Furthermore, establishment of an in-country network (Forsgren, 2016) that spans social, customer, supply, and institutional relationships facilitates market entry (Ferrucci et al, 2017), enables organisations to overcome liabilities of outsidership (Forsgren, 2016) and generates knowledge that can be relevant for overcoming institutional voids (Kim & Song, 2017). H_5, as part of research question 4, speaks to the perception of respondents about the relationship of business networks and the selected mode of market entry by EMNCs.

In the review of literature relating to Johanson & Vahlne (1977) introduce the importance of market knowledge in selecting a mode of market entry to the extent that the authors propose that when knowledge about a new market is limited, the organisation utilises market entry approaches that require less commitment. It is further suggested that market expansion strategy leverages knowledge & learning garnered through the business network (Johanson & Vahlne, 2009; Bouquet & Birkinshaw, 2011) and specifically with regard information relating to opportunities and threats to the business (Bouquet et al, 2009). Knowledge attained within a business network can be leveraged to enter markets in which the business network already has presence as is the case with

confined local networks; or leverage the network itself to enter new markets which applies in a network with bridging arrangement; or market entry may be achieved through cloning the network by exploiting market specific and general internationalisation knowledge within the network (Ferrucci et al, 2017). H_6, as part of research question 4, addresses the perception of respondents about the relationship between knowledge & learning and the selected mode of market entry by EMNCs.

In terms of the mode of market entry construct, three underlying components were identified through the factor analysis that was conducted on the sample data – market entry strategy, building business networks and overcoming institutional voids. Table 12 provides details of the survey questions that were included in the mode of market entry construct as well as the grouping of these questions into the underlying components.

Due to the underlying components that were evident in the three independent constructs and in the dependent construct, a multiple regression analysis was conducted per hypothesis of research question 4. The underlying components of each construct were treated as independent variables and tested against each component of the dependent variable. The full outcomes of the analysis are described in section 5.6.4.

6.5.1 Hypothesis 4

H_4 was tested using a multiple regression analysis for each underlying component of mode of market entry – Market Entry Strategy, Building Business Networks and Overcoming Institutional Voids. The independent variables were the underlying components of institutional voids – Local Market Skills Gaps, Market Knowledge Improvement, In-country Relationships and Legal & Regulatory Framework.

Institutional voids were found to be a poor predictor of market entry strategy with only Local Market Skills Gaps demonstrating any influence over the variance in the dependent variable. In addition, institutional voids were found to be a poor predictor of building business networks where only In-Country Relationships demonstrating a significant influence on the variance in the dependent variable. Finally, the institutional voids construct was also found to be a poor predictor of the overcoming institutional voids component of mode of market entry with In-country Relationships being the only component that showed influence over the variance in the dependent variable.

Based on these findings, H_4 was rejected as it is evident that institutional voids are not a significant predictor of the variance in mode of market entry. It was thus determined that

institutional voids are not perceived to be an influencing factor for EMNCs in determining their market entry strategies by the respondents. This is not congruent with literature that suggests institutional voids play a role in market entry strategies (Meyer et al, 2009; Brouthers, 2013) but does align with the findings of Ramamurti (2012) which excludes institutional voids from the four factors influencing mode of market entry as described in Figure 2.

6.5.2 Hypothesis 5

H_5 was tested using a multiple regression analysis for each underlying component of mode of market entry – Market Entry Strategy, Building Business Networks and Overcoming Institutional Voids. The independent variables were the underlying components of business networks – Market Opportunity, Local Market Know-how, Legal & Regulatory Assistance and Infrastructure Assistance.

Business networks were found to be a good predictor of market entry strategy with Local Market Know-how and Legal & Regulatory Assistance demonstrating influence over the variance in the dependent variable. In addition, business networks were found to be a good predictor of building business networks where Market Opportunity, Local Market Know-how, and Infrastructure Assistance demonstrate a significant influence on the variance in the dependent variable. Finally, the business networks construct was also found to be a good predictor of the overcoming institutional voids component of mode of market entry with Market Opportunity, Legal & Regulatory Assistance and Infrastructure Assistance showing influence over the variance in the dependent variable.

Based on these findings, H_5 was accepted as it is evident that business networks are a significant predictor of the variance in mode of market entry. It was thus determined that business networks do influence EMNCs mode of market entry according to respondents. This finding is congruent with existing literature (Johanson & Vahlne, 2009; Alcácer et al, 2016; Forsgren, 2016; Ferrucci et al, 2017; Kim & Song, 2017).

6.5.3 Hypothesis 6

H_6 was tested using a multiple regression analysis for each underlying component of mode of market entry – Market Entry Strategy, Building Business Networks and Overcoming Institutional Voids. The independent variables were the underlying components of knowledge & learning – Market Specific Knowledge, General Internationalisation Knowledge, Infrastructure Knowledge and Local Market Skills Knowledge.

Knowledge & learning was found to be a good predictor of market entry strategy with General Internationalisation Knowledge and Local Market Skills Knowledge demonstrating influence over the variance in the dependent variable. In addition, knowledge & learning was found to be a good predictor of building business networks where Market Specific Knowledge, General Internationalisation Knowledge, Infrastructure Knowledge and Local Market Skills Knowledge demonstrate a significant influence on the variance in the dependent variable. Finally, the knowledge & learning construct was found to be a poor predictor of the overcoming institutional voids component of mode of market entry with only Infrastructure Knowledge showing influence over the variance in the dependent variable.

Based on these findings, H_6 was accepted as it is evident that knowledge & learning is a significant predictor of the variance in mode of market entry. Additionally, it was found that knowledge & learning contributes to the mode of market entry selected by EMNCs which aligns with existing literature (Johanson & Vahlne, 2009; Bouquet et al, 2009; Bouquet & Birkinshaw, 2011; Ferrucci et al, 2017).

6.6 Conclusion

This study aimed to answer the overarching research question: How are EMNCs leveraging business networks as a mode of market entry in emerging markets? Four research questions with associated hypotheses were identified in order to answer this research question and the results of the analysis are summarised in Table 100.

Table 100: Summary of research results

Research question	Hypothesis	Result
Research Question 1: Is there a positive relationship between business networks and knowledge & learning?	H_1: A significant relationship exists between business networks and knowledge & learning.	Accepted
Research Question 2: Is there a relationship between business networks and institutional voids?	H_2: A significant relationship exists between business networks and institutional voids.	Failed to reject
Research Question 3: Is there a relationship between knowledge & learning and institutional voids?	H_3: A significant relationship exists between knowledge & learning and institutional voids.	Accepted

Research Question 4: Do business networks, market knowledge and institutional voids (independent variables) have a combined influence on mode of market entry (dependent variable).	H_4: Institutional voids have an effect on mode of market entry	Rejected
	H_5: Business networks have an effect on mode of market entry	Accepted
	H_6: Knowledge & learning has an effect on mode of market entry	Accepted

Based on the results of the statistical analysis, the model proposed by the research study in Figure 8 was revised and the updated model is shown in Figure 9.

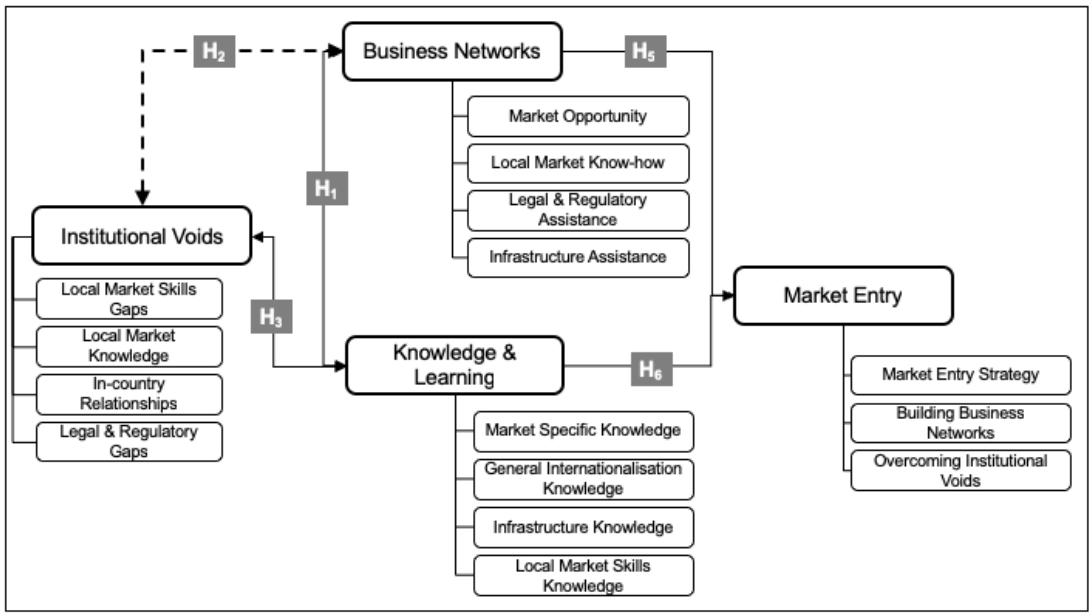

Figure 9: Revised model for choice of mode of market entry

The analysis of sample data in this study has revealed that positive correlations exist between business networks and knowledge and learning which provides valuable insight into the fact that EMNCs should leverage their business networks in order to increase knowledge and engage in continuous learning as they move through the internationalisation process. In addition, the statistical analysis of the sample data showed that there is a correlation between business networks and overcoming institutional voids which suggests that EMNCs have the opportunity to lean on their business networks as they contend with weak and absent institutions in the course of their business operations and as part of market entry in emerging markets. Furthermore, it is clear from the analysis that knowledge & learning correlates with overcoming institutional voids indicating that EMNCs should focus on the development of market

specific and general internationalisation knowledge as part of their market expansion strategy as it will enable them to effectively deal with weak and absent institutions in the new markets that they target.

Figure 9 also provides revised details around research question 4 where it is clear that H_4 has been removed from the model that was original proposed in Figure 8. Here, it was found through the analysis of sample data that institutional voids are not perceived by the respondents to have an influence over the mode of market entry and as such is not a significant contributor to the model. On the other hand, the knowledge & learning and business networks constructs were both found to have significant influence over the mode of market entry according to respondent. However, as noted by the acceptance of H_2 and H_3, it is clear from the analysis that institutional voids correlate with knowledge & learning and with business networks, which implies that while it is not a direct contributor to the model, it does have a role to play in market entry strategies for EMNCs expanding into emerging markets.

Chapter 7: Conclusion

The purpose of this chapter is to reconcile the findings of this study within the context of the research problem, the academic literature and the business context. Chapter 1 described the growth potential that exists in emerging markets and the attractiveness of the opportunity in these markets for EMNCs seeking to internationalise. It was also evident that despite the growth potential, EMNCs have to overcome significant challenges in the form of institutional voids which hamper market entry and business operations. Specifically, this research study focused on voids in the form of weak legal & regulatory frameworks, inadequate infrastructure and local market skills gaps. Chapter 1 also introduced the concept of business networks which facilitate the acquisition of knowledge from a market specific and general internationalisation perspective which facilitates market entry into emerging markets. Business networks have the potential to assist EMNCs with overcoming institutional voids by leveraging relationships which span social, institutional, and business spheres while facilitating continuous learning and knowledge gathering from an academic standpoint.

In terms of the business context, Chapter 1 described the cases of SABMiller, Vodacom and MTN Group provide evidence of real world EMNCs that have expanded into other emerging markets and which offer proof that it is possible to not just overcome emerging market institutional voids, but also derive value from the growth potential these markets possess. However, what was key for this study was understanding how business networks are being leveraged as a mode of market entry by EMNCs entering emerging markets which is not directly evident from these real-world cases.

Chapter 2 provided an academic foundation by detailing the existing literature and theory dealing with the four key constructs – institutional voids, business networks, knowledge & learning and mode of market entry. High level coverage of existing theoretical models such as the Uppsala Model of Internationalisation (Johanson & Vahlne, 1977); the Uppsala Model: The business network internationalisation process model (Johanson & Vahlne, 2009; and the Determinants of EMNE internationalisation (Ramamurti, 2012) was provided. Thereafter, the overarching research question was developed into sub-research questions with associated hypotheses in chapter 3 and the theoretical foundations of each research question was discussed to ensure that the study leveraged what was already known.

The methodology used for this study was detailed in chapter 4 and it is important to note that sample data was collected using an approach that has been used by other similar studies. A

quantitative survey was used to collect data and 154 responses were received with only 107 meeting all qualifying criteria and completing all questions in the survey. A spread of industries were covered in the responses which implies that the results of this study have wider applicability than a single industry. Coverage in terms of organisational seniority was ensured through the qualifying criteria and this indicates that the survey respondents are likely to have exposure to market expansion plans of their organisations and the challenges associated with market entry.

Chapters 5 provided the details of the statistical tests that were performed on the sample data and Chapter 6 discussed the results of the tests as they relate to the foundational literature that was reviewed in Chapter 2. This provides a view on the outcomes of this study and enabled the researcher to draw conclusions about the overarching research question and the proposed model for how EMNCs are leveraging business networks as a mode of market entry into emerging markets. The rest of Chapter 7 will delve into the insights that can be extracted from this study from a business perspective, coverage of the research study's limitations and the suggestions for future research.

7.1 Principal findings

This research study was focused on the role that business networks play as a mode of market entry for EMNCS internationalising into emerging markets. The first key finding emanated from research question 1 which dealt with the relationship between business networks and knowledge and learning that was hypothesised to have a positive relationship. Testing the relationship between these two constructs using both a Pearson's correlation and a Spearman's Rho correlation confirmed the hypothesis as a strong positive correlation was found. This was congruent with literature (Johanson & Vahlne, 1977; Forsgren 2016; Zhao et al, 2014; Alcácer et al; 2016; Ferrucci et al, 2017). and demonstrates that business networks are being used by EMNCs to build knowledge about general internationalisation as well as gathering market specific information.

The second key finding relates to research question 2 which suggested that business networks can be leveraged to overcome institutional voids which are prevalent in emerging markets. The relationship between the constructs was evaluated using a Pearman's correlation and a Spearman's Rho correlation. Both tests resulted in a positive correlation which aligns with the findings in existing literature (Kim & Song, 2017; Doh et al, 2017). This finding is valuable as it indicates that business networks offer EMNCs a means to overcome institutional voids as they enter new emerging markets.

The third key finding is an outcome of the results of testing research question 3 that deals with the relationship between knowledge & learning and EMNCs overcoming institutional voids. This hypothesis was tested using a Pearman's correlation and a Spearman's Rho correlation both of which showed a positive relationship between the two constructs. This result is congruent with existing literature (Kim & Song, 2017; Zhao et al, 2014). Confirmation of the relationship between these constructs provides insight into the role that knowledge & learning plays in EMNCs internationalisation strategies as it enables them to overcome institutional voids in the markets that they enter.

The fourth finding is made by considering the findings of research question 1, 2 and 3 as it provides insight into how EMNCs can leverage their business networks as part of the internationalisation process. It is evident that business networks provide EMNCs with knowledge & learning from at both a general internationalisation and a market specific level, and given that knowledge & learning are foundational for overcoming institutional voids it is clear that EMNCs can harness the power of belonging to a business network to ease the market entry process into emerging markets. Additionally, the business network relationship is found to have a direct bearing on overcoming institutional voids beyond the knowledge & learning that is garnered within the network. This refers to the relationships and access that are gained through business network partners as well as opportunity recognition and creation that comes from belonging to the business network. Thus, it is noteworthy that there are two key value propositions that come from belonging to a business network which have a direct effect on an EMNCs market entry in emerging markets.

Research question 4 provided three hypotheses which dealt with the factors that influence the mode of market entry used by EMNCs when entering emerging markets. Here three potential influencing factors were considered – institutional voids, business networks and knowledge & learning. A multiple regression analysis was performed and based on the results three key findings were made from this research question:

1. It was found that institutional voids do not contribute significantly to the choice of market entry mode which was contradictory to the findings of Meyer et al (2009) and Brouthers (2013) but congruent with the findings of Ramamurti (2012). This finding is noteworthy as it implies that EMNCs represented in this research study are not allowing the institutional voids in their target markets to influence their mode of market entry into those markets.
2. Business networks were found to be a significant contributor to the mode of market entry used by EMNCs when entering new markets which confirms the findings of

Johanson & Vahlne (2009), Alcácer et al (2016), Forsgren (2016) Ferrucci et al (2017) and Kim & Song (2017). It can be inferred from this finding that business networks are being leveraged by EMNCs beyond opportunity recognition and creation in new markets and are in fact playing a role in determining the approach to enter the new market.

3. Knowledge & learning was also found to be a significant contributor to EMNCs mode of market entry for entering emerging markets. This was found to be congruent with existing literature (Johanson & Vahlne, 2009; Bouquet et al, 2009; Bouquet & Birkinshaw, 2011; Ferrucci et al, 2017). This finding demonstrates the role that knowledge & learning play in guiding EMNCs market entry strategies for emerging markets.

Based on the findings from research question 4, a further finding is made in that this research study shows that EMNCs are leveraging their business networks in order to enter new emerging markets and this can be seen from both the perspective of opportunity recognition and creation as documented in literature (Johanson & Vahlne, 2009; Ferrucci et al, 2017; Misati et al, 2017; Tarek et al, 2017); a knowledge & learning perspective (Johanson & Vahlne, 1977; Forsgren 2016; Zhao et al, 2014; Alcácer et al; 2016; Ferrucci et al, 2017); and through the business networks direct influence on the mode of market entry itself as found in this study. Furthermore, this study reveals that business networks and knowledge & learning play a large role in influencing EMNCs with regard to how they enter new emerging markets.

7.2 Implications for management

The findings of this research study offer key insights for EMNCs that are internationalising into new emerging markets. While the absent and weakened institutions are documented both in the popular press and through academic literature, it is clear from this study that EMNCs are not fully factoring the impacts of institutional voids into their market entry strategies. This implies that EMNCs could improve their market entry strategies and business operations in new markets if they were considering ways to overcome institutional voids before they begin their expansion into these markets.

Another implication of this study for business is that the value of knowledge and learning from both a general and market specific perspective should not be underestimated in the emerging market context. Furthermore, the maintenance of organisational knowledge through ongoing learning particularly with regard to the decision-making systems should

be a business imperative as it drives both business operations and market entry in emerging markets. Organisations should draw on their business networks in order to ensure that information is up to date and relevant when dealing with emerging markets because it is well documented that the absent and weakened institutions in these markets add complexity to the rules of the game for operating and entering these markets. As shown in this study, knowledge and business networks can both be leveraged to overcome institutional voids and as such, organisations should invest in maintaining both.

In addition, EMNCs should recognise the important role that business networks play in internationalisation in terms of overcoming institutional voids, developing knowledge and determining market entry strategies in emerging markets. The implication of this is that EMNCs should focus on developing and maintaining cross-border business networks that span different spheres including social, commercial and institutional areas of business operations. This will enable them to leverage knowledge, drive continuous learning, solve institutional problems in emerging markets, improve opportunity recognition, foster opportunity creation and offer a mode of market entry into new markets by harnessing the power within the network.

7.3 Limitations of the research

Although the intended sampling method was to leverage the researcher's professional network on LinkedIn, in order to reach the required sample size in the research time frame the researcher also distributed the survey via WhatsApp, Facebook and email. As shown in Table 15, 40% of respondents to the survey are from the telecommunications industry which is reflective of the researcher's network including the additional contact methods that were used. This implies that the results are potentially biased by telecommunications companies which operate in emerging markets and are prone to facing both legal & regulatory framework issues and infrastructure issues due to the reliance of physical equipment and regulated resources such as network spectrum in this industry.

A potential limitation of using the researcher's professional network is that the country of origin of the EMNCs represented may or may not widely cover all geographies. While the researcher has connections spanning African, Asian and South American EMNCs, no questions about country of origin of the EMNC was included in the questionnaire. Furthermore, the questionnaire did not include questions around target market geographies and as such no inferences can be made regarding the prevalence of

institutional voids or around the growth potential of the target markets through secondary data analysis about those territories.

Another limitation is that only three potential institutional voids were measured – legal & regulatory framework, infrastructure and local market skills. While these three may not have an influence on mode of market entry as per the results described in Chapter 5 and 6, there may be other institutional voids that do contribute significantly to the mode of market entry.

Finally, the research study deliberately limited the number of constructs being analysed in terms of the mode of market entry model being proposed based on the time frame in which the study needed to be completed. However, it is clear based on the outcome of the multiple regression analysis discussed in Chapter 5 and 6 that the independent variables (business networks, knowledge & learning and institutional voids) explain only 60.4% of the variance in mode of market entry. This limitation implies that there is potential for other factors to be included in the model which would explain the rest of the variance in mode of market entry.

7.4 Suggestions for future research

This study focused on three specific types of institutional voids - legal & regulatory framework, infrastructure and local market skills - that were deemed relevant to EMNCs based on the researcher's professional experience in telecommunications operating in emerging markets. However, there are several types of institutional voids that may offer different insights into the research problem, and have the potential to explain some of the variance in the mode of market entry. The expansion of types of institutional voids could offer an interesting future research opportunity.

The results of the multiple regression analysis conducted for research question 4 indicated that only explained 60.4% of what contributes to the mode of market entry has been explained by this research study. As such, further research could be done into other potential contributors to mode of market entry selected by EMNCs for expansion into emerging markets.

This research study did not delve deeply into the role of business networks in opportunity creation and recognition for EMNCs with respect to the markets that they target. While Johanson & Vahlne (2009) suggest that the business networks are integral in this component of internationalisation, there is a further research opportunity to understand

the extent to which EMNCs are leveraging this feature within their business networks and furthermore how the opportunities that are identified benefit business network participants.

Finally, this study referred to the development of knowledge & learning with respect to the EMNC as it internationalises and in particular with respect to the decision-making system which resides in the scope of control of the senior leadership of the organisation. However, knowledge & learning that is garnered within the market after the internationalisation process is developed by in-country resources. The feedback mechanisms from in-country arms of an organisation into head office structures and associated business networks poses interesting research questions with respect to the process of continuous learning and ongoing knowledge creation in the emerging market context.

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APPENDIX 1 Draft Questionnaire

Dear Respondent

I am conducting a research to understand whether business networks offer act as a mode of market entry for emerging market multinationals (EMNCs) in emerging markets. The study will explore institutional voids such as inadequate infrastructure, weak regulatory and legal frameworks, and skills gaps in emerging markets that impact market entry or internationalization. The outcomes from the study will contribute to international business theory in terms of modes of market entry, business network theory, and institutional theory. I also aim to contribute to business with respect to market entry and expansion strategies for EMNCs in emerging markets. To assist me with this, I would like to ask you to complete a survey on a set number of questions. The questionnaire should take no longer than 20 minutes of your time to complete. Your participation is voluntary and you can withdraw at any time without penalty. All the information collected is anonymous and the responses provided cannot be used to identify any participant and all data collected will be kept confidential. By completing the questionnaire, you indicate that you voluntarily participate in this research. Should you have any concerns, please contact myself or my supervisor.

Researcher: Prevanya Moodley - 17367426@mygibs.co.za

Supervisor: Mr Manoj Chiba - chibam@gibs.co.za

Section A (*Qualifying Criteria & Pre-information*)

6. Was the organisation that you are employed by founded in an emerging/developing market?

   ___ Yes ___ No

7. A business network can be defined as clusters of relationships between companies in which the companies engage in business interactions and transactions. Based on this definition, would you say your organisation is part of a business network?

   ___ Yes ___ No

8. Does the organisation that you are employed by have an operating presence or footprint in more than one emerging/developing market?

   ___ Yes ___ No

9. What level in your organization would you describe your current role as?

   ___ Administrative ___ Specialist ___ Junior Management ___ Middle Management ___ Senior Management ___ General Management ___ Executive

10. What industry does your organisation operate in?

    ___ Agriculture ___ Banking/Finance/Insurance ___ Consulting ___ Construction ___ Education ___ Engineering ___ Marketing/Market research ___ Media/Printing/Publishing ___ Medical/Healthcare ___ Professional Services ___ Retail ___ Telecommunications ___ Transportation/Distribution/Logistics ___ Other

Section B (*Institutional Voids*)

11. To what extent has your organisation been affected by infrastructure challenges in emerging markets? (1 = not at all, 7 = significantly)

    ___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

12. To what extent has your organisation been affected by legal and regulatory framework challenges in emerging markets? (1 = not at all, 7 = significantly)

    ___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

13. To what extent has your organisation been affected by local market skills gaps in emerging markets? (1 = not at all, 7 = significantly)

    ___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

14. Infrastructure challenges in a targeted emerging market makes entering the market difficult?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

15. Legal and regulatory framework challenges in a targeted emerging market makes entering the market difficult?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

16. Local market skills gaps in a targeted emerging market makes entering the market difficult?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

17. Infrastructure challenges in a targeted emerging market can be overcome by improving market specific knowledge?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

18. Legal and regulatory framework challenges in a targeted emerging market can be overcome by improving market specific knowledge?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

19. Local market skills gaps in a targeted emerging market can be overcome by improving market specific knowledge?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

20. Infrastructure challenges in a targeted emerging market can be overcome by leveraging in-country relationships?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

21. Legal and regulatory framework challenges in a targeted emerging market can be overcome by leveraging in-country relationships?

    ___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

22. Local market skills gaps in a targeted emerging market can be overcome by leveraging in-country relationships?

    ___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

Section C (*Business Networks*)

A business network can be defined as clusters of relationships in which the companies engage in business interactions and transactions. Business networks in this context span customer networks, supplier networks, institutional networks, and social networks.

23. To what extent has your organisation's participation in a business network assisted your organisation with overcoming infrastructure related challenges in emerging markets? (1 = not at all, 7 = significantly)

    ___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

24. How would you rate the usefulness of business networks in overcoming infrastructure challenges in markets that your business enters? (1 = very poor, 7 = excellent)

    ___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

25. To what extent has your organisation's participation in a business network assisted your organisation with overcoming legal and regulatory related challenges in emerging markets? (1 = not at all, 7 = significantly)

    ___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

26. How would you rate the usefulness of business networks in overcoming legal & regulatory challenges in markets that your business enters? (1 = very poor, 7 = excellent)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

27. To what extent has your organisation's participation in a business network assisted your organisation with overcoming local market skills gaps in emerging markets? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

28. How would you rate the usefulness of business networks in overcoming local market labour force skills gaps in markets that your business enters? (1 = very poor, 7 = excellent)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

29. To what extent has your organisation's business network contributed to your organisation's choice of emerging markets to enter? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

30. Has your organisation entered an emerging market at the request of another organisation from within your business network?

___ Yes ___ No

31. To what extent has your organisation's participation in a business network contributed to your organisation's recognition of opportunities in emerging markets? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

32. To what extent has your organisation's participation in a business network contributed to your organisation's creation of opportunities in emerging markets? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

33. To what extent has your organisation's participation in a business network contributed to your organisation's development of market knowledge? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

34. To what extent does your organisation rely on the business network for market knowledge about emerging markets that are targeted for market entry? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

35. To what extent do other organisations in your business network rely on your organisation for market knowledge about emerging markets that are targeted for market entry? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

Section D (*Knowledge & Learning*)

36. To what extent has your organisation gained general internationalisation knowledge from your business network? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

37. Has your organisation's participation in a business network accelerated your organisation's acquisition of general internationalisation knowledge?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

38. To what extent has your organisation gained market specific knowledge from your business network? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

39. Has your organisation's participation in a business network accelerated your organisation's acquisition of market specific knowledge?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

40. To what extent has your organisation gained knowledge for overcoming infrastructure related challenges in emerging markets from your business network? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

41. Has your organisation's participation in a business network accelerated your organisation's ability to overcome infrastructure related challenges in emerging markets?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

42. To what extent has your organisation gained knowledge for overcoming legal and regulatory framework challenges in emerging markets from your business network? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

43. Has your organisation's participation in a business network accelerated your organisation's ability to overcome legal and regulatory framework challenges in emerging markets?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

44. To what extent has your organisation gained knowledge for overcoming local market skills gaps in emerging markets from your business network? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

45. Has your organisation's participation in a business network accelerated your organisation's ability to overcome local market skills gaps in emerging markets?

___ 1 - Strongly disagree ___ 2 - Disagree ___ 3 - Neutral ___ 4 - Agree ___ 5 – Strongly agree

Section E (*Market Entry*)

46. Which mode of market entry has been used most frequently by your organisation when entering emerging markets?

___ 1 – Start-up ___ 2 - Acquisition ___ 3 – Joint venture ___ 4 - Exporting ___ 5 – Contractual agreement ___ 6 – Part of a business network

47. To what extent does your organisation focus on developing in-country business networks before entering an emerging market? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

48. To what extent does your organisation select emerging markets to enter based on the similarity of the target market to markets in which you already operate? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

49. To what extent does your organisation focus on developing market specific knowledge before entering an emerging market? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

50. How much do infrastructure challenges impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

51. How much do legal and regulatory challenges impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

52. How much do local market labour force skills gaps impact your company's choice of market entry strategy in emerging markets? (1 = low impact, 7 = high impact)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

53. To what extent does participation in a business network aid your organisation in overcoming infrastructure challenges when entering an emerging market? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

54. To what extent does participation in a business network aid your organisation in overcoming legal and regulatory framework challenges when entering an emerging market? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

55. To what extent does participation in a business network aid your organisation in overcoming local market skills gaps when entering an emerging market? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

56. How would you rate the overall usefulness of business networks when entering an emerging market? (1 = not at all, 7 = significantly)

___ 1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7

APPENDIX 2 Ethical Clearance Approval

Gordon Institute of Business Science
University of Pretoria

07 August 2018

Moodley Prevanya

Dear Prevanya

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee

APPENDIX 3 Consistency Matrix

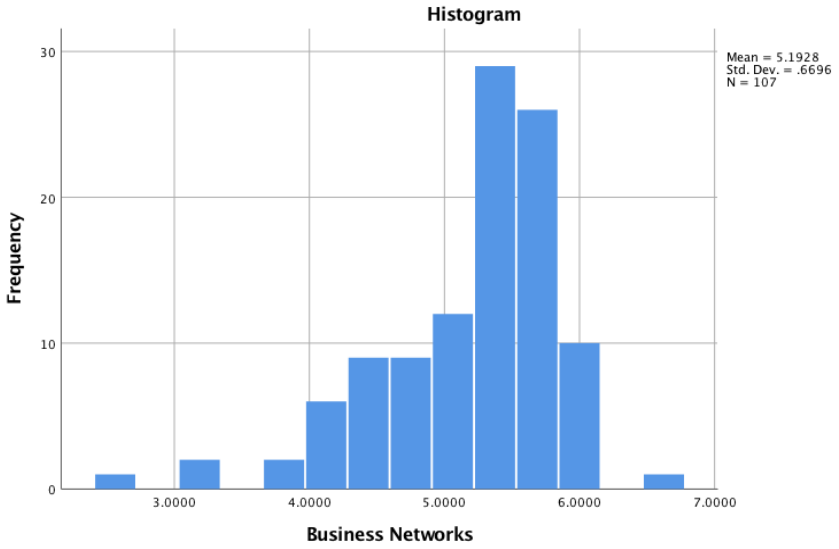
TITLE: Business networks as a mode of market entry into emerging markets.

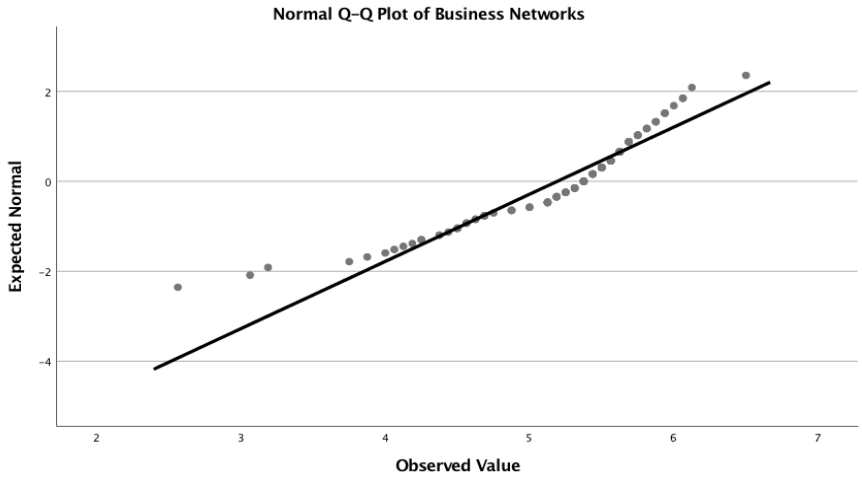
RESEARCH QUESTIONS	LITERATURE REVIEW	DATA COLLECTION TOOL	ANALYSIS
Research Question 1: Knowledge & learning is positively influenced by EMNCs belonging to a business network.	Johanson & Vahlne (1977); Johanson & Vahlne (2009); Forsgren (2016); Zhao et al (2014); Alcácer et al (2016); Ferrucci et al (2017)	Online survey • Business Networks: Q18, Q19, Q20, Q21, Q22, Q23, Q24, Q26, Q27, Q28, Q29, Q30 • Knowledge & Learning: Q31, Q32, Q33, Q34, Q35, Q36, Q37, Q38, Q39, Q40	Descriptive statistics Pearson's Correlation (If sample data is not normally distributed, Spearman's Rho will also be performed.)
Research Question 2: Overcoming institutional voids is positively influenced by EMNCs belonging to a business network.	Johanson & Vahlne (1977); Johanson & Vahlne (2009); Forsgren (2016); Ferrucci et al (2017); Parmigiani & Rivera-Santos (2015); Khanna & Palepu (1997); Madhok & Keyhani (2012); Kostova & Hult (2016); Puffer et al (2010); Stephan et al (2015); Kim & Song (2017); Doh et al (2017)	Online survey • Business Networks: Q18, Q19, Q20, Q21, Q22, Q23, Q24, Q26, Q27, Q28, Q29, Q30 • Institutional Voids: Q6, Q7, Q8, Q9, Q10, Q11, Q12, Q13, Q14, Q15, Q16, Q17	Descriptive statistics Pearson's Correlation (If sample data is not normally distributed, Spearman's Rho will also be performed.)

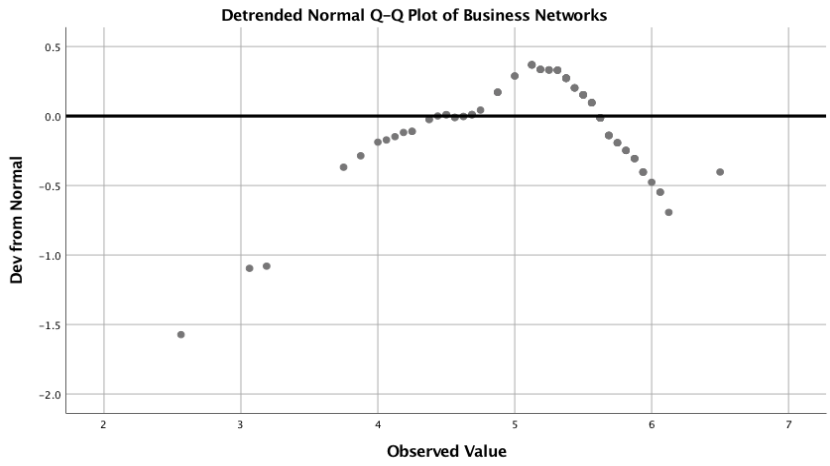
Research Question 3: Knowledge & learning positively influence and EMNCs ability to overcome institutional voids.	Johanson & Vahlne (1977); Johanson & Vahlne (2009); Ferrucci et al (2017); Parmigiani & Rivera-Santos (2015); Khanna & Palepu (1997); Madhok & Keyhani (2012); Kostova & Hult (2016); Puffer et al (2010); Stephan et al (2015); Kim & Song (2017);	<u>Online survey</u> • Knowledge & Learning: Q31, Q32, Q33, Q34, Q35, Q36, Q37, Q38, Q39, Q40 • Institutional Voids: Q6, Q7, Q8, Q9, Q10, Q11, Q12, Q13, Q14, Q15, Q16, Q17	Descriptive statistics Pearson's Correlation (If sample data is not normally distributed, Spearman's Rho will also be performed.)
Research Question 4: Business networks, knowledge & learning, and institutional voids predict the mode of market entry used by EMNCs when expanding into emerging markets.	Johanson & Vahlne (1977); Johanson & Vahlne (2009); Forsgren (2016); Ferrucci et al (2017); Parmigiani & Rivera-Santos (2015); Khanna & Palepu (1997); Kim & Song (2017); Ramamurti (2012)	• Business Networks: Q18, Q19, Q20, Q21, Q22, Q23, Q24, Q26, Q27, Q28, Q29, Q30 • Knowledge & Learning: Q31, Q32, Q33, Q34, Q35, Q36, Q37, Q38, Q39, Q40 • Institutional Voids: Q6, Q7, Q8, Q9, Q10, Q11, Q12, Q13, Q14, Q15, Q16, Q17 • Mode of Market Entry: Q42, Q43, Q44, Q45, Q46, Q47, Q48, Q49, Q50, Q51	Descriptive statistics Multiple regression analysis

APPENDIX 4 Tests for Normality

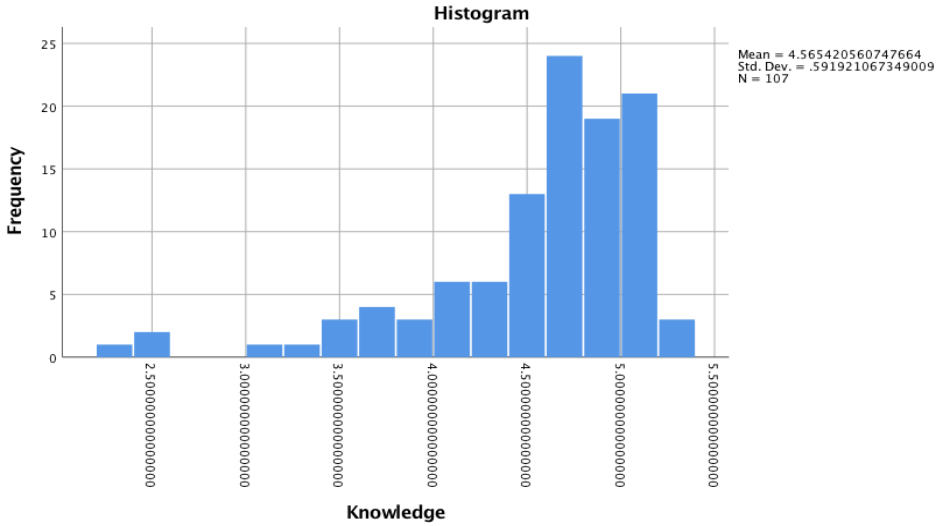
Construct 1: Business Networks

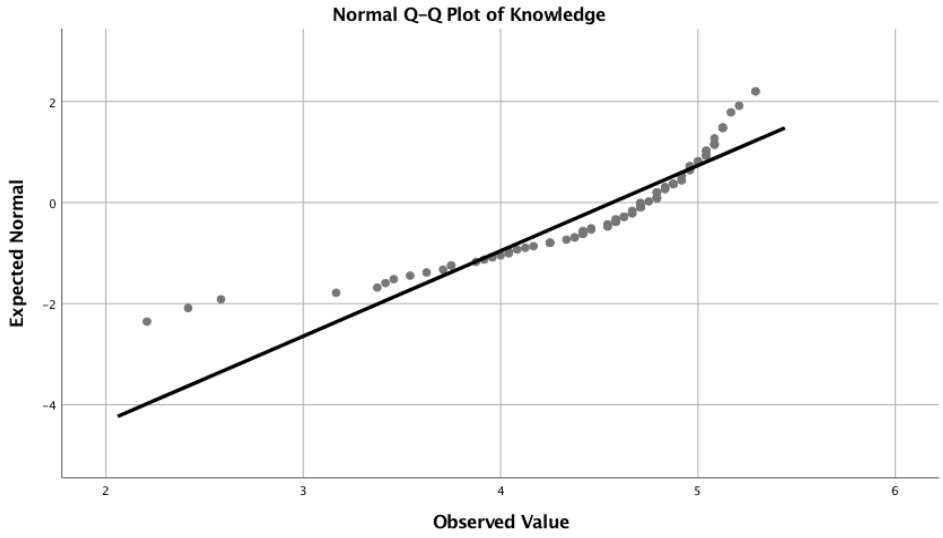


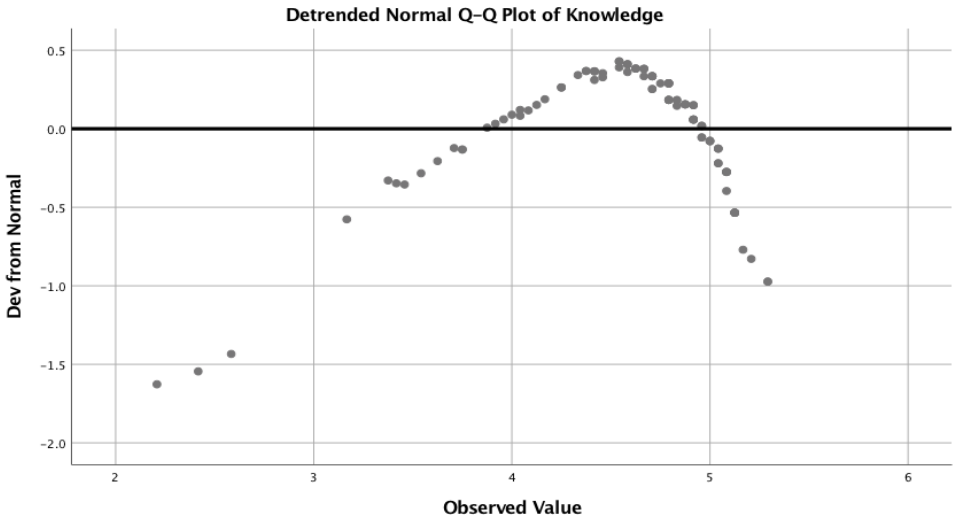




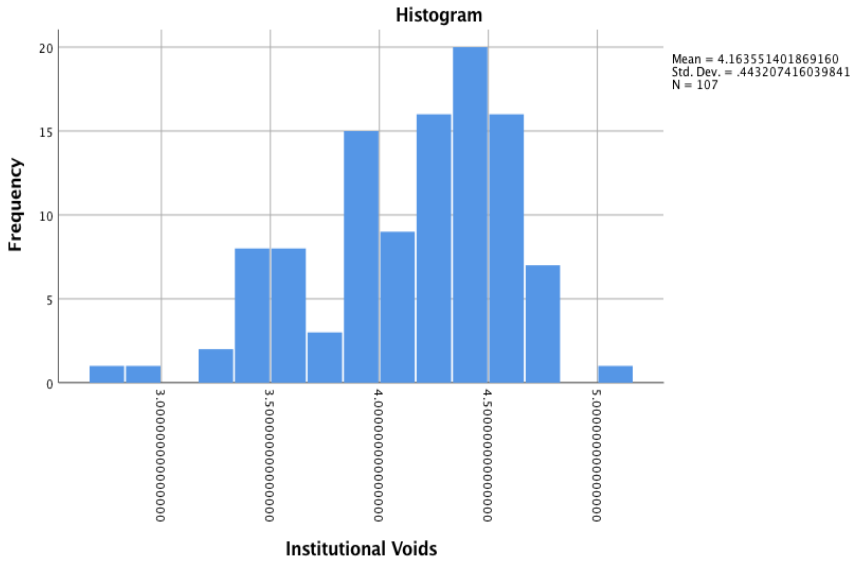
Construct 2: Knowledge & Learning

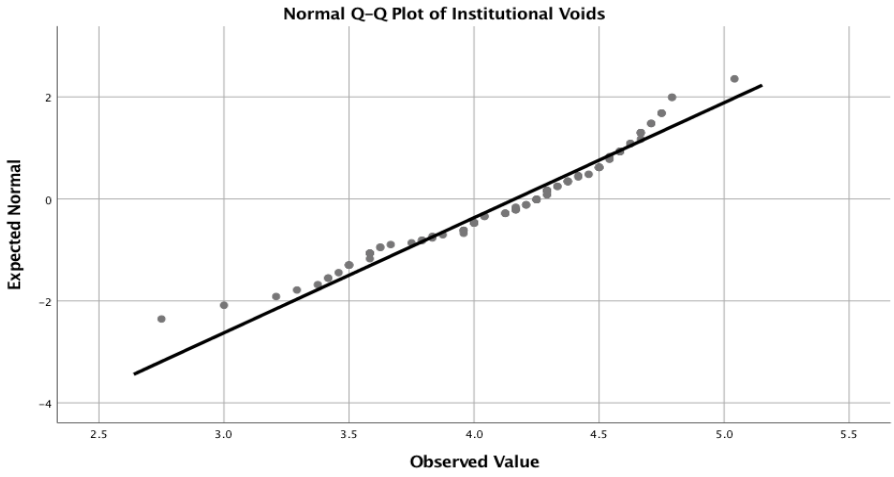


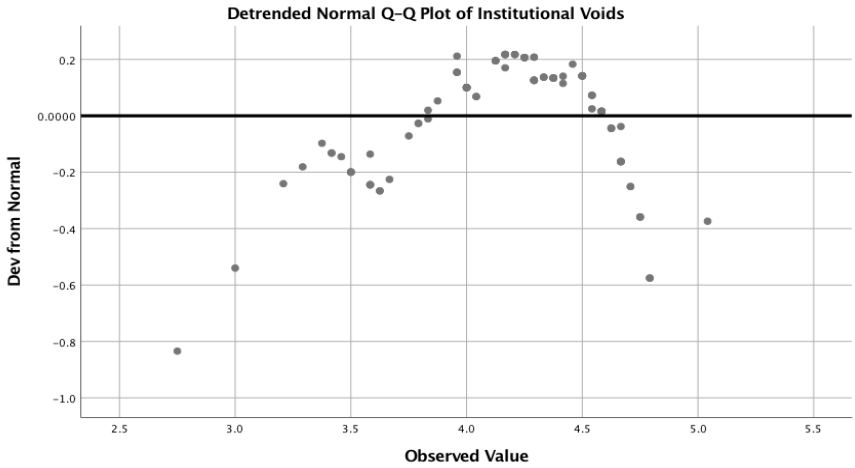




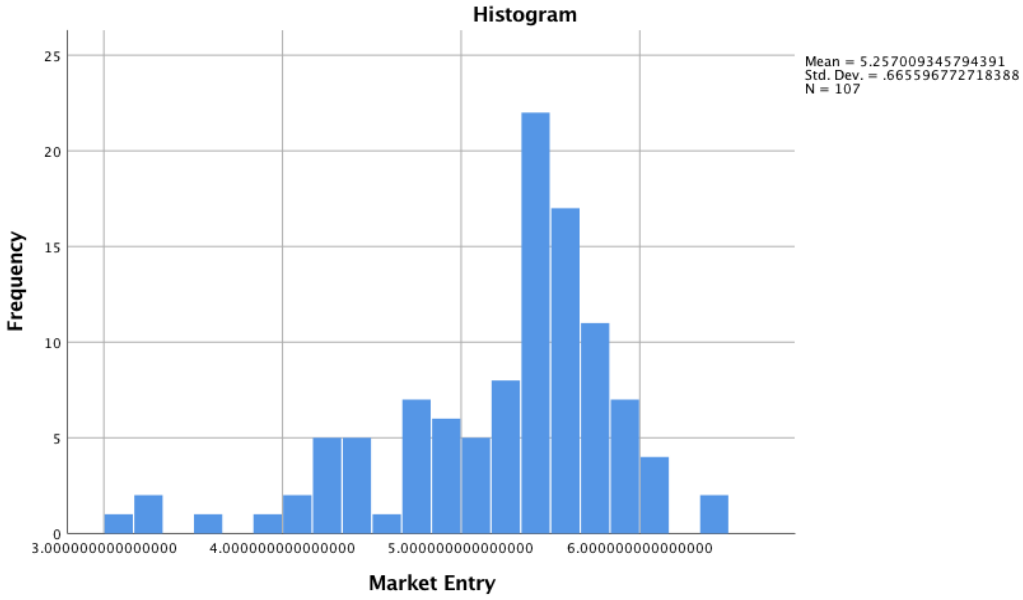
Construct 3: Institutional Voids

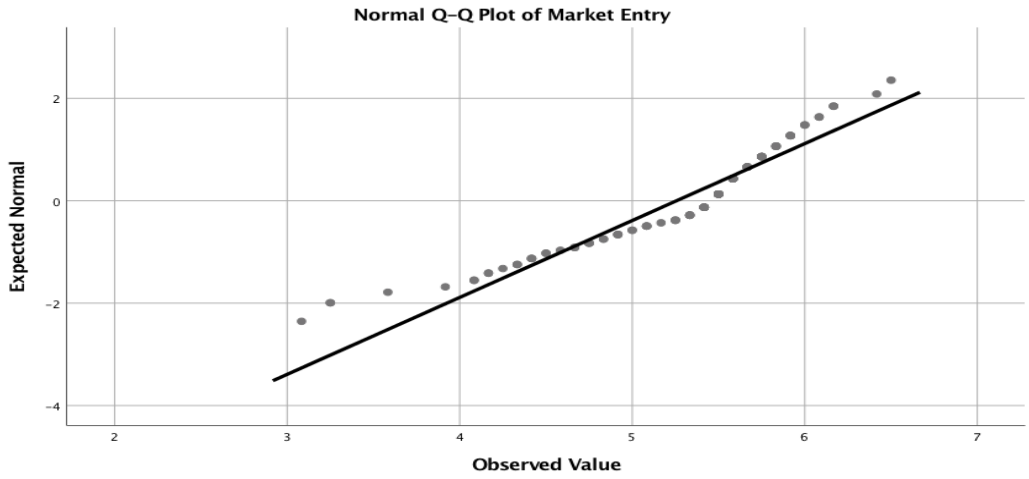


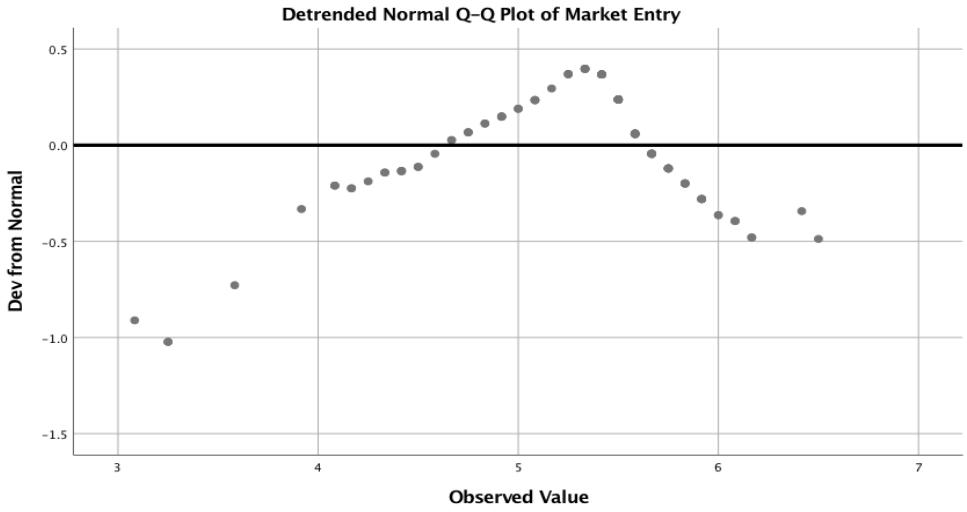




Construct 4: Mode of Market Entry






Detrended Normal Q–Q Plot of Market Entry
Dev from Normal
0.5
0.0
−0.5
−1.0
−1.5
3
4
5
6
7
Observed Value